

ALFALAH

Investments

ANNUAL REPORT

**JUNE 30,
2021**

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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 trusts services, family estate planning etc for all Pakistani clients whether based in Pakistan or abroad".

DIRECTORS' REPORT TO THE UNIT HOLDERS FOR THE YEAR ENDED JUNE 30, 2021

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Income Multiplier Fund (AGIMF), Alfalah GHP Cash Fund (AGCF), Alfalah GHP Islamic Stock Fund (AGISTF), Alfalah GHP Alpha Fund (AGAF), Alfalah GHP Value Fund (AGVF), Alfalah GHP Sovereign Fund (AGSOF), Alfalah GHP Income Fund (AGIF), Alfalah GHP Stock Fund (AGSTF), Alfalah GHP Money Market Fund (AGMMF), Alfalah GHP Islamic Income Fund (AGIIF), Alfalah GHP Prosperity Planning Fund (AGPPF), Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF), Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF), Alfalah GHP Islamic Value Fund (AGIVF), Alfalah Islamic Rozana Amdani Fund (AIRAF) for the year ended June 30, 2021.

Economy Overview

Domestic economy witnessed stark recovery in the current fiscal year as Government's shift to a "smart lockdown", introduced to strike a balance between lives and likelihood, helped curb the spread of virus in hotspot areas and simultaneously allowed businesses to operate after taking all necessary precautions, to keep wheels of economy moving. The increase in economic activity was witnessed across all sectors. The provisional GDP growth number of 3.94% announced by the Government for FY21 has surpassed everyone's expectations and the Government's original target of 2.1%. This feat was achieved due to multiple incentives being provided by the Government and State Bank of Pakistan (SBP) like sizable reduction in policy rate from 13.25% to 7%, subsidized financing under Naya Pakistan Housing scheme and mandatory limit of 5% being assigned to Banks for lending to the construction sector thus creating demand for all the industries linked with construction and industries reliant on interest rates like Autos and Appliances.

The external sector's performance remained respectable, as Exports and Imports (goods and services) posted growth of 13% and 18% respectively, depicting a strong V-shaped recovery in economic activity. Trade deficit for the year stood at USD 30bn compared to last year's USD 24.4bn, however, it was financed by outpouring remittances which increased by USD 6.2bn compared to last year (up 27%) and averaged at a monthly level of USD 2.45bn. This increase is attributable to orderly exchange rate conditions, switch to formal banking channels and favorable actions taken by SBP and the Government including the launch of Roshan Digital Account.

Massive improvement in remittances, issuance of fresh Euro bonds and support from international agencies have resulted in substantial expansion in total FX reserves closing the year at almost USD 24.4bn, increasing by 29% since end of last year. This enabled PKR to remain strong against the greenback for bulk of the year as PKR/USD parity stood at 157.54 at June 21 compared to 168.05 in June 20 (notable appreciation of 6.7%). However, huge trade deficit for the month of June and July 2021 resulted in adjustment in the exchange rate and as we speak PKR/USD parity stands at 164, reflecting market expectations of higher CAD in FY22.

Average inflation for FY21 stood at 8.9%. Abnormally high food prices, partial adjustments in electricity tariffs and rising energy prices in the latter part of the year including oil contributed to higher inflation. Moving ahead, increase in international oil prices, surge in overall aggregate demand and any hike in power and gas tariffs are key risks to the Government's target inflation of 8.2% in the next year.

The policy rate currently stands at 7% compared to pre-Covid level of 13.25%, as SBP reduced interest rates in a bid to spur economy in order to fight the detrimental impact of Covid-19. The real interest rates have been in the negative territory for the last year. As highlighted above, if inflation persists at higher end, then interest rates might increase, however, as indicated in last monetary policy statement, a gradual adjustment will be made in order to achieve the mildly positive real rate once the economy returns to operate at its full capacity.

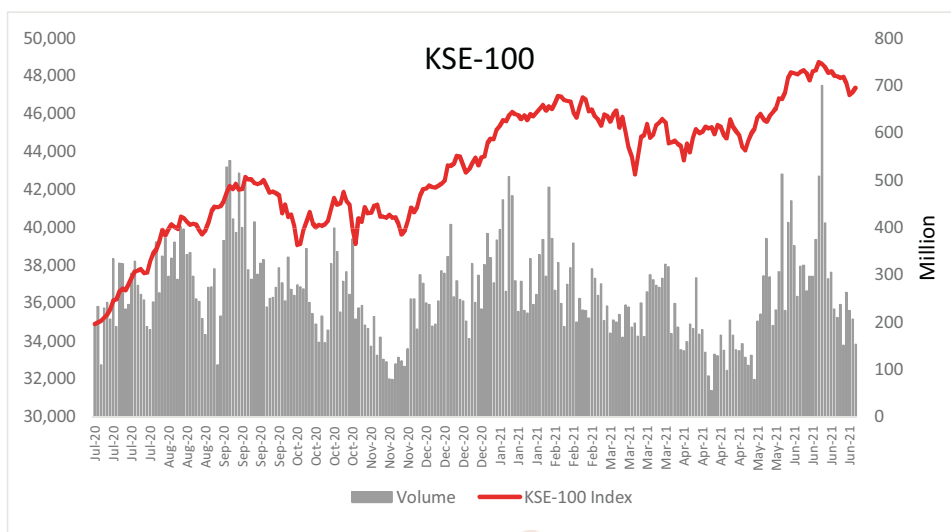
Equity Market Review

During FY21, the benchmark index posted a mammoth return of 37.6% (highest in last seven years) on account of strong rebound in economy. During the year, the index peaked at 48,726 level in mid Jun'21 but in latter part of the month profit taking was witnessed due to which the index closed at 47,356 points. Average trading volume of all-share index also improved by 165%YoY to 519.6 million shares. Market capitalization of Technology, Refineries and Engineering sectors escalated by 182%, 172% and 136% respectively compared to last year close.

Multiple positives staged the comeback of local bourse from close of last year which included; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) decline in local Covid-19 cases.

The gradual reopening of economy post 1st wave of COVID-19 reflected in large scale manufacturing which grew by 14.57%YoY during 11MFY21. The healthy signs were evident in demand side indicators as sales continue to grow for cement, automobile and petroleum product's sales. As a result, corporate earnings registered robust growth in FY21.

Going forward, ever improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.

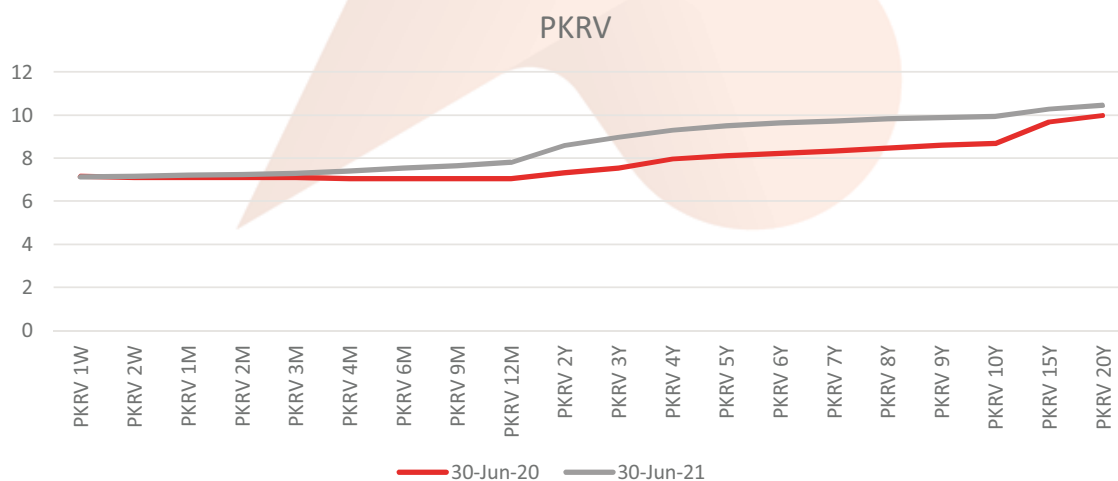


Money Market

Pakistan's GDP posted a growth of 3.94% during FY21 against negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter of FY20 and hampered the economic activities in the country. In order to provide liquidity & support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the outgoing fiscal year.

Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the same period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

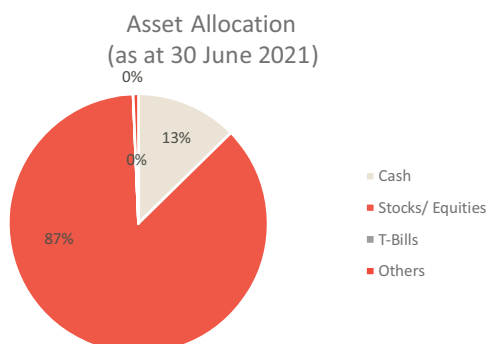
The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



Fund Operations and Performance

Alfalsh GHP Alpha Fund

During FY21, AGAF earned a return of 39.27% versus the benchmark (KSE-100) return of 37.58% during the same period.



Key Financial Data

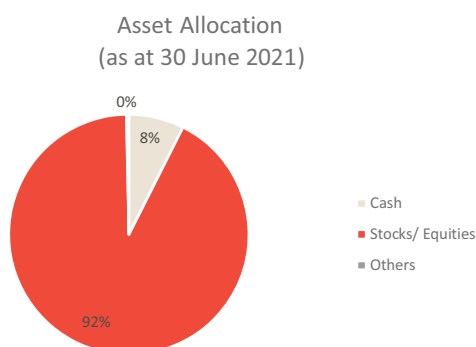
(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 1016.3470 | 961.599 |
| Gross (loss) / income | 352.72 | -7.16 |
| Total Comprehensive Loss | 301.87 | -46.00 |
| Net Assets Value per Unit (PKR) | 59.84 | 53.55 |
| Issuance of units during the period | 1,287.45 | 665.31 |
| Redemption of units during the period | -1,278.91 | -773.27 |

Alfalsh GHP Islamic Stock Fund

In FY21, AGISTF earned a return of 36.75% while its benchmark earned a return of 39.32% during the same period.

The fund also paid a dividend of PKR9.5717/unit.



Key Financial Data

(Rupees in Million)

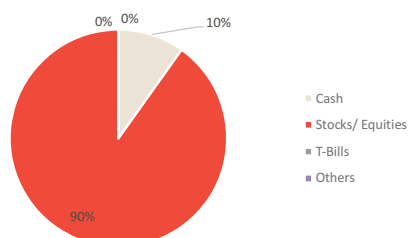
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 2,297.8734 | 2,062.196 |
| Gross (loss) / income | 841.49 | -18.94 |
| Total Comprehensive Loss | 719.13 | -103.13 |
| Net Assets Value per Unit (PKR) | 45.3768 | 40.0924 |
| Issuance of units during the period | 3,609.61 | 2,608.44 |
| Redemption of units during the period | -3,494.08 | -2,667.96 |

Alfalah GHP Stock Fund

During FY21, AGSF earned a return of 38.89% versus the benchmark (KSE-100) return 37.58% during the same period.

The fund also paid a dividend of PKR18.6001/unit.

Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 1,841.8518 | 1,418.716 |
| Gross (loss) / income | 623.63 | -94.23 |
| Total Comprehensive Loss | 531.82 | -149.72 |
| Net Assets Value per Unit (PKR) | 113.0227 | 94.6522 |
| Issuance of units during the period | 2,973.77 | 1,667.49 |
| Redemption of units during the period | -2,319.26 | -1,726.46 |

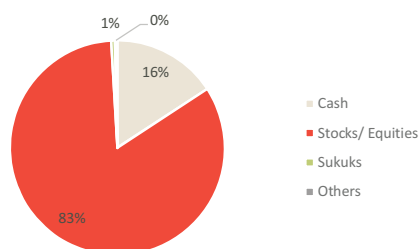
Alfalah GHP Value Fund

During FY21, AGVF underperformed its benchmark with a return of 28.45% versus the benchmark return of 29.21% during the same period

Payout

During the year, the fund paid out cash dividend of PKR7.7144 Per unit to the unit holders.

Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

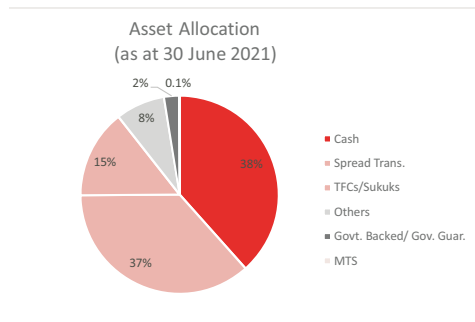
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 787.3721 | 1,028.571 |
| Gross (loss) / income | 247.06 | 55.48 |
| Total Comprehensive Loss | 207.63 | 18.14 |
| Net Assets Value per Unit (PKR) | 56.5443 | 49.9683 |
| Issuance of units during the period | 106.23 | 108.22 |
| Redemption of units during the period | -468.16 | -552.93 |

Alfalah GHP Income Fund

During the year under review, AGIF earned a return of 6.96% while the fund's benchmark stood at 7.43%.

Payout

During the year, the fund paid out cash dividend of PKR7.2642 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

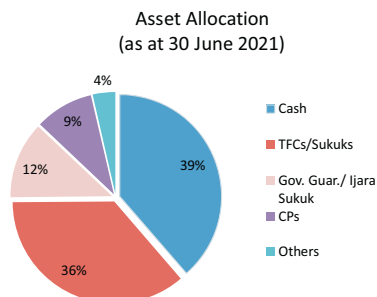
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 1,335.1209 | 434.753 |
| Gross (loss) / income | 113.52 | 65.26 |
| Total Comprehensive Loss | 90.60 | 55.77 |
| Net Assets Value per Unit (PKR) | 113.2834 | 112.7162 |
| Issuance of units during the period | 4,789.11 | 1764.24 |
| Redemption of units during the period | -4,170.17 | -751.99 |

Alfalah GHP Income Multiplier Fund

During the year, Alfalah GHP Income Multiplier Fund's NAV declined by 0.31% while the benchmark's return stood at 7.73%.

Payout

During the year, the fund paid no cash dividend to the unit holders.



Key Financial Data

(Rupees in Million)

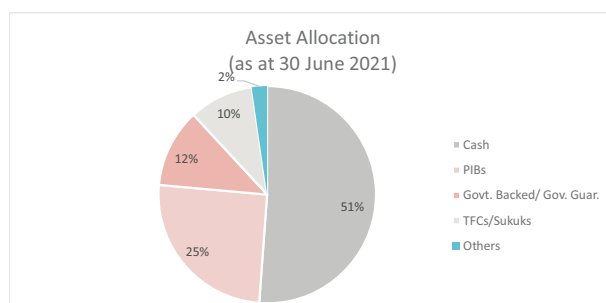
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 232.8614 | 294.927 |
| Gross (loss) / income | 19.63 | 50.00 |
| Total Comprehensive Loss | -0.03 | 41.88 |
| Net Assets Value per Unit (PKR) | 53.0835 | 53.2461 |
| Issuance of units during the period | 201.69 | 229.43 |
| Redemption of units during the period | -238.25 | -389.28 |

Alfalah GHP Sovereign Fund

During FY21, Alfalah GHP Sovereign Fund generated a return of 6.33% while the fund's benchmark returned 7.28% during the same period.

Payout

During the year, the fund paid out cash dividend of PKR 6.6680 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

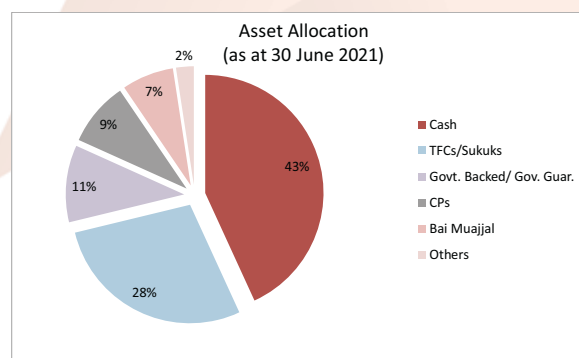
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 1,431.7538 | 938.561 |
| Gross (loss) / income | 112.53 | 163.46 |
| Total Comprehensive Loss | 87.64 | 141.80 |
| Net Assets Value per Unit (PKR) | 106.7465 | 106.6712 |
| Issuance of units during the period | 2,312.99 | 4,232.62 |
| Redemption of units during the period | -2,644.86 | -3,690.87 |

Alfalah GHP Islamic Income Fund

Alfalah GHP Islamic Income Fund generated a return of 6.40% during the period under review while the benchmark return was 3.55%.

Payout

During the year, the fund paid out cash dividend of PKR 6.2236 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

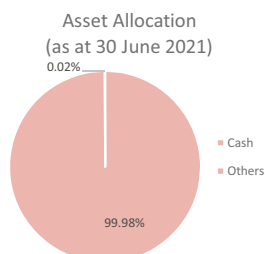
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 7,628.6863 | 5707.148 |
| Gross (loss) / income | 577.23 | 703.87 |
| Total Comprehensive Loss | 474.30 | 596.49 |
| Net Assets Value per Unit (PKR) | 102.1553 | 102.0298 |
| Issuance of units during the period | 32,205.55 | 26,611.89 |
| Redemption of units during the period | -35,890.98 | -21,464.84 |

Alfalah GHP Cash Fund

During FY21, Alfalah GHP Cash Fund (AGCF) generated a return of 7.01% while the benchmark of the fund generated 6.71% during the same period.

Payout

At the year end, the fund paid out cash dividend of PKR 34.1728 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

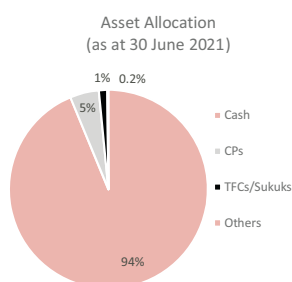
| Description | For the year ended June 30 ,2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 5,343.2849 | 5,466.275 |
| Gross (loss) / income | 392.29 | 689.40 |
| Total Comprehensive Loss | 365.55 | 656.33 |
| Net Assets Value per Unit (PKR) | 500.1818 | 499.9776 |
| Issuance of units during the period | 17,540.05 | 7,620.07 |
| Redemption of units during the period | -18,600.56 | -1,950.76 |

Alfalah GHP Money Market Fund

During FY21, Alfalah GHP Money Market Fund (AGMMF) generated a return of 6.86% while the benchmark of the fund generated 6.71%.

Payout

During the year, the fund paid out cash dividend of PKR 6.9639 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30 ,2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 20,061.3030 | 19,160.135 |
| Gross (loss) / income | 1,480.29 | 2,514.54 |
| Total Comprehensive Loss | 1,330.49 | 2,310.85 |
| Net Assets Value per Unit (PKR) | 98.2385 | 98.1382 |
| Issuance of units during the period | 54,783.63 | 38,402.39 |
| Redemption of units during the period | -43,379.36 | -40,985.38 |

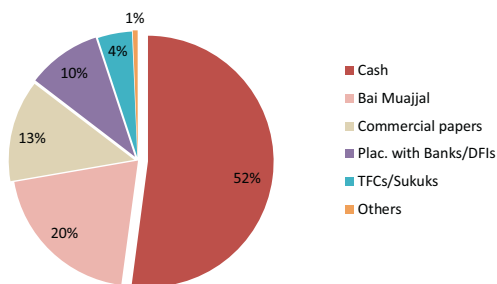
Alfalsh Islamic Rozana Amdani Fund

The fund's return stood at 6.58% against the benchmark return of 3.34%.

Payout

During the year, the fund paid out cash dividend of PKR 5.0138 per unit to the unit holders

Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 4,017.6583 | NA |
| Gross (loss) / income | 220.78 | NA |
| Total Comprehensive Loss | 202.91 | NA |
| Net Assets Value per Unit (PKR) | 100.0000 | NA |
| Issuance of units during the period | 8,458.05 | NA |
| Redemption of units during the period | -3,350.71 | NA |

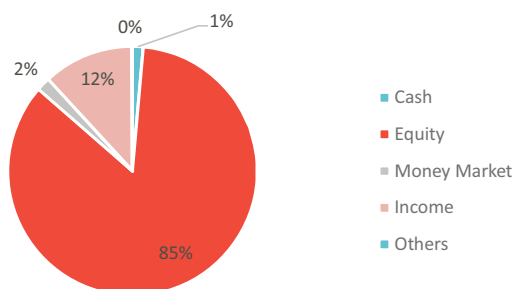
Alfalsh GHP Prosperity Planning Fund- Active Allocation Plan

The fund's return stood at 27.74% against the benchmark return of 29.73%.

Payout

During the year, the fund paid out cash dividend of PKR 25.5144 per unit to the unit holders

Asset Allocation - Active
(as at June 30, 2021)

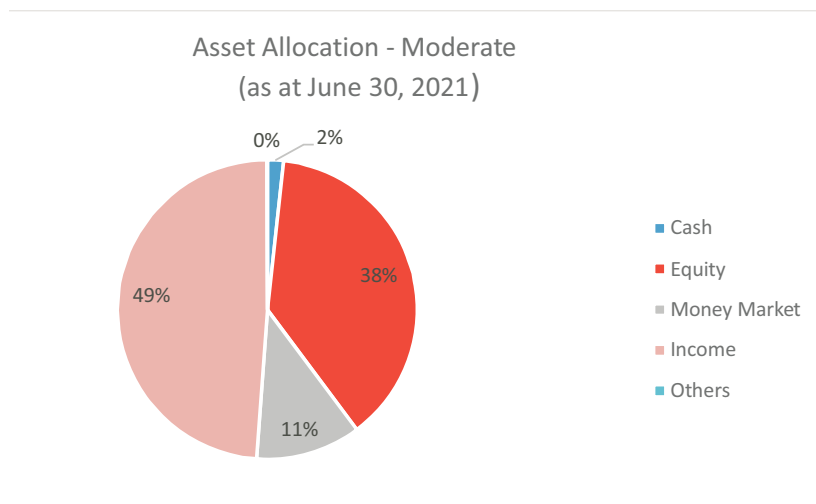


Alfaluh GHP Prosperity Planning Fund- Moderate Plan

The fund's return stood at of 13.42% against the benchmark return of 17.48%.

Payout

During the year, the fund paid out cash dividend of PKR 13.6649 per unit to the unit holders

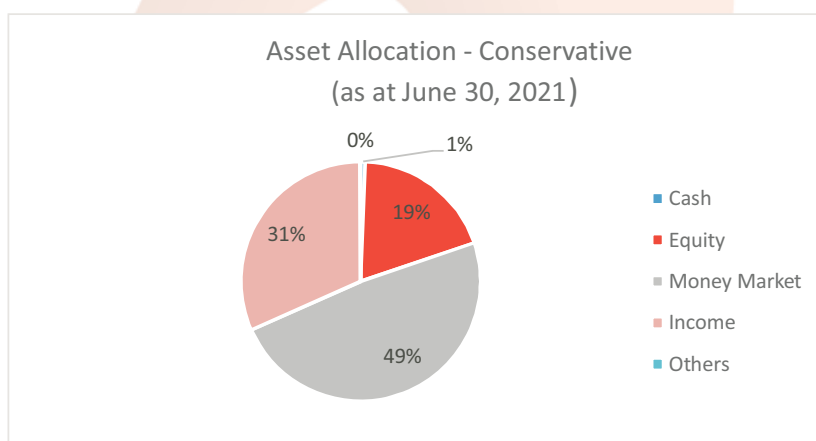


Alfaluh GHP Prosperity Planning Fund- Conservative Plan

The fund generated a return of 9.71% against the benchmark which generated 12.01%.

Payout

During the year, the fund paid out cash dividend of PKR.9.1594 per unit to the unit holders.



Key Financial Data *Alfalah GHP Prosperity Planning Fund*

(Rupees in Million)

| Description | Alfalah GHP Active Allocation Plan | Alfalah GHP Conservative Allocation Plan | Alfalah GHP Moderate Allocation Plan | Alfalah GHP Active Allocation Plan | Alfalah GHP Conservative Allocation Plan | Alfalah GHP Moderate Allocation Plan |
|-------------------------------------|------------------------------------|--|--------------------------------------|------------------------------------|--|--------------------------------------|
| | For the year ended June 30, 2021 | | | For the year ended June 30, 2020 | | |
| Average Net Assets | 167.965 | 191.626 | 194.392 | 151.726 | 181.622 | 230.629 |
| Gross (loss) / income | 40.12 | 18.56 | 26.45 | 0.60 | 17.86 | 20.48 |
| Total Comprehensive (loss) / Income | 38.86 | 17.49 | 25.31 | 0.13 | 16.39 | 19.27 |
| Net Assets Value per Unit (PKR) | 100.0148 | 103.6812 | 97.9772 | 98.0903 | 102.8413 | 98.3850 |
| Issuance of units during the year | 36.57 | 14.30 | 49.26 | 0.14 | 11.84 | 12.41 |
| Redemption of units during the year | -38.86 | -17.49 | -25.31 | -17.89 | -9.10 | -74.41 |

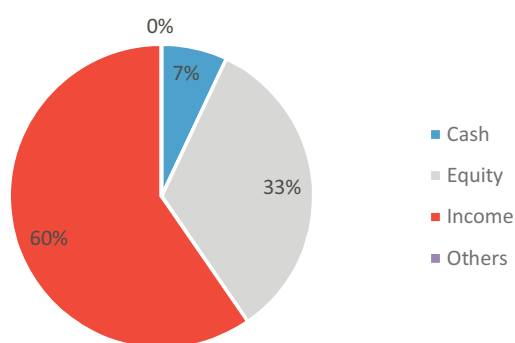
Alfalah GHP Islamic Prosperity Planning Fund- Moderate Allocation Plan

The fund generated a return of 17.00% against the benchmark which generated 16.50%.

Payout

During the year, the fund paid out cash dividend of PKR 12.0278 per unit to the unit holders.

Asset Allocation
(as at June 30, 2021)

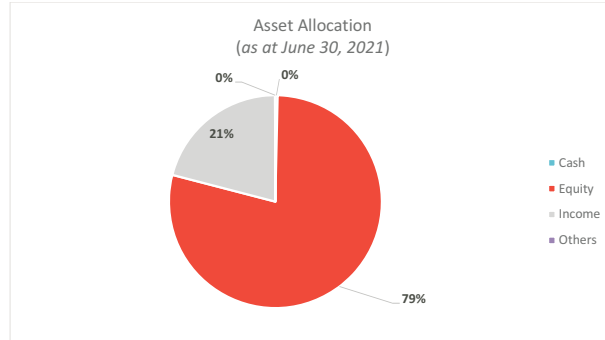


Alfalah GHP Islamic Prosperity Planning Fund- Active Allocation Plan II

The fund generated a return of 24.5% against the benchmark which generated 25.83%.

Payout

During the year, the fund paid out cash dividend of PKR 15.0438 per unit to the unit holders.

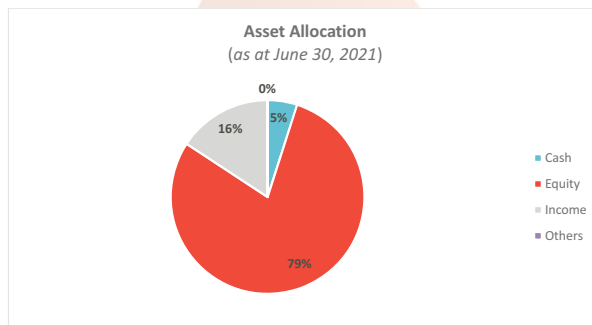


Alfalah GHP Islamic Prosperity Planning Fund - Active Allocation Plan III

The fund generated a return of 23.91% against the benchmark which generated 25.3%.

Payout

During the year, the fund paid out cash dividend of PKR 13.2285 per unit to the unit holders.

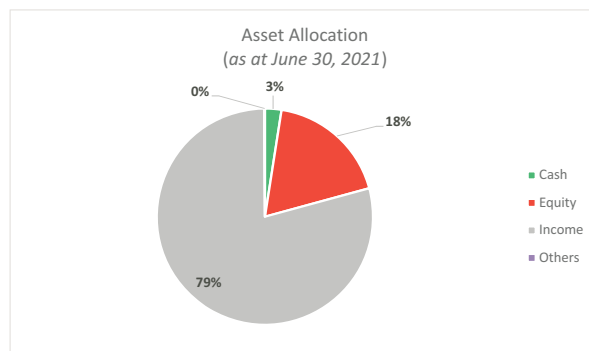


Alfalah GHP Islamic Prosperity Planning Fund - Balance Allocation Plan

The fund generated a return of 10.06% against the benchmark which generated 8.564%.

Payout

During the year, the fund paid out cash dividend of PKR. 9.1196 per unit to the unit holders.

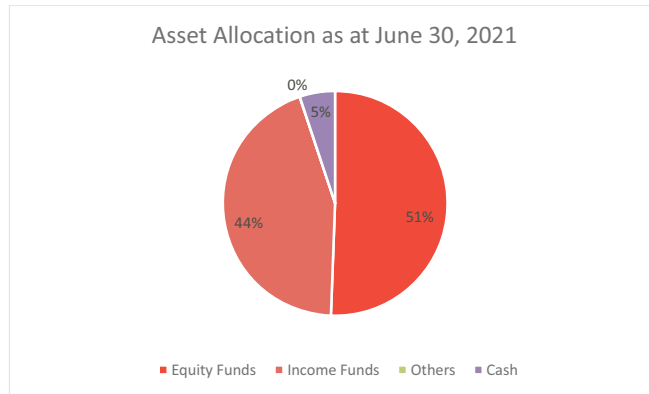


Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation 4

The fund generated a return of 4.49% against the benchmark which generated 1.69%.

Payout

During the year, the fund paid out cash dividend of PKR. 5.0917 per unit to the unit holders.

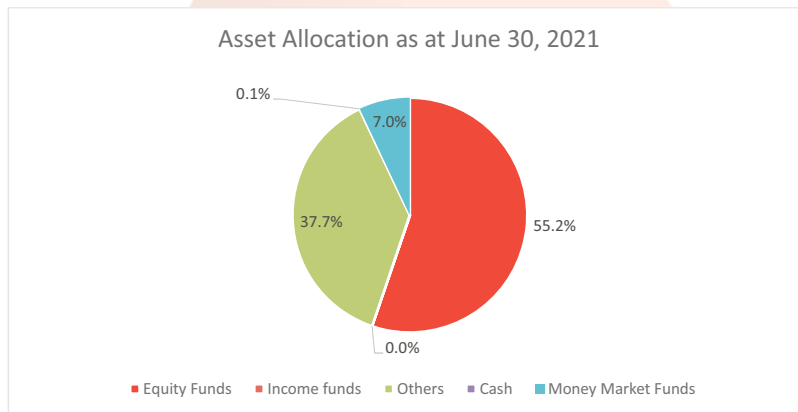


Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation 5

The fund generated a return of 4.36% against the benchmark which generated 1.57%.

Payout

During the year, the fund paid out cash dividend of PKR. 5.0202 per unit to the unit holders.



Key Financial Data Alfalah GHP Islamic Prosperity Planning Fund

(Rupees in Million)

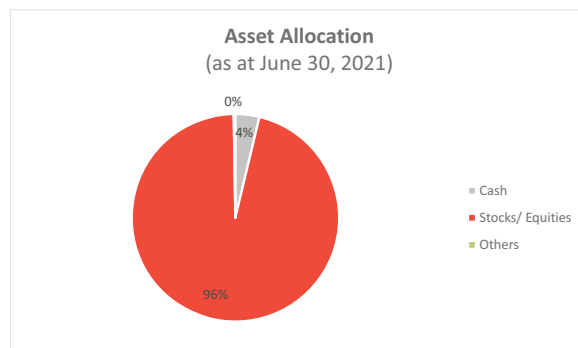
| Description | Islamic Moderate Plan | Islamic Balance Allocation Plan | Islamic Active Allocation Plan - II | Islamic Active Allocation Plan - III | Islamic Capital Preservation Plan - IV | Islamic Capital Preservation Plan - V |
|--|----------------------------------|---------------------------------|-------------------------------------|--------------------------------------|--|---------------------------------------|
| | For the year ended June 30, 2021 | | | | | |
| <i>Average Net Assets</i> | 71.772 | 234.664 | 392.020 | 75.691 | 65.244 | 28.415 |
| <i>Gross income / (loss)</i> | 11.85 | 23.89 | 87.23 | 16.70 | 3.40 | 1.39 |
| <i>Total Comprehensive Income / (loss)</i> | 11.38 | 22.59 | 84.23 | 16.05 | 3.06 | 1.26 |
| <i>Net Assets Value per Unit (PKR)</i> | 103.3169 | 100.3020 | 97.2449 | 87.6002 | 99.7087 | 99.6445 |
| <i>Issuance of units during the year</i> | 16.22 | 15.59 | 46.82 | 9.42 | 1.92 | 2.39 |
| <i>Redemption of units</i> | -27.71 | -39.06 | -33.22 | -11.06 | -37.60 | -6.21 |

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

Alfalah GHP Islamic Dedicated Equity Fund

The fund generated a return of 38.03% against the benchmark which generated 39.32%.

The fund also paid a dividend of PKR8.6173/unit during the year.



Key Financial Data

(Rupees in Million)

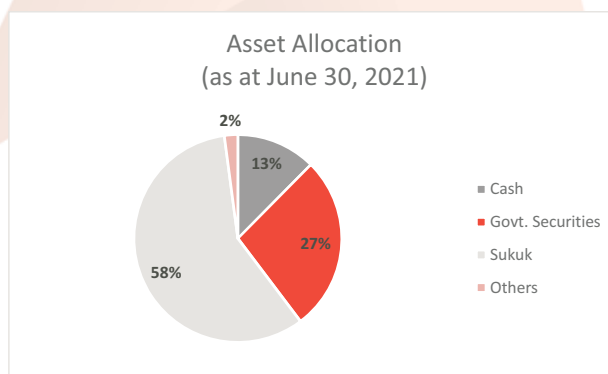
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 376.944 | 194.490 |
| Gross (loss) / income | 130.81 | -20.98 |
| Total Comprehensive Loss | -112.61 | -29.70 |
| Net Assets Value per Unit (PKR) | 79.7674 | 63.9614 |
| Issuance of units during the period | 218.62 | 576.00 |
| Redemption of units during the period | -122.00 | -244.66 |

Alfalah GHP Islamic Value Fund

The fund generated a return of 7.87% against the benchmark which generated 3.63%.

Payout

During the year, the fund paid out cash dividend of PKR6.6449 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 2,053.813 | 121.418 |
| Gross (loss) / income | 168.43 | 5.96 |
| Total Comprehensive Loss | 157.55 | 0.76 |
| Net Assets Value per Unit (PKR) | 89.1575 | 88.8143 |
| Issuance of units during the period | 4,041.37 | 1,312.92 |
| Redemption of units during the period | -2,498.74 | -709.53 |

Acknowledgement

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

For and behalf of the Board

Chief Executive Officer
August 30, 2021





**Alfalah
GHP Cash Fund**

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Registrar: | Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | AA+ (f) by PACRA |

Alfalah GHP Cash Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Money Market Scheme

Investment Objective

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

Accomplishment of Objective

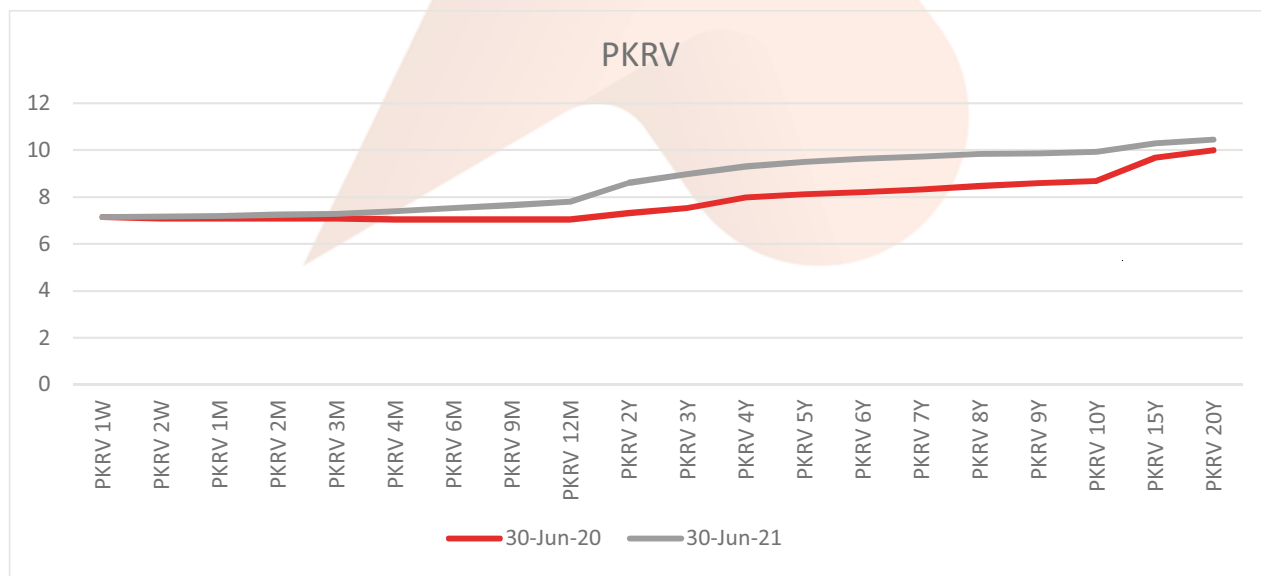
The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration money market instruments within the guidelines provided under NBFC rules.

Money Market Review

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

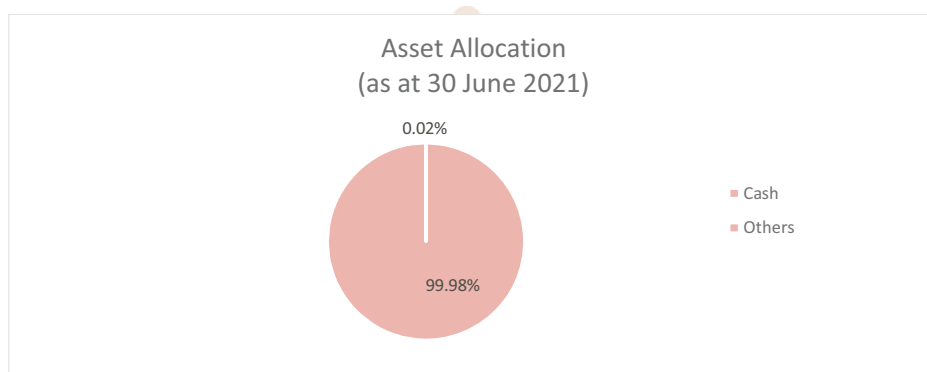
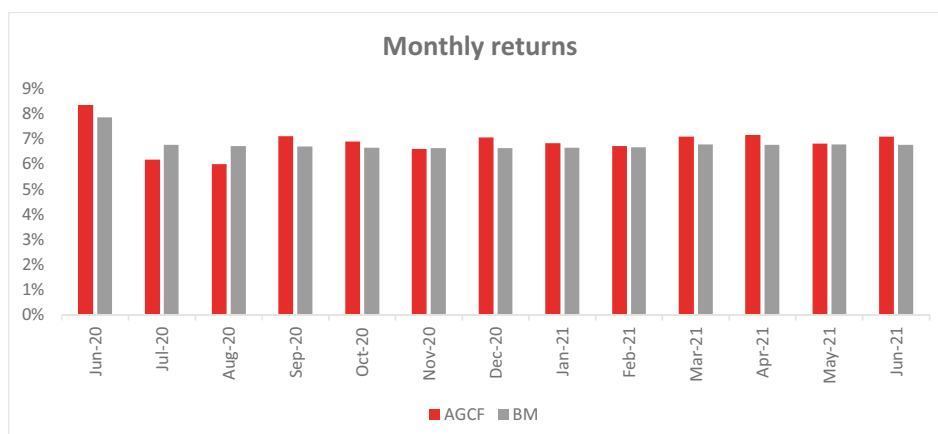
Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



Fund Performance

For the year ended June 31, 2021 the fund posted a return of 7.01% against the target benchmark of 6.71%.



| Credit Quality (as % of Total Assets) | | | |
|---------------------------------------|--------|----------|-------|
| Govt. Guar. | 0.00% | A | 0.00% |
| AAA | 99.98% | A- | 0.00% |
| AA+ | 0.00% | BBB+ | 0.00% |
| AA | 0.00% | BBB | 0.00% |
| AA- | 0.00% | Below IG | 0.00% |
| A+ | 0.00% | NR/UR | 0.02% |

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

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

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

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



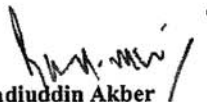
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP CASH FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Cash Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021



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

Opinion

We have audited the financial statements of Alfalah GHP Cash Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|--|--|
| 1 | Net Asset Value (NAV) (Refer note 4 to the financial statements) | |
| | Bank balances constitute the most significant component of the NAV. Bank balances of the Fund as at June 30, 2021 aggregated to Rs. 4,636.05 million. The existence of bank balances for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Obtained independent confirmations for verifying the existence of the bank balances as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants
Karachi
Date: 30 September, 2021

ALFALAH GHP CASH FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|-------------------------------|----------------------|
| | | ----- (Rupees) ----- | |
| Assets | | | |
| Bank balances | 4 | 4,636,051,254 | 2,791,044,515 |
| Investments | 5 | - | 2,936,238,559 |
| Profit receivable on bank balances | | 361,086 | 15,184,440 |
| Advance tax and prepayments | 6 | 518,274 | 371,482 |
| Total assets | | <u>4,636,930,614</u> | <u>5,742,838,996</u> |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 7 | 12,597,120 | 12,318,687 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8 | 466,953 | 442,194 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 9 | 1,068,632 | 1,093,267 |
| Accrued and other liabilities | 10 | 43,423,642 | 49,556,146 |
| Dividend payable | | 10,306,993 | 519,331 |
| Total liabilities | | <u>67,863,340</u> | <u>63,929,625</u> |
| Net assets attributable to the unit holders | | <u>4,569,067,274</u> | <u>5,678,909,371</u> |
| Unit holders' fund (as per the statement attached) | | <u>4,569,067,274</u> | <u>5,678,909,371</u> |
| Contingencies and commitments | 11 | | |
| | | ----- (Number of units) ----- | |
| Number of units in issue | | <u>9,134,813</u> | <u>11,358,327</u> |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | <u>500.1818</u> | <u>499.9776</u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|----------------------|--------------------|
| | | ----- (Rupees) ----- | |
| Income | | | |
| Profit / mark-up income | 12 | 395,022,541 | 689,338,527 |
| Loss on sale of investments - net | | (2,735,117) | (5,373,238) |
| Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' | 5.3 | - | 5,433,120 |
| Total income | | <u>392,287,424</u> | <u>689,398,409</u> |
| Expenses | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 7.1 | 11,221,005 | 11,479,272 |
| Sindh sales tax on remuneration of the Management Company | 7.2 | 1,458,734 | 1,492,317 |
| Selling and marketing expenses | 7.4 | 236,256 | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 8.1 | 3,473,178 | 3,727,761 |
| Sindh sales tax on remuneration of the Trustee | 8.2 | 451,515 | 484,476 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 9.1 | 1,068,657 | 1,093,267 |
| Bank and settlement charges | | 12,485 | 80,666 |
| Auditors' remuneration | 13 | 633,830 | 633,882 |
| Brokerage expense | | 255,573 | 177,577 |
| Printing charges | | 30,000 | 30,009 |
| Fees and subscriptions | | 431,422 | 470,941 |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 7,460,295 | 13,394,566 |
| Total expenses | | <u>26,732,950</u> | <u>33,064,734</u> |
| Net income for the year before taxation | | <u>365,554,474</u> | <u>656,333,675</u> |
| Taxation | 15 | - | - |
| Net income for the year after taxation | | <u>365,554,474</u> | <u>656,333,675</u> |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 365,554,474 | 656,333,675 |
| Income already paid on units redeemed | | (102,967,685) | (19,558,175) |
| | | <u>262,586,789</u> | <u>636,775,500</u> |
| Accounting income available for distribution | | | |
| - Relating to capital gain | | - | 59,882 |
| - Excluding capital gain | | 262,586,789 | 636,715,618 |
| | | <u>262,586,789</u> | <u>636,775,500</u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|--|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| Net income for the year after taxation | 365,554,474 | 656,333,675 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>365,554,474</u> | <u>656,333,675</u> |

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Capital Value | Undistributed income | Total | Capital Value | Undistributed income | Total |
| | (Rupees) | | | (Rupees) | | |
| Net assets at the beginning of the year | 5,659,586,768 | 19,322,603 | 5,678,909,371 | 60,093,801 | 9,182,649 | 69,276,450 |
| Issuance of 34,554,245 units (2020: 14,960,925 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 17,276,349,713 | - | 17,276,349,713 | 7,466,698,449 | - | 7,466,698,449 |
| - Element of income | 263,699,493 | - | 263,699,493 | 153,368,950 | - | 153,368,950 |
| Total proceeds on issuance of units | 17,540,049,206 | - | 17,540,049,206 | 7,620,067,399 | - | 7,620,067,399 |
| Redemption of 36,777,759 units (2020: 3,741,405 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 18,388,056,986 | - | 18,388,056,986 | 1,867,260,212 | - | 1,867,260,212 |
| - Element of loss | 109,530,648 | 102,967,685 | 212,498,333 | 63,936,916 | 19,558,175 | 83,495,091 |
| Total payments on redemption of units | 18,497,587,634 | 102,967,685 | 18,600,555,319 | 1,931,197,128 | 19,558,175 | 1,950,755,303 |
| Total comprehensive income for the year | - | 365,554,474 | 365,554,474 | - | 656,333,675 | 656,333,675 |
| Distributions during the year | | | | | | |
| 1st Interim distribution for the year ended June 30, 2020 @ Rs 40.5522 per unit on February 12, 2020 | - | - | - | (88,721,536) | (406,889,767) | (495,611,303) |
| Final distribution for the year ended June 30, 2020 @ Rs 20.0664 per unit on June 24, 2020 | - | - | - | (655,768) | (219,745,779) | (220,401,547) |
| 1st Interim distribution for the year ended June 30, 2021 @ Rs 2.3011 per unit on July 23, 2020 | (101,290) | (26,195,073) | (26,296,363) | - | - | - |
| 2nd Interim distribution for the year ended June 30, 2021 @ Rs 0.6156 per unit on August 04, 2020 | (76) | (5,828,397) | (5,828,473) | - | - | - |
| 3rd Interim distribution for the year ended June 30, 2021 @ Rs 19.4163 per unit on February 26, 2021 | (138,902,512) | (142,110,753) | (281,013,265) | - | - | - |
| 4th Interim distribution for the year ended June 30, 2021 @ Rs 11.8398 per unit on June 28, 2021 | (15,113,434) | (86,638,923) | (101,752,357) | - | - | - |
| Total distributions for the year | (154,117,312) | (260,773,146) | (414,890,458) | (89,377,304) | (626,635,546) | (716,012,850) |
| Net assets at the end of the year | 4,547,931,028 | 21,136,246 | 4,569,067,274 | 5,659,586,768 | 19,322,603 | 5,678,909,371 |
| | | (Rupees) | | | (Rupees) | |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 13,889,483 | | | 9,182,649 | |
| - Unrealised gain | | 5,433,120 | | | - | |
| | | 19,322,603 | | | 9,182,649 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gain | | - | | | 59,882 | |
| - Excluding capital gain | | 262,586,789 | | | 636,715,618 | |
| | | 262,586,789 | | | 636,775,500 | |
| Distributions during the year | | | | | | |
| 1st Interim distribution for the year ended June 30, 2020 @ Rs 40.5522 per unit on February 12, 2020 | | - | | | (406,889,767) | |
| Final distribution for the year ended June 30, 2020 @ Rs 20.0664 per unit on June 24, 2020 | | - | | | (219,745,779) | |
| 1st Interim distribution for the year ended June 30, 2021 @ Rs 2.3011 per unit on July 23, 2020 | | (26,195,073) | | | - | |
| 2nd Interim distribution for the year ended June 30, 2021 @ Rs 0.6156 per unit on August 04, 2020 | | (5,828,397) | | | - | |
| 3rd Interim distribution for the year ended June 30, 2021 @ Rs 19.4163 per unit on February 26, 2021 | | (142,110,753) | | | - | |
| 4th Interim distribution for the year ended June 30, 2021 @ Rs 11.8398 per unit on June 28, 2021 | | (86,638,923) | | | - | |
| | | (260,773,146) | | | (626,635,546) | |
| Undistributed income carried forward | | 21,136,246 | | | 19,322,603 | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 21,136,246 | | | 13,889,483 | |
| - Unrealised income | | - | | | 5,433,120 | |
| | | 21,136,246 | | | 19,322,603 | |
| | | (Rupees) | | | (Rupees) | |
| Net asset value per unit at the beginning of the year | | 499.9776 | | | 499.0847 | |
| Net asset value per unit at the end of the year | | 500.1818 | | | 499.9776 | |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|-----------------------------|-----------------------------|
| ----- (Rupees) ----- | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income for the year before taxation | | 365,554,474 | 656,333,675 |
| Adjustments for: | | | |
| Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | | - | (5,433,120) |
| Provision for Sindh Workers' Welfare Fund | | 7,460,295 | 13,394,566 |
| | | <u>373,014,769</u> | <u>664,295,121</u> |
| Decrease / (increase) in assets | | | |
| Investments - net | | 2,317,753,809 | (2,312,320,689) |
| Profit receivable on bank balances | | 14,823,354 | (15,103,899) |
| Advance tax and prepayment | | (146,792) | 78,599 |
| Receivable from the Management Company - net | | - | 393,738 |
| | | <u>2,332,430,371</u> | <u>(2,326,952,251)</u> |
| (Decrease) / increase in liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | 278,433 | 1,095,053 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 24,759 | 410,682 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | (24,635) | 1,005,950 |
| Accrued and other liabilities | | (13,592,799) | 32,859,880 |
| | | <u>(13,314,242)</u> | <u>35,371,565</u> |
| Net cash generated from / (used in) operating activities | | <u>2,692,130,898</u> | <u>(1,627,285,565)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Amount received against issuance of units - net of refund of capital | | 17,385,931,894 | 7,530,690,095 |
| Amount paid against redemption of units | | (18,600,555,319) | (1,950,755,303) |
| Dividend paid | | (250,985,484) | (626,494,403) |
| Net cash (used in) / generated from financing activities | | <u>(1,465,608,909)</u> | <u>4,953,440,389</u> |
| Net increase in cash and cash equivalents during the year | | <u>1,226,521,989</u> | <u>3,326,154,824</u> |
| Cash and cash equivalents at beginning of the year | | 3,409,529,265 | 83,374,441 |
| Cash and cash equivalents at end of the year | 16 | <u><u>4,636,051,254</u></u> | <u><u>3,409,529,265</u></u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Cash Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on October 23, 2009 between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company Limited (CDC) as the Trustee. In 2012, the first supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed and MCB Financial Services Limited was appointed as the new Trustee. On October 10, 2019, a supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed and Central Depository Company of Pakistan Limited was appointed as the new Trustee. The Securities and Exchange Commission of Pakistan authorised the constitution of the Trust Deed on June 13, 2012 and it was executed on June 21, 2012 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'money market scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The Fund offers two types of units, Growth and Income. Growth unit holders are entitled to bonus units and Income unit holders are entitled to cash dividend at the time of distribution by the Fund.
- 1.4** According to the Trust Deed, the objective of the Fund is to provide a regular stream of income at competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted mostly of money market securities and placements.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 03, 2021 and AA(f) to the Fund in its credit rating report dated April 08, 2021.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of financial assets (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.6 and 15)
- iv. Provision for Sindh Workers' Welfare Fund (note 10.1)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

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

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

3.2.2 Impairment

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

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

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

Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

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

3.2.5 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

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

Deferred

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

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

3.7 Distributions to unit holders

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

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

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Profit from Market Treasury Bills and Letter of placements are recognized on time proportionate basis using the effective yield method.
- Profit on bank balances is recognised on accrual basis.

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Foreign currency translation

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

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|--|------|------------------------------|------------------------------|
| 4 BANK BALANCES | | | |
| In saving accounts | 4.1 | <u>4,636,051,254</u> | <u>2,791,044,515</u> |
| 4.1 These accounts carry profit rates ranging between 5.50% to 7.90% (2020: 6.50% to 14.44%) per annum. These include bank balance of Rs. 0.069 million (2020: Rs. 0.598 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 7.70% (2020: 6.50%) per annum. | | | |
| 5 INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| Market Treasury Bills | 5.1 | - | 2,936,238,559 |
| Letters of placement | 5.2 | - | - |
| | | <u>-</u> | <u>2,936,238,559</u> |

5.1 Market Treasury Bills

| Particulars | Date of Issue | Face Value | | | | At June 30, 2021 | | | Market value as a percentage of | |
|------------------------------|--------------------|---------------------|---------------------------|--------------------------------|---------------------|------------------|--------------|--------------------------|---------------------------------|-------------------|
| | | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments |
| (Rupees) ----- (%) ----- | | | | | | | | | | |
| Market treasury bills | | | | | | | | | | |
| - 3 months | May 21, 2020 | 250,000,000 | - | 250,000,000 | - | - | - | - | - | |
| - 3 months | June 4, 2020 | 250,000,000 | - | 250,000,000 | - | - | - | - | - | |
| - 3 months | June 18, 2020 | 125,000,000 | - | 125,000,000 | - | - | - | - | - | |
| - 3 months | July 2, 2020 | - | 75,000,000 | 75,000,000 | - | - | - | - | - | |
| - 3 months | July 16, 2020 | - | 2,575,000,000 | 2,575,000,000 | - | - | - | - | - | |
| - 3 months | July 30, 2020 | - | 1,600,000,000 | 1,600,000,000 | - | - | - | - | - | |
| - 3 months | August 27, 2020 | - | 275,000,000 | 275,000,000 | - | - | - | - | - | |
| - 3 months | September 10, 2020 | - | 380,000,000 | 380,000,000 | - | - | - | - | - | |
| - 3 months | October 8, 2020 | - | 1,350,000,000 | 1,350,000,000 | - | - | - | - | - | |
| - 3 months | October 13, 2020 | - | 400,000,000 | 400,000,000 | - | - | - | - | - | |
| - 3 months | October 21, 2020 | - | 200,000,000 | 200,000,000 | - | - | - | - | - | |
| - 3 months | October 22, 2020 | - | 641,500,000 | 641,500,000 | - | - | - | - | - | |
| - 3 months | October 27, 2020 | - | 100,000,000 | 100,000,000 | - | - | - | - | - | |
| - 3 months | November 3, 2020 | - | 400,000,000 | 400,000,000 | - | - | - | - | - | |
| - 3 months | November 5, 2020 | - | 800,000,000 | 800,000,000 | - | - | - | - | - | |
| - 3 months | November 10, 2020 | - | 100,000,000 | 100,000,000 | - | - | - | - | - | |
| - 3 months | November 11, 2020 | - | 70,000,000 | 70,000,000 | - | - | - | - | - | |
| - 3 months | November 12, 2020 | - | 400,000,000 | 400,000,000 | - | - | - | - | - | |
| - 3 months | November 19, 2020 | - | 1,125,000,000 | 1,125,000,000 | - | - | - | - | - | |
| - 3 months | December 3, 2020 | - | 1,450,000,000 | 1,450,000,000 | - | - | - | - | - | |
| - 3 months | December 17, 2021 | - | 2,100,000,000 | 2,100,000,000 | - | - | - | - | - | |
| - 3 months | December 31, 2020 | - | 2,185,000,000 | 2,185,000,000 | - | - | - | - | - | |
| - 3 months | January 14, 2021 | - | 4,407,000,000 | 4,407,000,000 | - | - | - | - | - | |
| - 3 months | January 28, 2021 | - | 275,000,000 | 275,000,000 | - | - | - | - | - | |
| - 3 months | February 11, 2021 | - | 200,000,000 | 200,000,000 | - | - | - | - | - | |
| - 3 months | February 25, 2021 | - | 721,000,000 | 721,000,000 | - | - | - | - | - | |
| - 3 months | February 27, 2021 | - | 380,000,000 | 380,000,000 | - | - | - | - | - | |
| Market treasury bills | | | | | | | | | | |
| - 6 months | March 26, 2020 | - | 1,615,000,000 | 1,615,000,000 | - | - | - | - | - | |
| - 6 months | April 9, 2020 | 375,000,000 | - | 375,000,000 | - | - | - | - | - | |
| - 6 months | April 23, 2020 | 1,728,000,000 | 150,000,000 | 1,878,000,000 | - | - | - | - | - | |
| - 6 months | May 7, 2020 | - | 590,000,000 | 590,000,000 | - | - | - | - | - | |
| - 6 months | May 7, 2020 | - | 503,000,000 | 503,000,000 | - | - | - | - | - | |
| - 6 months | June 18, 2020 | 125,000,000 | - | 125,000,000 | - | - | - | - | - | |
| - 6 months | July 2, 2020 | - | 75,000,000 | 75,000,000 | - | - | - | - | - | |
| - 6 months | July 16, 2020 | - | 75,000,000 | 75,000,000 | - | - | - | - | - | |
| - 6 months | September 10, 2020 | - | 10,000,000 | 10,000,000 | - | - | - | - | - | |
| - 6 months | November 19, 2020 | - | 175,000,000 | 175,000,000 | - | - | - | - | - | |
| - 6 months | February 11, 2021 | - | 150,000,000 | 150,000,000 | - | - | - | - | - | |
| - 6 months | February 25, 2021 | - | 950,000,000 | 950,000,000 | - | - | - | - | - | |

| Particulars | Date of Issue | Face Value | | | | At June 30, 2021 | | | Market value as a percentage of | |
|----------------------------------|--------------------|----------------------|---------------------------|--------------------------------|----------------------|----------------------|----------------------|--------------------------|---------------------------------|-------------------|
| | | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments |
| (Rupees) ----- (%) ----- | | | | | | | | | | |
| Market treasury bills | | | | | | | | | | |
| - 12 months | September 12, 2019 | - | 400,000,000 | 400,000,000 | - | - | - | - | - | |
| - 12 months | September 12, 2019 | - | 100,000,000 | 100,000,000 | - | - | - | - | - | |
| - 12 months | September 26, 2019 | 140,000,000 | 500,000,000 | 640,000,000 | - | - | - | - | - | |
| - 12 months | October 10, 2019 | - | 75,000,000 | 75,000,000 | - | - | - | - | - | |
| - 12 months | December 19, 2019 | - | 700,000,000 | 700,000,000 | - | - | - | - | - | |
| - 12 months | December 19, 2019 | - | 695,000,000 | 695,000,000 | - | - | - | - | - | |
| - 12 months | January 30, 2020 | - | 100,000,000 | 100,000,000 | - | - | - | - | - | |
| - 12 months | March 26, 2020 | - | 750,000,000 | 750,000,000 | - | - | - | - | - | |
| - 12 months | March 26, 2020 | - | 400,000,000 | 400,000,000 | - | - | - | - | - | |
| Total as at June 30, 2021 | | 2,993,000,000 | 30,222,500,000 | 33,215,500,000 | - | - | - | - | - | |
| Total as at June 30, 2020 | | - | 48,058,100,000 | 45,065,100,000 | 2,993,000,000 | 2,930,805,439 | 2,936,238,559 | 5,433,120 | 51.70% | |

5.2 Letters of placement

| Name of the investee company | Yield | Date of maturity | Rating (Long Term / Short Term) | Face value | | | | Balance as at June 30, 2021 | | Market value as percentage of | |
|--|-------|-------------------|---------------------------------|---------------------|---------------------------|-------------------------|---------------------|-----------------------------|--------------|-------------------------------|-------------------|
| | | | | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Carrying value | Market value | Net assets of the Fund | Total investments |
| (Rupees) ----- (%) ----- | | | | | | | | | | | |
| Saudi Pak Industrial & Agricultural Investment Company Limited | 7.25% | August 20, 2020 | AA+ / A-1+ | - | 550,000,000 | 550,000,000 | - | - | - | - | - |
| Pak Oman Investment Company Limited | 6.75% | July 16, 2020 | AA+ / A-1+ | - | 100,000,000 | 100,000,000 | - | - | - | - | - |
| Pak Oman Investment Company Limited | 7.05% | July 24, 2020 | AA+ / A-1+ | - | 550,000,000 | 550,000,000 | - | - | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | 7.00% | November 2, 2020 | AAA / A1+ | - | 150,000,000 | 150,000,000 | - | - | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | 7.08% | December 16, 2020 | AAA / A1+ | - | 300,000,000 | 300,000,000 | - | - | - | - | - |
| Pak Oman Investment Company Limited | 7.00% | December 15, 2020 | AA+ / A-1+ | - | 400,000,000 | 400,000,000 | - | - | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | 7.15% | November 2, 2021 | AAA / A1+ | - | 300,000,000 | 300,000,000 | - | - | - | - | - |
| Pak Brunei Investment Company Limited | 7.10% | November 2, 2021 | AA+ / A-1+ | - | 700,000,000 | 700,000,000 | - | - | - | - | - |
| Pak China Investment Company Limited | 7.35% | April 13, 2021 | AAA / A-1+ | - | 750,000,000 | 750,000,000 | - | - | - | - | - |
| Pak Oman Investment Company Limited | 6.25% | April 15, 2021 | AA+ / A-1+ | - | 750,000,000 | 750,000,000 | - | - | - | - | - |
| Pak Brunei Investment Company Limited | 7.05% | June 5, 2021 | AA+ / A-1+ | - | 182,000,000 | 182,000,000 | - | - | - | - | - |
| Pak Brunei Investment Company Limited | 7.05% | June 5, 2021 | AA+ / A-1+ | - | 182,000,000 | 182,000,000 | - | - | - | - | - |
| Pak Brunei Investment Company Limited | 7.12% | May 17, 2021 | AA+ / A-1+ | - | 90,000,000 | 90,000,000 | - | - | - | - | - |
| Pak Brunei Investment Company Limited | 7.12% | May 17, 2021 | AA+ / A-1+ | - | 240,000,000 | 240,000,000 | - | - | - | - | - |
| Pak Brunei Investment Company Limited | 7.20% | March 6, 2021 | AA+ / A-1+ | - | 650,000,000 | 650,000,000 | - | - | - | - | - |
| Total as at June 30, 2021 | | | | - | 5,894,000,000 | 5,894,000,000 | - | - | - | - | - |
| Total as at June 30, 2020 | | | | - | 10,970,000,000 | 10,970,000,000 | - | - | - | - | - |

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

| | Note | 2021 | 2020 |
|-------------------------------------|-----------|----------|------------------|
| ----- (Rupees) ----- | | | |
| Market value of investments | 5.1 & 5.2 | - | 2,936,238,559 |
| Less: Carrying value of investments | 5.1 & 5.2 | - | (2,930,805,439) |
| | | - | 5,433,120 |

6 ADVANCE TAX AND PREPAYMENTS

| | Note | 2021 | 2020 |
|--------------------------|------|----------------|----------------|
| Advance tax | 6.1 | 29,368 | 29,368 |
| Prepaid rating fee | | 369,767 | 342,114 |
| Prepaid professional fee | | 119,139 | - |
| | | 518,274 | 371,482 |

- 6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs. 29,368 (2020: Rs. 29,368).

For this purpose, the Mutual Funds Association of Pakistan (the MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on profit on debt has been shown as a receivable as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| | Note | 2021 | 2020 |
|--|------|-------------------|-------------------|
| ----- (Rupees) ----- | | | |
| 7 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 7.1 | 1,007,879 | 937,048 |
| Sindh sales tax payable on management remuneration | 7.2 | 1,542,458 | 1,533,254 |
| Federal excise duty payable on management remuneration | 7.3 | 9,810,527 | 9,810,527 |
| Sales load payable | | - | 37,858 |
| Selling and marketing expenses | 7.4 | 236,256 | - |
| | | <u>12,597,120</u> | <u>12,318,687</u> |

- 7.1 During the year, the Management Company has charged remuneration at the rate of 0.21% (2020: at the rate of 0.21%) of average annual net assets of the Fund, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the year, an amount of Rs. 1.459 million (2020: Rs. 1.492 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.45 million (2020: Rs. 1.533 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 9.81 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs. 1.07 (2020: Re. 0.86) per unit.

- 7.4 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

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

| | Note | 2021 | 2020 |
|--|------|----------------|----------------|
| ----- (Rupees) ----- | | | |
| 8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | | |
| Trustee remuneration payable | 8.1 | 411,650 | 389,739 |
| Sindh sales tax payable on trustee remuneration | 8.2 | 55,303 | 52,455 |
| | | <u>466,953</u> | <u>442,194</u> |

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate of 0.065% per annum of net assets of the Fund (2020: 0.065% per annum of net assets of the Fund).
- 8.2 During the year, an amount of Rs. 0.452 million (2020: Rs. 0.484 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.449 million (2020: Rs. 0.437 million) was paid to the Trustee which acts as a collecting agent.

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|---|------|------------------------------|------------------------------|
| 9 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | | | |
| Annual fee payable | 9.1 | <u>1,068,632</u> | <u>1,093,267</u> |

- 9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|---|------|------------------------------|------------------------------|
| 10 ACCRUED AND OTHER LIABILITIES | | | |
| Withholding tax payable | | 17,944,206 | 32,744,305 |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 23,344,667 | 15,884,372 |
| Auditors' remuneration payable | | 809,240 | 643,913 |
| Brokerage payable | | 255,133 | 179,505 |
| Printing charges payable | | 116,012 | 104,051 |
| Other payables | | 431,423 | - |
| Sales load payable | | <u>522,961</u> | <u>-</u> |
| | | <u>43,423,642</u> | <u>49,556,146</u> |

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 2.56 (2020: Rs.1.40) per unit.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

| | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|-----------------------------------|------------------------------|------------------------------|
| 12 PROFIT / MARK-UP INCOME | | |
| Bank balances | 136,293,315 | 188,155,451 |
| Market Treasury Bills | 243,410,343 | 480,516,785 |
| Letters of placement | <u>15,318,883</u> | <u>20,666,291</u> |
| | <u>395,022,541</u> | <u>689,338,527</u> |

| | 2021 | 2020 |
|----------------------------------|----------------------|----------------|
| | ----- (Rupees) ----- | |
| 13 AUDITORS' REMUNERATION | | |
| Audit fee | 315,000 | 315,000 |
| Review and other certifications | 211,000 | 211,000 |
| Out of pocket expenses | 60,880 | 60,923 |
| Sindh sales tax | 46,950 | 46,959 |
| | <u>633,830</u> | <u>633,882</u> |

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 0.50% which includes 0.20% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15 TAXATION

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

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

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

| | Note | 2021 | 2020 |
|--|------|----------------------|----------------------|
| | | ----- (Rupees) ----- | |
| 16 CASH AND CASH EQUIVALENTS | | | |
| Bank balances | 4 | 4,636,051,254 | 2,791,044,515 |
| Market Treasury Bills (with original maturity of three months) | 5.1 | - | 618,484,750 |
| | | <u>4,636,051,254</u> | <u>3,409,529,265</u> |

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

| Note | | 2021 | | | | | | | | | |
|------|---------------------|--|-----------------------|---|---------------------|---------------------|--|-----------------------|--|--|--|
| | As at July 01, 2020 | Issued for cash / conversion in transferred in | Dividend reinvestment | Redeemed/ conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transferred in | Dividend reinvestment | Redeemed / conversion out / transfer out | Amount outstanding as at June 30, 2021 | |
| | (Units) | | | | | (Rupees) | | | | | |

Associated companies / undertakings

| | | | | | | | | | | | |
|---|--------|---------|---------|-------|---------|---------|------------|-------------|-----------|-------------|------------|
| Alfalsh GHP Investment Management Limited | 17.1.1 | 17,090 | 247,867 | 152 | 261,775 | 3,334 | 8,544,617 | 124,914,912 | 76,170 | 134,001,397 | 1,667,606 |
| Alfalsh GHP Prosperity Planning Fund | 17.1.1 | 115,349 | - | 8,032 | 45 | 123,336 | 57,671,916 | - | 4,015,923 | 22,678 | 61,690,422 |

Unit Holders Holding 10% or more units

| | | | | | | | | | | | |
|---|--------|---------|-----------|--------|---------|-----------|-------------|-------------|------------|-------------|-------------|
| Colgate-Palmolive Pakistan Limited | 17.1.1 | - | 1,169,029 | 47,766 | - | 1,216,795 | - | 600,000,000 | 23,881,743 | - | 608,618,713 |
| Fauji Oil Terminal & Distribution Company Limited | 17.1.1 | - | 1,018,967 | 58,362 | - | 1,077,329 | - | 521,024,458 | 29,179,590 | - | 538,860,358 |
| Barrett Hodgson Pakistan (Private) Limited | 17.1.1 | 212,739 | 1,387,978 | 74,130 | 195,660 | 1,479,187 | 106,364,494 | 707,750,313 | 37,063,461 | 100,000,000 | 739,862,416 |
| Fauji Cement Company Limited | 17.1.1 | - | 889,342 | 32,659 | - | 922,001 | - | 450,000,000 | 16,328,977 | - | 461,168,120 |
| Pakistan Petroleum Limited | 17.1.1 | - | 1,508,640 | 62,327 | 17,997 | 1,552,970 | - | 765,000,000 | 31,162,190 | 9,000,000 | 776,767,330 |
| Mari Petroleum Company Limited | 17.1.1 | - | 999,110 | 934 | - | 1,000,044 | - | 500,000,000 | 467,184 | - | 500,203,808 |

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

Associated companies / undertakings

| | | | | | | | | | | |
|---|---------|--------|--------|--------|---------|------------|-----------|-----------|-----------|------------|
| Alfalsh GHP Investment Management Limited | - | 15,364 | 1,726 | - | 17,090 | - | 8,000,000 | 861,241 | - | 8,544,617 |
| Alfalsh GHP Prosperity Planning Fund | 119,104 | - | 13,834 | 17,589 | 115,349 | 59,422,963 | - | 6,903,262 | 9,000,000 | 57,671,916 |

17.1.1 This reflects the position of related party / connected person status as at June 30, 2021.

2021 2020
----- (Rupees) -----

17.2 Other transactions

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

| | | |
|---|------------|------------|
| Remuneration of the Management Company | 11,221,005 | 11,479,272 |
| Sindh sales tax on remuneration of the Management Company | 1,458,734 | 1,492,317 |
| Selling and marketing expense | 236,256 | - |

Bank Alfalah Limited

| | | |
|-----------------------------------|---------------|-------------|
| Profit on bank balances | 36,659 | 101,015,970 |
| Bank charges | 12,485 | 42,778 |
| Sales load | 1,477,198 | 3,254,978 |
| Market Treasury Bills - purchased | 6,540,674,610 | - |
| Market Treasury Bills - sold | 2,891,346,730 | - |

| | 2021 | 2020 |
|---|----------------------|---------------|
| | ----- (Rupees) ----- | |
| Alfaluh GHP Sovereign Fund | | |
| Market Treasury Bills - purchased | 527,271,750 | 207,326,606 |
| Market Treasury Bills - sold | 695,759,341 | 399,722,380 |
| Alfaluh GHP Money Market Fund | | |
| Market Treasury Bills - purchased | 4,270,192,369 | 4,161,363,750 |
| Market Treasury Bills - sold | 1,213,539,635 | 1,310,820,028 |
| Alfaluh GHP Income Fund | | |
| Market Treasury Bills - purchased | 231,784,525 | 22,725,426 |
| Market Treasury Bills - sold | 617,529,800 | 19,833,780 |
| Alfaluh GHP Value Fund | | |
| Market Treasury Bills - sold | 84,393,185 | 29,132,190 |
| Alfaluh GHP Income Multiplier Fund | | |
| Market Treasury Bills - purchased | 11,901,672 | 37,893,240 |
| Market Treasury Bills - sold | 59,237,280 | 87,761,520 |
| Other related parties | | |
| MCB Financial Services Limited - Trustee | | |
| Remuneration of the Trustee | - | 2,244,302 |
| Sindh sales tax on remuneration of the Trustee | - | 291,626 |
| Central Depository Company Limited - Trustee | | |
| Remuneration of the Trustee | 3,473,178 | 1,483,459 |
| Sindh sales tax on remuneration of the Trustee | 451,515 | 192,850 |
| 17.3 Other balances | | |
| Associated companies / undertakings | | |
| Alfaluh GHP Investment Management Limited - Management Company | | |
| Management remuneration payable | 1,007,829 | 937,048 |
| Sindh sales tax payable on management remuneration | 1,542,458 | 1,533,254 |
| Federal excise duty payable on management remuneration | 9,810,527 | 9,810,527 |
| Sales load payable | - | 37,858 |
| Selling and marketing expense | 236,256 | - |
| Bank Alfalah Limited | | |
| Bank balance | 68,987 | 587,096 |
| Profit receivable on bank balances | - | 1,845 |
| Sales load payable | 522,961 | - |
| Other related parties | | |
| Central Depository Company Limited - Trustee | | |
| Trustee remuneration payable | 411,650 | 389,739 |
| Sindh sales tax payable on trustee remuneration | 55,303 | 52,455 |

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

| Particulars | 2021 | | |
|--|----------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 4,636,051,254 | - | 4,636,051,254 |
| Investments | - | - | - |
| Profit receivable on bank balances | 361,086 | - | 361,086 |
| | <u>4,636,412,340</u> | <u>-</u> | <u>4,636,412,340</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 12,597,120 | - | 12,597,120 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 466,953 | - | 466,953 |
| Accrued and other liabilities | 2,134,769 | - | 2,134,769 |
| Dividend payable | 10,306,993 | - | 10,306,993 |
| | <u>25,505,835</u> | <u>-</u> | <u>25,505,835</u> |

| Particulars | 2020 | | |
|--|----------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 2,791,044,515 | - | 2,791,044,515 |
| Investments | - | 2,936,238,559 | 2,936,238,559 |
| Profit receivable on bank balances | 15,184,440 | - | 15,184,440 |
| | <u>2,806,228,955</u> | <u>2,936,238,559</u> | <u>5,742,467,514</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 12,318,687 | - | 12,318,687 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 442,194 | - | 442,194 |
| Accrued and other liabilities | 927,469 | - | 927,469 |
| Dividend payable | 519,331 | - | 519,331 |
| | <u>14,207,681</u> | <u>-</u> | <u>14,207,681</u> |

19 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

| | Note | 2021 | 2020 |
|---|------|----------------------|----------------------|
| -----Rupees----- | | | |
| Variable rate instrument (financial asset) | | | |
| Bank balances | 4 | 4,636,051,254 | 2,791,044,515 |
| Market Treasury Bills | 5.1 | - | 2,936,238,559 |
| | | <u>4,636,051,254</u> | <u>5,727,283,074</u> |

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 46.39 million (2020: Rs. 27.91 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

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

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

| Particulars | Effective yield / interest rate | 2021 | | | Not exposed to yield / interest rate risk | Total |
|---|---------------------------------|----------------------------------|---|----------------------|---|----------------------|
| | | Exposed to yield / interest risk | | | | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| ----- (Rupees) ----- | | | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.50% - 7.90% | 4,636,051,254 | - | - | - | 4,636,051,254 |
| Investments | | - | - | - | - | - |
| Profit receivable on bank balances | | - | - | - | 361,086 | 361,086 |
| Sub total | | <u>4,636,051,254</u> | - | - | <u>361,086</u> | <u>4,636,412,340</u> |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 12,597,120 | 12,597,120 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 466,953 | 466,953 |
| Accrued and other liabilities | | - | - | - | 2,134,769 | 2,134,769 |
| Dividend payable | | - | - | - | 10,306,993 | 10,306,993 |
| Sub total | | - | - | - | <u>25,505,835</u> | <u>25,505,835</u> |
| On-balance sheet gap | | <u>4,636,051,254</u> | - | - | <u>(25,114,749)</u> | <u>4,610,906,505</u> |
| Total interest rate sensitivity gap | | <u>4,636,051,254</u> | - | - | <u>(25,114,749)</u> | <u>4,610,906,505</u> |
| Cumulative interest rate sensitivity gap | | <u>4,636,051,254</u> | <u>4,636,051,254</u> | <u>4,636,051,254</u> | | |

| Particulars | 2020 | | | | | Total |
|-------------|---------------------------------|----------------------------------|--|--------------------|---|-------|
| | Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | |
| | | Upto three months | More than three months and upto one year | More than one year | | |

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

On-balance sheet financial instruments

Financial assets

| | | | | | | |
|------------------------------------|---------------|----------------------|----------------------|----------|-------------------|----------------------|
| Bank balances | 6.5% - 14.40% | 2,791,044,515 | - | - | - | 2,791,044,515 |
| Investments | 7.05% - 7.09% | 756,210,170 | 2,180,028,389 | - | - | 2,936,238,559 |
| Profit receivable on bank balances | | - | - | - | 15,184,440 | 15,184,440 |
| Sub total | | 3,547,254,685 | 2,180,028,389 | - | 15,184,440 | 5,742,467,514 |

Financial liabilities

| | | | | | | |
|---|--|----------|----------|----------|-------------------|-------------------|
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 12,318,687 | 12,318,687 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 442,194 | 442,194 |
| Accrued and other liabilities | | - | - | - | 927,469 | 927,469 |
| Dividend payable | | - | - | - | 519,331 | 519,331 |
| Sub total | | - | - | - | 14,207,681 | 14,207,681 |

On-balance sheet gap

| | | | | | |
|--|----------------------|----------------------|----------|----------------|----------------------|
| | 3,547,254,685 | 2,180,028,389 | - | 976,759 | 5,728,259,833 |
|--|----------------------|----------------------|----------|----------------|----------------------|

Total interest rate sensitivity gap

| | | | | | |
|--|----------------------|----------------------|----------|----------------|----------------------|
| | 3,547,254,685 | 2,180,028,389 | - | 976,759 | 5,728,259,833 |
|--|----------------------|----------------------|----------|----------------|----------------------|

Cumulative interest rate sensitivity gap

| | | | |
|--|----------------------|----------------------|----------------------|
| | 3,547,254,685 | 5,727,283,074 | 5,727,283,074 |
|--|----------------------|----------------------|----------------------|

19.13 Price risk

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

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

19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

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

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|------------------------------------|--|----------------------|--|----------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure | Balance as per statement of assets and liabilities | Maximum exposure |
| Bank balances | 4,636,051,254 | 4,636,051,254 | 2,791,044,515 | 2,791,044,515 |
| Investments | - | - | 2,936,238,559 | - |
| Profit receivable on bank balances | 361,086 | 361,086 | 15,184,440 | 15,184,440 |
| | 4,636,412,340 | 4,636,412,340 | 5,742,467,514 | 2,806,228,955 |

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

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities of Rs Nil (2020: 2,936 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2021 and June 30, 2020.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Bank Name | Rating agency | Rating (Short Term / Long Term) | 2021 | 2020 |
|---|---------------|---------------------------------------|--------------------------------------|----------------|
| | | | Percentage of total bank balances | |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 0.00% | 0.02% |
| Allied Bank Limited | PACRA | A1+ / AAA | 99.99% | 99.98% |
| Bank Al Habib Limited | PACRA | A1+ / AAA | 0.00% | 0.00% |
| Zarai Taraqati Bank Limited | VIS | A-1+ / AAA | 0.00% | 0.00% |
| Samba Bank Limited | VIS | A-1 / AA | 0.00% | 0.00% |
| Habib Bank Limited | VIS | A-1+ / AAA | 0.01% | 0.00% |
| Faysal Bank Limited | VIS | A-1+ / AA | 0.00% | 0.00% |
| The Bank of Punjab | PACRA | A1+ / AA+ | - | 0.00% |
| Central Depository Company of Pakistan Limited | N/A | N/A | - | 0.00% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks having reasonably high credit rating.

19.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

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

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

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

| 2021 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Total |
|---|-------------------|------------------|-------------------|-----------------|---------------|
| (Rupees) | | | | | |
| Financial assets | | | | | |
| Bank balances | 4,636,051,254 | - | - | - | 4,636,051,254 |
| Investments | - | - | - | - | - |
| Profit receivable on bank balances | 361,086 | - | - | - | 361,086 |
| | 4,636,412,340 | - | - | - | 4,636,412,340 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 12,597,120 | - | - | - | 12,597,120 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 466,953 | - | - | - | 466,953 |
| Accrued and other liabilities | 2,134,769 | - | - | - | 2,134,769 |
| Dividend payable | 10,306,993 | - | - | - | 10,306,993 |
| | 25,505,835 | - | - | - | 25,505,835 |
| Net financial assets | 4,610,906,505 | - | - | - | 4,610,906,505 |

| 2020 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Total |
|---|-------------------|------------------|-------------------|-----------------|---------------|
| (Rupees) | | | | | |
| Financial assets | | | | | |
| Bank balances | 2,791,044,515 | - | - | - | 2,791,044,515 |
| Investments | - | 756,210,170 | 2,180,028,389 | - | 2,936,238,559 |
| Profit receivable on bank balances | 15,184,440 | - | - | - | 15,184,440 |
| | 2,806,228,955 | 756,210,170 | 2,180,028,389 | - | 5,742,467,514 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 12,318,687 | - | - | - | 12,318,687 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 442,194 | - | - | - | 442,194 |
| Accrued and other liabilities | 927,469 | - | - | - | 927,469 |
| Dividend payable | 519,331 | - | - | - | 519,331 |
| | 14,207,681 | - | - | - | 14,207,681 |
| Net financial assets | 2,792,021,274 | 756,210,170 | 2,180,028,389 | - | 5,728,259,833 |

19.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2021 and June 30, 2020, the Fund held the following assets measured at fair values:

| 2021 | | | |
|----------|---------------|---------|-------|
| Level 1 | Level 2 | Level 3 | Total |
| (Rupees) | | | |
| - | - | - | - |
| ----- | | | |
| 2020 | | | |
| Level 1 | Level 2 | Level 3 | Total |
| (Rupees) | | | |
| - | 2,936,238,559 | - | - |
| ----- | | | |

At fair value through profit or loss

Market Treasury Bills

At fair value through profit or loss

Market Treasury Bills

19.5 Unit holders' fund risk management

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

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

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

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

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

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

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21 CORRESPONDING FIGURES

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

22 GENERAL

22.1 Rounding off

Figures are rounded off to the nearest rupee.

22.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

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

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 393 | 476,352 | 238,262,825 | 5% |
| Associated Co./ Directors | 5 | 3,335 | 1,668,333 | 0% |
| Insurance Co. | 21 | 399,916 | 200,030,835 | 4% |
| Retirement & Other Funds | 36 | 223,991 | 112,036,126 | 2% |
| Others | 91 | 8,031,218 | 4,017,069,021 | 88% |
| | 546 | 9,134,813 | 4,569,067,139 | 100% |

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

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|--|----------------|
| | 30 June |
| | 2021 |
| | % |
| Continental Exchange (Pvt.) Limited | 20 |
| Bright Capital Private Limited | 19 |
| Pearl Securities Limited | 15 |
| Invest One Markets Limited | 11 |
| BIPL Securities | 11 |
| Summit Capital (Private) Limited | 7 |
| Vector Capital (Pvt.) Limited | 6 |
| Paramount Capital (Pvt.) Limited | 4 |
| Arif Habib Limited | 4 |
| Magenta Capital Private Limited | 2 |
| | 30 June |
| | 2020 |
| | % |
| Invest One Markets Limited | 29 |
| Continental Exchange (Private) Limited | 14 |
| Arif Habib Limited | 13 |
| Matenta Capital (Private Limited) | 7 |
| Summit Capital (Private) Limited | 6 |
| Bright Capital (Private) Limited | 4 |
| C & M Management (Private) Limited | 2 |
| BIPL Securities | 2 |
| Paramount Capital (Pvt.) Limited | 2 |

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

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

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachelors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

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

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

PERFORMANCE TABLE - AGCF

| | 30 June 2021 (Rupees in '000) | 30 June 2020 (Rupees in '000) | 30 June 2019 (Rupees in '000) | 30 June 2018 (Rupees in '000) | 30 June 2017 (Rupees in '000) |
|---|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Net Assets | 4,569,067 | 5,678,909 | 69,276 | 144,838 | 1,406,240 |
| NAV per unit | 500.1818 | 499.9776 | 499.0847 | 520.1968 | 496.7470 |
| Selling price per unit | 504.4208 | 504.2149 | 499.0847 | 520.1968 | 496.7470 |
| Redemption price per unit | 500.1818 | 499.9776 | 499.0847 | 520.1968 | 496.7470 |
| Highest selling price per unit | 523.7958 | 544.2103 | 537.1700 | 520.1968 | 530.6400 |
| Highest redemption price per unit | 519.3939 | 539.6369 | 537.1700 | 520.1968 | 530.6400 |
| Lowest selling price per unit | 504.2367 | 499.4200 | 497.2300 | 497.0300 | 495.8500 |
| Lowest redemption price per unit | 499.9992 | 499.2624 | 497.2300 | 497.0300 | 495.8500 |
| 1st interim distribution per unit | 2.3011 | 40.55 | NIL | NIL | 32.84 |
| 1st interim distribution date | 23-Jul-20 | 12-Feb-20 | NIL | NIL | 22-Jun-17 |
| 2nd interim distribution per unit | 0.6156 | NIL | NIL | NIL | NIL |
| 2nd interim distribution date | 4-Aug-20 | NIL | NIL | NIL | NIL |
| 3rd interim distribution per unit | 19.4163 | NIL | NIL | NIL | NIL |
| 3rd interim distribution date | 26-Feb-21 | NIL | NIL | NIL | NIL |
| Final distribution per unit | 11.8398 | 20.07 | 42.65 | 23.36 | Nil |
| Final distribution date | 28-Jun-21 | 30-Jun-20 | 30-Jun-19 | 2-Jul-18 | N/A |
| Annualized returns % | 7.01% | 12.67% | 9.03% | 4.71% | 6.86% |
| Income distribution % | 6.83% | 12.15% | 8.58% | 4.70% | 6.62% |
| Weighted avg. portfolio duration (Days) | 0.90 Days | 52.2 Days | 0.001 Days | 0.48 Days | 1 Days |

Return since inception is **8.55 %**

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



**Alfalah GHP
Money Market Fund**

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | AA+ (f) by PACRA |

Alfalah GHP Money Market Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Money Market Scheme

Investment Objective

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

Accomplishment of Objective

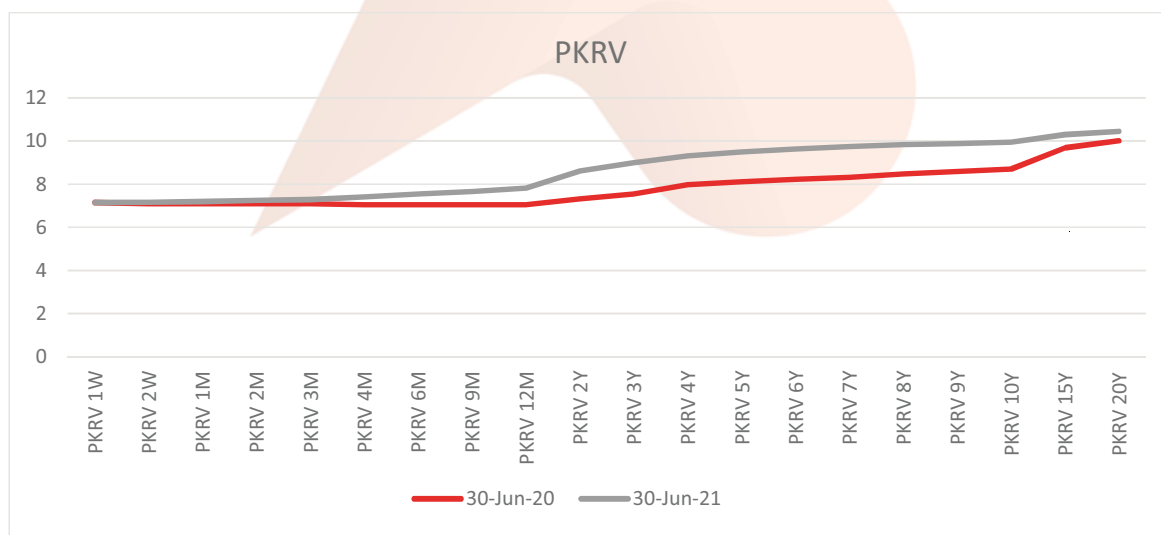
The Fund has achieved its objective of generating regular income by investing in mid to low duration fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review:-

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

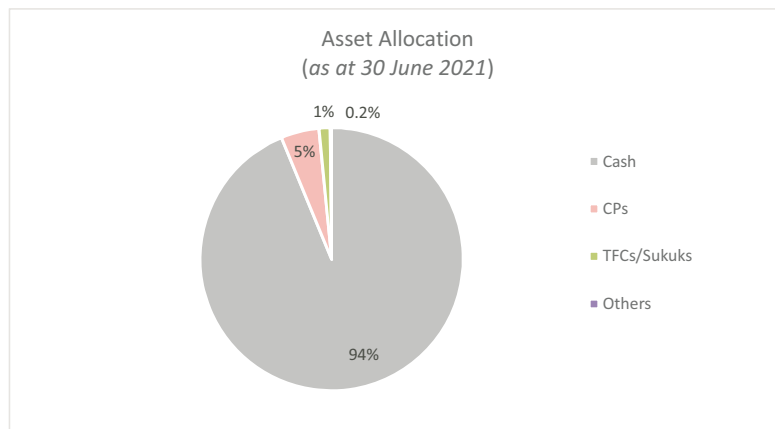
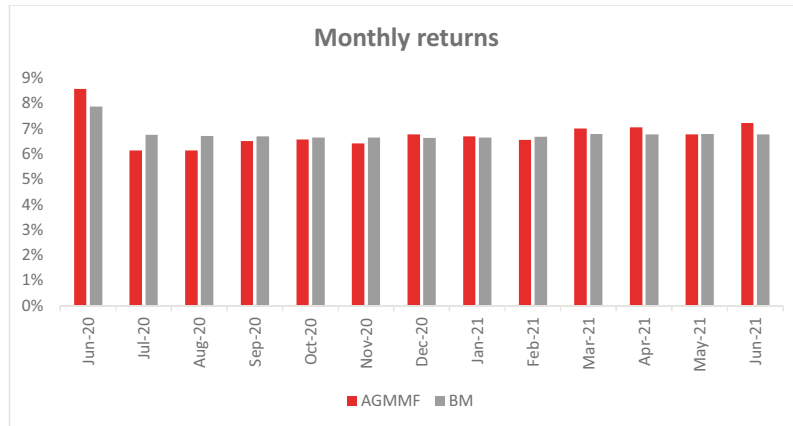
Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



Fund Performance

For the year ended June 30 2021, the fund posted a return of 6.86% against the benchmark of 6.71%.



| Credit Quality (as % of Total Assets) | | | |
|---------------------------------------|--------|----------|-------|
| Govt. Guar. | 0.00% | A | 0.00% |
| AAA | 53.37% | A- | 0.00% |
| AA+ | 27.44% | BBB+ | 0.00% |
| AA | 19.01% | BBB | 0.00% |
| AA- | 0.00% | Below IG | 0.00% |
| A+ | 0.00% | NR/UR | 0.18% |

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

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

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

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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



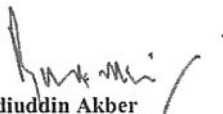
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP MONEY MARKET FUND

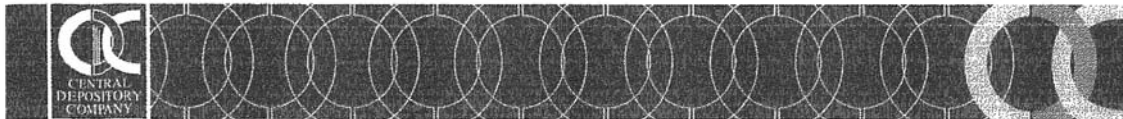
**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Money Market Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021



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

Opinion

We have audited the financial statements of Alfalah GHP Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|--|--|
| 1 | Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements) | |
| | Bank balances and investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2021 amounted to Rs. 1,670.37 million and bank balances aggregated to Rs. 25,335.85 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants
Karachi
Date: 30 September, 2021

**ALFALAH GHP MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES**

AS AT JUNE 30, 2021

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|---|------|-------------------------------|------------------------------|
| Assets | | | |
| Bank balances | 4 | 25,335,853,393 | 8,037,739,035 |
| Investments | 5 | 1,670,372,267 | 7,521,085,602 |
| Security deposit with the Central Depository Company of Pakistan Limited - Trustee | | 100,000 | 100,000 |
| Advances, prepayments and profit receivable | 6 | 8,428,374 | 25,086,461 |
| Total assets | | <u>27,014,754,034</u> | <u>15,584,011,098</u> |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 7 | 19,270,223 | 26,262,625 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8 | 1,284,810 | 858,365 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 9 | 4,012,324 | 3,833,044 |
| Accrued and other liabilities | 10 | 110,888,554 | 90,165,849 |
| Total liabilities | | <u>135,455,911</u> | <u>121,119,883</u> |
| Net assets attributable to the unit holders | | <u>26,879,298,123</u> | <u>15,462,891,215</u> |
| Unit holders' fund (as per the statement attached) | | <u>26,879,298,123</u> | <u>15,462,891,215</u> |
| Contingencies and commitments | 11 | | |
| | | ----- (Number of units) ----- | |
| Number of units in issue | | <u>273,612,626</u> | <u>157,562,374</u> |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | <u>98.2385</u> | <u>98.1382</u> |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|----------------------|----------------------|
| | | ----- (Rupees) ----- | |
| Income | | | |
| Profit / mark-up income | 12 | 1,488,647,196 | 2,482,771,114 |
| Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | 5.8 | - | 12,259,613 |
| (Loss) / gain on sale of investments - net | | (8,353,319) | 19,511,484 |
| Total income | | <u>1,480,293,877</u> | <u>2,514,542,211</u> |
| Expenses | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 7.1 | 88,955,284 | 114,963,393 |
| Sindh sales tax on remuneration of the Management Company | 7.2 | 11,564,187 | 14,945,241 |
| Selling and marketing expenses | 7.4 | 600,000 | 6,369,972 |
| Remuneration of Central Depository Company of Pakistan - Trustee | 8.1 | 13,040,045 | 12,454,380 |
| Sindh sales tax on remuneration of the Trustee | 8.2 | 1,695,205 | 1,619,069 |
| Annual fees to the Securities and Exchange Commission of Pakistan | 9 | 4,012,324 | 3,833,044 |
| CDS Charges | | 666,232 | - |
| Legal expenses | | 12,369 | 145,769 |
| Brokerage expenses | | 1,038,676 | 1,149,168 |
| Bank and settlement charges | | 243,000 | 198,000 |
| Auditors' remuneration | 13 | 270,000 | 269,631 |
| Fees and subscription | | 520,728 | 552,920 |
| Printing charges | | 30,000 | 29,958 |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 27,152,917 | 47,159,295 |
| Total expenses | | <u>149,800,967</u> | <u>203,689,840</u> |
| Net income for the year before taxation | | <u>1,330,492,910</u> | <u>2,310,852,371</u> |
| Taxation | 15 | - | - |
| Net income for the year after taxation | | <u>1,330,492,910</u> | <u>2,310,852,371</u> |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 1,330,492,910 | 2,310,852,371 |
| Income already paid on units redeemed | | (129,578,862) | (184,595,122) |
| | | <u>1,200,914,048</u> | <u>2,126,257,249</u> |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | - | 26,739,154 |
| - Excluding capital gains | | 1,200,914,048 | 2,099,518,095 |
| | | <u>1,200,914,048</u> | <u>2,126,257,249</u> |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|--|----------------------|----------------------|
| | ----- (Rupees) ----- | |
| Net income for the year after taxation | 1,330,492,910 | 2,310,852,371 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>1,330,492,910</u> | <u>2,310,852,371</u> |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|--|-----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees) | | | (Rupees) | | |
| Net assets at the beginning of the year | 15,429,250,310 | 33,640,905 | 15,462,891,215 | 17,968,282,648 | 6,970,179 | 17,975,252,827 |
| Issuance of 556,648,811 (2020: 407,971,008) units | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 54,628,512,344 | - | 54,628,512,344 | 39,961,535,379 | - | 39,961,535,379 |
| - Element of income | 155,114,637 | - | 155,114,637 | 184,911,446 | - | 184,911,446 |
| Total proceeds on issuance of units | 54,783,626,981 | - | 54,783,626,981 | 40,146,446,825 | - | 40,146,446,825 |
| Redemption of 441,598,559 (2020: 433,919,588) units | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 43,239,549,503 | - | 43,239,549,503 | 42,503,248,092 | - | 42,503,248,092 |
| - Element of loss | 10,228,701 | 129,578,862 | 139,807,563 | 41,591,329 | 184,595,122 | 226,186,451 |
| Total payments on redemption of units | 43,249,778,204 | 129,578,862 | 43,379,357,066 | 42,544,839,421 | 184,595,122 | 42,729,434,543 |
| Total comprehensive income for the year | - | 1,330,492,910 | 1,330,492,910 | - | 2,310,852,371 | 2,310,852,371 |
| Distributions made (refer note 25) | (142,745,499) | (1,175,610,418) | (1,318,355,917) | (140,639,742) | (2,099,586,523) | (2,240,226,265) |
| Net assets at the end of the year | 26,820,353,588 | 58,944,535 | 26,879,298,123 | 15,429,250,310 | 33,640,905 | 15,462,891,215 |
| | (Rupees) | | | (Rupees) | | |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 21,381,292 | | | 6,970,179 | |
| - Unrealised income | | 12,259,613 | | | - | |
| Accounting income available for distribution | | 33,640,905 | | | 6,970,179 | |
| - Relating to capital gains | | - | | | 26,739,154 | |
| - Excluding capital gains | | 1,200,914,048 | | | 2,099,518,095 | |
| | | 1,200,914,048 | | | 2,126,257,249 | |
| Total distributions during the year | | (1,175,610,418) | | | (2,099,586,523) | |
| Undistributed income carried forward | | 58,944,535 | | | 33,640,905 | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 58,944,535 | | | 21,381,292 | |
| - Unrealised income | | - | | | 12,259,613 | |
| | | 58,944,535 | | | 33,640,905 | |
| | | | Rupees | | | Rupees |
| Net asset value per unit at the beginning of the year | | | 98.1382 | | | 97.9519 |
| Net asset value per unit at the end of the year | | | 98.2385 | | | 98.1382 |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|------------------------------|------------------------------|
| ----- (Rupees) ----- | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income for the year before taxation | | 1,330,492,910 | 2,310,852,371 |
| Adjustments for: | | | |
| Unrealised gain on revaluation of investments classified as financial assets at 'fair value through profit or loss' - net | | - | (12,259,613) |
| Provision against Sindh Workers' Welfare Fund | | 27,152,917 | 47,159,295 |
| | | <u>1,357,645,827</u> | <u>2,345,752,053</u> |
| Decrease / (increase) in assets | | | |
| Investments - net | | <u>2,935,041,835</u> | <u>(4,130,154,489)</u> |
| Advances, prepayments and profit receivable | | 16,658,087 | (1,203,516) |
| | | <u>2,951,699,922</u> | <u>(4,131,358,005)</u> |
| (Decrease) / increase in liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management | | <u>(6,992,402)</u> | <u>3,796,600</u> |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 426,445 | (366,042) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | 179,280 | (6,352,121) |
| Accrued and other liabilities | | <u>(6,430,212)</u> | <u>95,153</u> |
| | | <u>(12,816,889)</u> | <u>(2,826,410)</u> |
| Net cash generated from / (used in) operating activities | | <u>4,296,528,860</u> | <u>(1,788,432,362)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Amounts received against issuance of units - net of refund of capital | | <u>54,640,881,482</u> | <u>40,005,807,083</u> |
| Payments made against redemption of units | | <u>(43,379,357,066)</u> | <u>(42,729,434,543)</u> |
| Dividend paid | | <u>(1,175,610,418)</u> | <u>(2,099,586,523)</u> |
| Net cash generated from / (used in) financing activities | | <u>10,085,913,998</u> | <u>(4,823,213,983)</u> |
| Net increase / (decrease) in cash and cash equivalents during the year | | <u>14,382,442,858</u> | <u>(6,611,646,345)</u> |
| Cash and cash equivalents at beginning of the year | | 10,953,410,535 | 17,565,056,880 |
| Cash and cash equivalents at end of the year | 16 | <u><u>25,335,853,393</u></u> | <u><u>10,953,410,535</u></u> |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Money Market Fund (formerly IGI Money Market Fund) (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between IGI Funds Limited, (Former Management Company) and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on March 04, 2010. On October 15, 2013, the management rights were transferred from the Former Management Company to Alfalah GHP Investment Management Limited (the Management Company) by sanctioning of order by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/NBFC-II/IGIFL and AFGHP/742/2013. The SECP has approved second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/AMCW/AGISF/238/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Money Market Fund.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'money market scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is to generate competitive returns consistent with low risk from a portfolio constituted of short term instruments. The Fund invests in cash deposits, money market placements and government securities. The investment objectives and policy are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021 and AA+(f) to the Fund in its credit rating report dated April 8, 2021.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- Classification and valuation of financial assets (notes 3.2.1 and 5)
- Impairment of financial assets (note 3.2.2)
- Provision for Sindh Workers' Welfare Fund (note 10.1)
- Taxation (notes 3.6 and 15)

2.5 Accounting Convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

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

3.2.2 Impairment

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

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and

- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

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

3.2.2.1 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

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

3.2.5 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

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

Deferred

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

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

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.8 Distributions to unit holders

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

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

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Foreign currency translation

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

| 4. BANK BALANCES | Note | 2021 | 2020 |
|-------------------------|------|-----------------------|----------------------|
| ----- (Rupees) ----- | | | |
| Balances with banks in: | | | |
| Current account | | 14,000,098,330 | 6,100,010,584 |
| Savings accounts | 4.1 | 11,335,755,063 | 1,937,728,451 |
| | | <u>25,335,853,393</u> | <u>8,037,739,035</u> |

4.1 These accounts carry profit rates ranging between 5.50% to 7.90% (2020: 6.50% to 8%) per annum. These include bank balance of Rs. 7,273 million (2020: Rs. 828.19 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 7.70% (2020: 6.50%) per annum.

| 5. INVESTMENTS | Note | 2021 | 2020 |
|---|------|----------------------|----------------------|
| ----- (Rupees) ----- | | | |
| At fair value through profit or loss | | | |
| Market Treasury Bills | 5.1 | - | 6,866,320,261 |
| Pakistan Investment Bonds | 5.2 | - | - |
| Term deposit receipts | 5.3 | - | - |
| Commercial papers | 5.4 | 1,300,872,267 | 654,765,341 |
| Short term sukuk certificates | 5.5 | 369,500,000 | - |
| Letters of placement | 5.6 | - | - |
| Certificates of investment | 5.7 | - | - |
| | | <u>1,670,372,267</u> | <u>7,521,085,602</u> |

5.1 Market Treasury Bills

| T-Bill Tenure | Issue Date | Face value | | | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|------------------------------|--------------------|---------------------|---------------------------|--------------------------------|-----------------------------|----------------|--------------|---------------------------------|------------------------|
| | | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain | Net assets of the Fund |
| ----- (Rupees) ----- | | | | | | | | | |
| Market Treasury Bills | | | | | | | | | |
| - 3 months | June 18, 2020 | 1,000,000,000 | 150,000,000 | 1,150,000,000 | - | - | - | - | - |
| - 3 months | June 4, 2020 | 1,700,000,000 | 1,350,000,000 | 3,050,000,000 | - | - | - | - | - |
| - 3 months | July 2, 2020 | - | 225,000,000 | 225,000,000 | - | - | - | - | - |
| - 3 months | May 21, 2020 | 250,000,000 | 150,000,000 | 400,000,000 | - | - | - | - | - |
| - 3 months | July 16, 2020 | - | 3,609,000,000 | 3,609,000,000 | - | - | - | - | - |
| - 3 months | August 5, 2020 | - | 300,000,000 | 300,000,000 | - | - | - | - | - |
| - 3 months | August 13, 2020 | - | 425,000,000 | 425,000,000 | - | - | - | - | - |
| - 3 months | August 27, 2020 | - | 5,587,310,000 | 5,587,310,000 | - | - | - | - | - |
| - 3 months | October 8, 2020 | - | 6,650,000,000 | 6,650,000,000 | - | - | - | - | - |
| - 3 months | September 24, 2020 | - | 2,725,000,000 | 2,725,000,000 | - | - | - | - | - |
| - 3 months | September 10, 2020 | - | 500,000,000 | 500,000,000 | - | - | - | - | - |
| - 3 months | October 22, 2020 | - | 1,600,000,000 | 1,600,000,000 | - | - | - | - | - |
| - 3 months | October 29, 2020 | - | 1,000,000,000 | 1,000,000,000 | - | - | - | - | - |
| - 3 months | November 5, 2020 | - | 4,302,500,000 | 4,302,500,000 | - | - | - | - | - |
| - 3 months | January 28, 2021 | - | 1,640,000,000 | 1,640,000,000 | - | - | - | - | - |
| - 3 months | November 19, 2020 | - | 6,375,000,000 | 6,375,000,000 | - | - | - | - | - |
| - 3 months | December 31, 2020 | - | 6,520,000,000 | 6,520,000,000 | - | - | - | - | - |
| - 3 months | December 17, 2020 | - | 5,250,000,000 | 5,250,000,000 | - | - | - | - | - |
| - 3 months | January 14, 2021 | - | 6,495,000,000 | 6,495,000,000 | - | - | - | - | - |
| - 3 months | December 3, 2020 | - | 5,890,000,000 | 5,890,000,000 | - | - | - | - | - |
| - 3 months | February 25, 2021 | - | 8,845,000,000 | 8,845,000,000 | - | - | - | - | - |
| - 3 months | January 20, 2021 | - | 1,100,000,000 | 1,100,000,000 | - | - | - | - | - |
| - 3 months | February 11, 2021 | - | 11,000,000 | 11,000,000 | - | - | - | - | - |
| - 3 months | March 11, 2021 | - | 2,150,000,000 | 2,150,000,000 | - | - | - | - | - |
| - 3 months | March 25, 2021 | - | 5,180,000,000 | 5,180,000,000 | - | - | - | - | - |
| - 3 months | April 8, 2021 | - | 9,263,000,000 | 9,263,000,000 | - | - | - | - | - |
| - 3 months | April 22, 2021 | - | 730,000,000 | 730,000,000 | - | - | - | - | - |
| - 3 months | May 6, 2021 | - | 3,489,000,000 | 3,489,000,000 | - | - | - | - | - |
| Market Treasury Bills | | | | | | | | | |
| - 6 months | June 18, 2020 | 175,000,000 | - | 175,000,000 | - | - | - | - | - |
| - 6 months | April 9, 2020 | 750,000,000 | - | 750,000,000 | - | - | - | - | - |
| - 6 months | April 23, 2020 | 952,000,000 | 2,050,000,000 | 3,002,000,000 | - | - | - | - | - |
| - 6 months | March 26, 2020 | 500,000,000 | 3,500,000,000 | 4,000,000,000 | - | - | - | - | - |
| - 6 months | July 2, 2020 | - | 225,000,000 | 225,000,000 | - | - | - | - | - |

| T-Bill Tenure | Issue Date | Face value | | | | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|----------------------------------|--------------------|----------------------|---------------------------|--------------------------------|----------------------|-----------------------------|----------------------|-------------------|---------------------------------|-------------------------------|
| | | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain | Net assets of the Fund | Total investments of the Fund |
| | | | | | (Rupees) | | | (%) | | |
| - 6 months | July 16, 2020 | - | 1,950,000,000 | 1,950,000,000 | - | - | - | - | - | |
| - 6 months | July 30, 2020 | - | 75,000,000 | 75,000,000 | - | - | - | - | - | |
| - 6 months | September 10, 2020 | - | 275,000,000 | 275,000,000 | - | - | - | - | - | |
| - 6 months | March 12, 2020 | - | 1,000,000,000 | 1,000,000,000 | - | - | - | - | - | |
| - 6 months | April 8, 2021 | - | 2,175,000,000 | 2,175,000,000 | - | - | - | - | - | |
| - 6 months | April 9, 2020 | - | 1,500,000,000 | 1,500,000,000 | - | - | - | - | - | |
| - 6 months | May 6, 2021 | - | 250,000,000 | 250,000,000 | - | - | - | - | - | |
| - 6 months | May 7, 2020 | - | 3,833,000,000 | 3,833,000,000 | - | - | - | - | - | |
| - 6 months | November 19, 2020 | - | 1,025,000,000 | 1,025,000,000 | - | - | - | - | - | |
| - 6 months | February 25, 2021 | - | 1,950,000,000 | 1,950,000,000 | - | - | - | - | - | |
| - 6 months | February 11, 2021 | - | 350,000,000 | 350,000,000 | - | - | - | - | - | |
| Market Treasury Bills | | | | | | | | | | |
| -12 months | October 10, 2019 | 1,100,000,000 | - | 1,100,000,000 | - | - | - | - | - | |
| -12 months | September 12, 2019 | 550,000,000 | 850,000,000 | 1,400,000,000 | - | - | - | - | - | |
| -12 months | June 18, 2020 | - | 1,850,000,000 | 1,850,000,000 | - | - | - | - | - | |
| -12 months | June 4, 2020 | - | 1,200,000,000 | 1,200,000,000 | - | - | - | - | - | |
| -12 months | September 10, 2019 | - | 225,000,000 | 225,000,000 | - | - | - | - | - | |
| -12 months | August 16, 2019 | - | 506,000,000 | 506,000,000 | - | - | - | - | - | |
| -12 months | March 26, 2020 | - | 777,000,000 | 777,000,000 | - | - | - | - | - | |
| -12 months | August 29, 2019 | - | 659,020,000 | 659,020,000 | - | - | - | - | - | |
| -12 months | October 10, 2019 | - | 520,000,000 | 520,000,000 | - | - | - | - | - | |
| -12 months | September 26, 2019 | - | 1,400,000,000 | 1,400,000,000 | - | - | - | - | - | |
| -12 months | February 27, 2020 | - | 1,600,000,000 | 1,600,000,000 | - | - | - | - | - | |
| -12 months | October 24, 2019 | - | 50,000,000 | 50,000,000 | - | - | - | - | - | |
| -12 months | November 7, 2019 | - | 1,700,000,000 | 1,700,000,000 | - | - | - | - | - | |
| -12 months | January 2, 2020 | - | 800,000,000 | 800,000,000 | - | - | - | - | - | |
| -12 months | December 5, 2019 | - | 1,769,000,000 | 1,769,000,000 | - | - | - | - | - | |
| -12 months | December 19, 2019 | - | 4,580,000,000 | 4,580,000,000 | - | - | - | - | - | |
| -12 months | January 30, 2020 | - | 2,610,000,000 | 2,610,000,000 | - | - | - | - | - | |
| Total as at June 30, 2021 | | 6,977,000,000 | 132,765,830,000 | 139,742,830,000 | - | - | - | - | - | |
| Total as at June 30, 2020 | | - | 158,214,075,000 | 151,237,075,000 | 6,977,000,000 | 6,854,060,648 | 6,866,320,261 | 12,259,613 | 44.41% | 91.30% |

5.2 Pakistan Investment Bonds

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

| Name of the investee company | Face value | | | | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|----------------------------------|---------------------|---------------------------|-------------------------|---------------------|-----------------------------|--------------|--------------------------|---------------------------------|-------------------|
| | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments |
| | | | | | Rupees | | | (%) | |
| Total as at June 30, 2021 | | | | | | | | | |
| Total as at June 30, 2020 | | | | | | | | | |

5.3 Term deposit receipts - 'at fair value through profit or loss'

| Name of the investee company | Rate of return per annum | Issue Date | Maturity Date | Face value | | | | Market value as a percentage of | |
|--|--------------------------|-------------------|------------------|----------------------|---------------------------|-------------------------|---------------------|---------------------------------|-------------------|
| | | | | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Net assets of the Fund | Total investments |
| | | | | (Rupees) | | | | (%) | |
| Bank Alfalah Limited (a related party) | 7.75% | December 28, 2020 | January 27, 2021 | - | 2,000,000,000 | 2,000,000,000 | - | - | - |
| Total as at June 30, 2021 | | | | - | 2,000,000,000 | 2,000,000,000 | - | - | - |
| Total as at June 30, 2020 | | | | 1,000,000,000 | - | 1,000,000,000 | - | - | - |

5.4 Commercial Papers - 'at fair value through profit or loss'

| Name of the investee company | Rate of return per annum | Date of Maturity | Face Value | | | | Balance as at June 30, 2021 | | | Market value as percentage of | |
|--|--------------------------|--------------------|---------------------|---------------------------|--------------------------------|----------------------|-----------------------------|----------------------|--------------------------|-------------------------------|-------------------|
| | | | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments |
| (Rupees) ----- (%) ----- | | | | | | | | | | | |
| K-Electric Limited ICP - 6 (A1+, PACRA) | 14.64% | August 26, 2020 | 370,000,000 | - | 370,000,000 | - | - | - | - | - | - |
| K-Electric Limited ICP - 7 (A1+, PACRA) | 13.64% | September 10, 2020 | 300,000,000 | 3,623,000,000 | 3,923,000,000 | - | - | - | - | - | - |
| K-Electric Limited ICP - 12 (A1+, PACRA) | 8.00% | March 24, 2021 | - | 130,000,000 | 130,000,000 | - | - | - | - | - | - |
| K-Electric Limited ICP - 13 (A1+, PACRA) | 7.33% | April 20, 2021 | - | 60,000,000 | 60,000,000 | - | - | - | - | - | - |
| K-Electric Limited ICP - 13 (A1+, PACRA) | 7.65% | April 20, 2021 | - | 60,000,000 | 60,000,000 | - | - | - | - | - | - |
| K-Electric Limited ICP - 14 (A-1+, VIS) | 7.96% | August 10, 2021 | - | 450,000,000 | - | 450,000,000 | 446,223,587 | 446,223,587 | - | 1.66% | 26.71% |
| K-Electric Limited ICP - 15 (A1+, PACRA) | 8.25% | September 2, 2021 | - | 450,000,000 | - | 450,000,000 | 443,847,988 | 443,847,988 | - | 1.65% | 26.57% |
| K-Electric Limited ICP - 17 (A-1+, VIS) | 8.42% | October 6, 2021 | - | 350,000,000 | - | 350,000,000 | 342,485,615 | 342,485,615 | - | 1.27% | 20.50% |
| K-Electric Limited ICP - 18 (A-1+, VIS) | 8.32% | October 19, 2021 | - | 70,000,000 | - | 70,000,000 | 68,315,077 | 68,315,077 | - | 0.25% | 4.09% |
| Total as at June 30, 2021 | | | 670,000,000 | 5,193,000,000 | 4,543,000,000 | 1,320,000,000 | 1,300,872,267 | 1,300,872,267 | - | 4.83% | 77.87% |
| Total as at June 30, 2020 | | | 350,000,000 | 3,445,000,000 | 3,125,000,000 | 670,000,000 | 654,765,341 | 654,765,341 | - | 4.23% | 8.71% |

5.5 Short Term Sukuks - 'at fair value through profit or loss'

| Name of the investee company | Profit rate | Date of Maturity | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Balance as at June 30, 2021 | | | Market value as percentage of | |
|--|-----------------|------------------|---------------------|---------------------------|-------------------------|---------------------|-----------------------------|--------------------|--------------------------|-------------------------------|-------------------|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments |
| ----- No. of Certificates ----- Rupees ----- (%) ----- | | | | | | | | | | | |
| The Hub Power Company Limited (A1+, PACRA) (Face value of Rs. 100,000 each) | 6M Kibor +1.30% | November 5, 2021 | - | 3,695 | - | 3,695 | 369,500,000 | 369,500,000 | - | 1.37% | 22.12% |
| Total as at June 30, 2021 | | | - | 3,695 | - | 3,695 | 369,500,000 | 369,500,000 | - | - | - |
| Total as at June 30, 2020 | | | 4,500 | 80,643 | 85,143 | - | - | - | - | - | - |

5.6 Letters of placement

| Name of the investee company | Rate of return per annum | Date of Maturity | Rating (Long Term / Short Term) | Face value | | | | Market value as percentage of | |
|-------------------------------------|--------------------------|-------------------|---------------------------------|---------------------|---------------------------|-------------------------|---------------------|-------------------------------|-------------------|
| | | | | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Net assets of the Fund | Total investments |
| ----- Rupees ----- (%) ----- | | | | | | | | | |
| Pak Oman Investment Company Limited | 7.05% | July 6, 2020 | AA+/A-1+ | - | 1,500,000,000 | 1,500,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.10% | July 7, 2020 | AA+/A-1+ | - | 1,000,000,000 | 1,000,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 6.75% | July 16, 2020 | AA+/A-1+ | - | 350,000,000 | 350,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.03% | October 29, 2020 | AA+/A-1+ | - | 2,000,000,000 | 2,000,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.00% | December 15, 2020 | AA+/A-1+ | - | 250,000,000 | 250,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.00% | December 15, 2020 | AA+/A-1+ | - | 250,000,000 | 250,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.10% | December 21, 2020 | AA+/A-1+ | - | 1,500,000,000 | 1,500,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.10% | December 21, 2020 | AA+/A-1+ | - | 600,000,000 | 600,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.20% | January 14, 2021 | AA+/A-1+ | - | 1,200,000,000 | 1,200,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.10% | January 22, 2021 | AA+/A-1+ | - | 1,400,000,000 | 1,400,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.10% | January 28, 2021 | AA+/A-1+ | - | 1,255,000,000 | 1,255,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.00% | March 1, 2021 | AA+/A-1+ | - | 200,000,000 | 200,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 6.25% | April 15, 2021 | AA+/A-1+ | - | 750,000,000 | 750,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 6.25% | April 15, 2021 | AA+/A-1+ | - | 228,000,000 | 228,000,000 | - | - | - |

| Name of the investee company | Rate of return per annum | Date of Maturity | Rating (Long Term / Short Term) | Face value | | | | Market value as percentage of | |
|--|--------------------------|--------------------|---------------------------------|---------------------|---------------------------|-------------------------|---------------------|-------------------------------|-------------------|
| | | | | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Net assets of the Fund | Total investments |
| | | | | Rupees | | | | (%) | |
| Pak Oman Investment Company Limited | 6.75% | April 16, 2021 | AA+/A-1+ | - | 728,000,000 | 728,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.25% | April 22, 2021 | AA+/A-1+ | - | 300,000,000 | 300,000,000 | - | - | - |
| Pak Oman Investment Company Limited | 7.10% | June 3, 2021 | AA+/A-1+ | - | 800,000,000 | 800,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.05% | December 21, 2020 | AA+/A-1+ | - | 800,000,000 | 800,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.02% | December 21, 2020 | AA+/A-1+ | - | 1,200,000,000 | 1,200,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.25% | January 14, 2021 | AA+/A-1+ | - | 750,000,000 | 750,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.25% | January 14, 2021 | AA+/A-1+ | - | 700,000,000 | 700,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.10% | February 11, 2021 | AA+/A-1+ | - | 1,100,000,000 | 1,100,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.10% | February 11, 2021 | AA+/A-1+ | - | 1,000,000,000 | 1,000,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.05% | May 6, 2021 | AA+/A-1+ | - | 1,000,000,000 | 1,000,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.05% | May 6, 2021 | AA+/A-1+ | - | 818,000,000 | 818,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.12% | May 17, 2021 | AA+/A-1+ | - | 350,000,000 | 350,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.20% | June 3, 2021 | AA+/A-1+ | - | 1,000,000,000 | 1,000,000,000 | - | - | - |
| Pak Brunei Investment Company Limited | 7.20% | June 3, 2021 | AA+/A-1+ | - | 900,000,000 | 900,000,000 | - | - | - |
| Saudi Pak Industrial & Agricultural Investment Company Limited | 7.25% | August 19, 2020 | AA+/A-1+ | - | 1,000,000,000 | 1,000,000,000 | - | - | - |
| Saudi Pak Industrial & Agricultural Investment Company Limited | 7.25% | August 20, 2020 | AA+/A-1+ | - | 525,000,000 | 525,000,000 | - | - | - |
| Saudi Pak Industrial & Agricultural Investment Company Limited | 7.15% | September 25, 2020 | AA+/A-1+ | - | 350,000,000 | 350,000,000 | - | - | - |
| Saudi Pak Industrial & Agricultural Investment Company Limited | 7.15% | September 25, 2020 | AA+/A-1+ | - | 1,500,000,000 | 1,500,000,000 | - | - | - |
| Habib Bank Limited | 6.00% | July 9, 2020 | AAA/A-1+ | - | 1,500,000,000 | 1,500,000,000 | - | - | - |
| Pak China Investment Company Limited | 6.95% | January 28, 2021 | AAA/A-1+ | - | 550,000,000 | 550,000,000 | - | - | - |
| Pak China Investment Company Limited | 7.35% | April 13, 2021 | AAA/A-1+ | - | 750,000,000 | 750,000,000 | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | 7.08% | December 16, 2020 | AAA/A-1+ | - | 2,050,000,000 | 2,050,000,000 | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | 7.05% | December 18, 2020 | AAA/A-1+ | - | 2,100,000,000 | 2,100,000,000 | - | - | - |
| Pakistan Kuwait Investment Company (Private) Limited | 7.15% | February 11, 2021 | AAA/A-1+ | - | 1,200,000,000 | 1,200,000,000 | - | - | - |
| Total as at June 30, 2021 | | | | | - | 35,454,000,000 | 35,454,000,000 | - | - |
| Total as at June 30, 2020 | | | | | | - | 54,410,000,000 | 54,410,000,000 | - |

5.7 Certificate of Investment - 'at fair value through profit and loss'

| Name of the investee company | Rate of return per annum | Maturity | Rating (Long Term / Short Term) | Face value | | | | Market value as percentage of | |
|-------------------------------------|--------------------------|-----------------|---------------------------------|---------------------|-----------------------------|---------------------------|---------------------|-------------------------------|-------------------|
| | | | | As at July 01, 2020 | Purchased during the period | Matured during the period | As at June 30, 2021 | Net assets of the Fund | Total investments |
| | | | | (Rupees) | | | | (%) | |
| Pak Oman Investment Company Limited | 7.10% | October 7, 2020 | AA+/A-1+ | - | 1,500,000,000 | 1,500,000,000 | - | - | - |
| Total as at June 30, 2021 | | | | | - | 1,500,000,000 | 1,500,000,000 | - | - |
| Total as at June 30, 2020 | | | | | - | - | - | - | - |

| 5.8 Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | Note | 2021 | 2020 |
|---|------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Market value of investments | | 1,670,372,267 | 7,521,085,602 |
| Less: Carrying value of investments | | 1,670,372,267 | 7,508,825,989 |
| | | <u>-</u> | <u>12,259,613</u> |

6. ADVANCES, PREPAYMENTS AND PROFIT RECEIVABLE

| | | | |
|---------------------------|-----|------------------|-------------------|
| Profit receivable on: | | | |
| Sukuk certificates | | 5,164,381 | - |
| Bank balances | | 2,461,864 | 24,848,780 |
| Advance Tax | 6.1 | 400,490 | - |
| Prepaid professional fee | | 134,532 | - |
| Prepaid credit rating fee | | 267,107 | 237,681 |
| | | <u>8,428,374</u> | <u>25,086,461</u> |

- 6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2021, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs. 0.4 million (2020: Rs. Nil)

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| 7. PAYABLE TO ALFALAH GHP INVESTMENT LIMITED - MANAGEMENT COMPANY | Note | 2021 | 2020 |
|---|------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Management remuneration payable | 7.1 | 6,177,192 | 7,095,312 |
| Sindh sales tax payable on management remuneration | 7.2 | 1,372,358 | 1,491,713 |
| Federal excise duty payable on management remuneration | 7.3 | 11,119,352 | 11,119,352 |
| Selling and marketing expenses | 7.4 | 600,000 | 6,369,972 |
| Sales load payable | | 1,321 | 186,276 |
| | | <u>19,270,223</u> | <u>26,262,625</u> |

- 7.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration as per the following rates:

| From July 1, 2020 to September 16, 2020 | From September 17, 2020 to December 28, 2020 | From December 29, 2020 to March 9, 2021 | From March 10, 2021 to June 30, 2021 |
|---|--|---|--|
| 0.6% of average annual net assets of the Fund | 0.45% of average annual net assets of the Fund | 0.4% of average annual net assets of the Fund | 0.35% of average annual net assets of the Fund |

| |
|--|
| From July 1, 2019 to June 30, 2020 0.6% of average annual net assets of the Fund |
|--|

The remuneration is paid to the Management Company on a monthly basis in arrears.

7.2 During the year, an amount of Rs. 11.564 million (2020: Rs. 14.945 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 11.684 million (2020: Rs. 15.202 million) has been paid to the Management Company which acts as a collecting agent.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 11.119 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2021 would have been higher by Re. 0.0406 per unit (June 30, 2020: Re. 0.0706 per unit).

7.4 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

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

| 8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 | 2020 |
|---|-------------|----------------------|----------------|
| | | ----- (Rupees) ----- | |
| Trustee remuneration payable | 8.1 | 1,136,123 | 758,739 |
| Sindh sales tax payable on trustee remuneration | 8.2 | 148,687 | 99,626 |
| | | <u>1,284,810</u> | <u>858,365</u> |

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate of 0.065% per annum of net assets of the Fund (2020: 0.065% per annum of net assets of the Fund).

8.2 During the year, an amount of Rs. 1.695 million (2020: Rs. 1.619 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.646 million (2020: Rs. 1.661 million) was paid to the Trustee which acts as a collecting agent.

| 9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2021 | 2020 |
|--|-------------|----------------------|------------------|
| | | ----- (Rupees) ----- | |
| Annual fee payable | 9.1 | <u>4,012,324</u> | <u>3,833,044</u> |

9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| 10. ACCRUED AND OTHER LIABILITIES | Note | 2021 | 2020 |
|---|-------------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 104,303,538 | 77,150,621 |
| Sales load payable | | 4,844,127 | 9,681,854 |
| Withholding tax payable | | 811,858 | 1,169,366 |
| Capital gain tax payable | | 519,691 | 1,089,186 |
| Brokerage and settlement charges payable | | 94,334 | 751,407 |
| Auditors' remuneration payable | | 215,761 | 202,790 |
| Printing charges payable | | 99,245 | 95,519 |
| Zakat payable | | - | 25,106 |
| | | <u>110,888,554</u> | <u>90,165,849</u> |

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Re 0.38 (2020: Re 0.49) per unit.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

12. PROFIT / MARK-UP INCOME

| | 2021 | 2020 |
|------------------------------|----------------------|----------------------|
| | ----- (Rupees) ----- | |
| Profit / mark-up income on: | | |
| - Market Treasury Bills | 869,828,287 | 1,238,298,961 |
| - Pakistan Investment Bonds | - | 2,898,373 |
| - Letters of placement | 68,047,702 | 196,301,657 |
| - Term deposit receipts | 12,739,726 | 11,295,890 |
| - Commercial papers | 48,950,874 | 29,721,421 |
| - Sukuk certificates | 5,164,381 | 35,810,594 |
| - Certificates of Investment | 26,843,833 | - |
| - Bank balances | 457,072,393 | 968,444,218 |
| | <u>1,488,647,196</u> | <u>2,482,771,114</u> |

13. AUDITORS' REMUNERATION

| | | |
|---------------------------------|----------------|----------------|
| Audit fee | 120,000 | 120,000 |
| Review and other certifications | 105,000 | 105,000 |
| Out of pocket expenses | 27,000 | 27,756 |
| Sindh sales tax | 18,000 | 16,875 |
| | <u>270,000</u> | <u>269,631</u> |

14. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 0.75% which includes 0.22% representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15. TAXATION

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

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

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

2021 2020

(Rupees)

16. CASH AND CASH EQUIVALENTS

| | | |
|--|-----------------------|-----------------------|
| Bank balances | 25,335,853,393 | 8,037,739,035 |
| Market Treasury Bills (with original maturity of three months) | - | 2,915,671,500 |
| | <u>25,335,853,393</u> | <u>10,953,410,535</u> |

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

| Note | 2021 | | | | | 2020 | | | | | Net asset value as at June 30, 2021 |
|---|---------------------|---|---------------------|--|---------------------|---------------------|---|---------------------|--|----------------|-------------------------------------|
| | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | | |
| | (Units) | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Alfalah GHP Investment Management Limited | 17.1.1 | 5,383,550 | 2,174,057 | 73,054 | 5,865,224 | 1,765,437 | 528,331,907 | 214,047,422 | 7,169,389 | 577,422,201 | 173,433,883 |
| Alfalah GHP Prosperity Planning Fund | 17.1.1 | 505,081 | 645,554 | 47,292 | 599,130 | 598,797 | 49,567,740 | 63,500,000 | 4,641,184 | 59,000,000 | 58,824,919 |
| Bank Alfalah Limited - Employees Provident Fund | 17.1.1 | - | 3,707,812 | 148,468 | - | 3,856,280 | - | 365,529,052 | 14,570,337 | - | 378,835,163 |
| Key management personnel | | | | | | | | | | | |
| Chief Operating Officer | 17.1.1 | 2 | - | - | - | 2 | 196 | - | - | - | 196 |
| Chief Financial Officer | 17.1.1 | 8,366 | - | - | 8,366 | - | 821,024 | - | - | 824,688 | - |
| Head of Operations & Registrar Services | 17.1.1 | 2,703 | - | 11,000 | 2,714 | - | 265,268 | - | 1,085 | 267,568 | - |
| Head of Compliance | 17.1.1 | 7,232 | - | - | 7,232 | - | 709,735 | - | - | 710,244 | - |
| Head of Administration | 17.1.1 | - | 1 | 1 | - | 2 | - | 137 | 7 | - | 196 |
| Head of Corporate & Institutional Sales | 17.1.1 | 20,174 | 17,280 | 816 | 25,900 | 12,370 | 1,979,840 | 1,699,100 | 80,125 | 2,550,000 | 1,215,210 |
| Vice President - Portfolio Department | 17.1.1 | 9 | - | 1 | - | 10 | 883 | - | 51 | - | 982 |
| Head of Investor Relations | 17.1.1 | 1 | - | - | - | 1 | 98 | - | - | - | 98 |
| Unit holder holding 10% or more units | | | | | | | | | | | |
| Fauji Fertilizer Company Limited | 17.1.1 | 18,082,674 | 155,466,014 | 2,269,377 | 129,996,831 | 45,821,234 | 1,774,601,078 | 15,308,000,000 | 222,712,565 | 12,794,218,461 | 4,501,409,296 |

| | 2020 | | | | | 2020 | | | | | Net asset value as at June 30, 2020 |
|--|---------------------|---|---------------------|--|---------------------|---------------------|---|---------------------|--|---------------|-------------------------------------|
| | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | | |
| | (Units) | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Alfalah GHP Investment Management Limited | - | 4,902,615 | 480,935 | - | 5,383,550 | - | 481,993,523 | 47,108,481 | - | - | 528,331,907 |
| Alfalah GHP Prosperity Planning Fund | 643,980 | 1,559,704 | - | 1,698,603 | 505,081 | 63,079,065 | 153,837,600 | - | - | 167,500,000 | 49,567,740 |
| Key management personnel | | | | | | | | | | | |
| Chief Executive Officer | 20,376 | 20,384 | 2,815 | - | 43,575 | 1,995,868 | 2,004,320 | 275,713 | - | - | 4,276,372 |
| Chief Operating Officer | 15,187 | 7 | 470 | 15,662 | 2 | 1,487,596 | 665 | 46,030 | - | 1,538,805 | 196 |
| Chief Financial Officer | 2 | 7,620 | 744 | - | 8,366 | 196 | 750,000 | 72,841 | - | - | 821,024 |
| Head of Operations & Registrar Services | 2,420 | - | 283 | - | 2,703 | 237,044 | - | 27,726 | - | - | 265,268 |
| Head of Compliance | 5 | 7,071 | 156 | - | 7,232 | 490 | 700,000 | 15,299 | - | - | 709,735 |
| Head of Administration | - | 1,316 | 11 | 1,327 | - | - | 130,012 | 1,106 | - | 131,486 | - |
| Head of Corporate & Institutional Sales | 11,647 | 16,837 | 1,027 | 9,337 | 20,174 | 1,140,846 | 1,651,960 | 100,597 | - | 917,000 | 1,979,840 |
| Vice President - Portfolio Department | 8,037 | 1,541 | 211 | 9,780 | 9 | 787,239 | 150,556 | 20,705 | - | 965,890 | 883 |
| Head of Investor Relations | 1 | - | - | - | 1 | 98 | - | - | - | - | 98 |
| Unit holder holding 10% or more units | | | | | | | | | | | |
| Fauji Fertilizer Company Limited | 38,402,242 | 27,572,251 | 4,770,082 | 52,661,901 | 18,082,674 | 3,761,572,568 | 2,713,000,000 | 467,238,610 | 5,188,705,198 | 1,774,601,078 | |

17.1.1 This reflects the position of related party / connected persons status as at June 30, 2021.

17.2 Other transactions

| | 2021 | 2020 |
|---|----------------------|---------------|
| | ----- (Rupees) ----- | |
| Associated companies / undertakings | | |
| Alfalsh GHP Investment Management Limited - Management Company | | |
| Remuneration of Alfalah GHP Investment Management Limited - | 88,955,284 | 114,963,393 |
| Sindh sales tax on remuneration of the Management Company | 11,564,187 | 14,945,241 |
| Selling and marketing expenses | 600,000 | 6,369,972 |
| Sales load | 238,230 | 1,221,583 |
| Alfalsh GHP Income Multiplier Fund | | |
| Market Treasury Bills - purchased | 27,805,322 | 315,385,805 |
| Market Treasury Bills - sold | 107,959,440 | 99,477,630 |
| Alfalsh GHP Sovereign Fund | | |
| Market Treasury Bills - purchased | 2,010,532,802 | 3,408,380,365 |
| Market Treasury Bills - sold | 1,006,244,260 | 2,030,275,840 |
| Alfalsh GHP Capital Preservation Fund II | | |
| Market Treasury Bills - purchased | - | 2,531,113,105 |
| Market Treasury Bills - sold | - | 717,914,880 |
| Alfalsh GHP Cash Fund | | |
| Market Treasury Bills - purchased | 1,213,539,635 | 1,310,820,028 |
| Market Treasury Bills - sold | 4,270,192,369 | 4,161,363,750 |
| Alfalsh GHP Income Fund | | |
| Market Treasury Bills - purchased | 701,230,644 | 993,020,542 |
| Market Treasury Bills - sold | 1,445,914,300 | 467,214,302 |
| Sukuk certificates - purchased | - | 2,000,000 |
| Alfalsh GHP Value Fund | | |
| Market Treasury Bills - purchased | 49,185,400 | 170,496,590 |
| Market Treasury Bills - sold | 83,150,135 | 9,953,560 |
| Alfalsh GHP Islamic Income Fund | | |
| Sukuk certificates - purchased | - | 395,000,000 |
| Bank Alfalah Limited | | |
| Profit on bank balances | 83,984,139 | 114,236,464 |
| Profit on term deposit receipts | 12,739,726 | 11,295,890 |
| Sales load | 24,037,543 | 28,846,724 |
| Bank charges | 243,000 | 198,000 |
| Term deposit receipts - matured | 2,000,000,000 | 1,000,000,000 |
| Market Treasury Bills - purchased | 19,781,729,380 | 3,917,374,130 |
| Market Treasury Bills - sold | 1,572,716,400 | - |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of Central Depository Company of Pakistan - Trustee | 13,040,045 | 12,454,380 |
| Sindh sales tax on remuneration of the Trustee | 1,695,205 | 1,619,069 |
| CDS Charges | 666,232 | - |

17.3 Other balances

| | 2021 | 2020 |
|---|----------------------|-------------|
| | ----- (Rupees) ----- | |
| Associated companies / undertakings | | |
| Alfalsh GHP Investment Management Limited - Management Company | | |
| Management remuneration payable | 6,177,192 | 7,095,312 |
| Sindh sales tax payable on management remuneration | 1,372,358 | 1,491,713 |
| Federal excise duty payable on management remuneration | 11,119,352 | 11,119,352 |
| Selling and marketing expenses | 600,000 | 6,369,972 |
| Sales load payable | 1,321 | 186,276 |
| Bank Alfalah Limited | | |
| Bank balance | 7,273,268,713 | 828,194,595 |
| Profit receivable | - | - |
| Sales load payable | 4,844,127 | 9,681,854 |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee remuneration payable | 1,136,123 | 758,739 |
| Sindh sales tax payable on trustee remuneration | 148,687 | 99,626 |

18. FINANCIAL INSTRUMENTS BY CATEGORY

| | ----- 2021 ----- | | |
|--|-----------------------|--------------------------------------|-----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 25,335,853,393 | - | 25,335,853,393 |
| Investments | - | 1,670,372,267 | 1,670,372,267 |
| Security deposit with the Central Depository Company of Pakistan Limited - Trustee | 100,000 | - | 100,000 |
| Profit receivable | 7,626,245 | - | 7,626,245 |
| | <u>25,343,579,638</u> | <u>1,670,372,267</u> | <u>27,013,951,905</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 19,270,223 | - | 19,270,223 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 1,284,810 | - | 1,284,810 |
| Accrued and other liabilities | 5,253,467 | - | 5,253,467 |
| | <u>25,808,500</u> | <u>-</u> | <u>25,808,500</u> |
| | ----- 2020 ----- | | |
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 8,037,739,035 | - | 8,037,739,035 |
| Investments | - | 7,521,085,602 | 7,521,085,602 |
| Security deposit with the Central Depository Company of Pakistan Limited - Trustee | 100,000 | - | 100,000 |
| Profit receivable | 24,848,780 | - | 24,848,780 |
| | <u>8,062,687,815</u> | <u>7,521,085,602</u> | <u>15,583,773,417</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 26,262,625 | - | 26,262,625 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 858,365 | - | 858,365 |
| Accrued and other liabilities | 10,756,676 | - | 10,756,676 |
| | <u>37,877,666</u> | <u>-</u> | <u>37,877,666</u> |

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

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

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

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

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2021, is as follows:

| | 2021 | 2020 |
|---|-----------------------|----------------------|
| | ----- (Rupees) ----- | |
| Variable rate instruments (financial assets) | | |
| Bank balances | 25,335,853,393 | 8,037,739,035 |
| Sukuk certificates | <u>369,500,000</u> | - |
| | <u>25,705,353,393</u> | <u>8,037,739,035</u> |
| Fixed rate instruments (financial assets) | | |
| Market Treasury Bills | - | 6,866,320,261 |
| Commercial papers | <u>1,300,872,267</u> | <u>654,765,341</u> |
| | <u>1,300,872,267</u> | <u>7,521,085,602</u> |

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 257.05 million (2020: Rs. 80.38 million) The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at June 30, 2021, the Fund holds commercial papers which are classified as financial assets 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in interest rates announced by K-Electric for commercial papers and with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 13.01 million (2020: Rs. 75.21 million). The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

| ----- 2021 ----- | | | | | | |
|--|----------------------------------|---|-----------------------|---|-----------------------|-----------------------|
| Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | Total | |
| | Upto three months | More than three months and up to one year | More than one year | | | |
| ----- (Rupees) ----- | | | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.5% - 7.9% | 11,335,755,063 | - | - | 14,000,098,330 | 25,335,853,393 |
| Investments | 7.96% - 8.42% | 890,071,575 | 780,300,692 | - | - | 1,670,372,267 |
| Profit receivable | | - | - | - | 7,626,245 | 7,626,245 |
| Security deposit with the Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 100,000 | 100,000 |
| Sub total | | <u>12,225,826,638</u> | <u>780,300,692</u> | <u>-</u> | <u>14,007,824,575</u> | <u>27,013,951,905</u> |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 19,270,223 | 19,270,223 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 1,284,810 | 1,284,810 |
| Accrued and other liabilities | | - | - | - | 5,253,467 | 5,253,467 |
| Sub total | | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,808,500</u> | <u>25,808,500</u> |
| On-balance sheet gap | | <u>12,225,826,638</u> | <u>780,300,692</u> | <u>-</u> | <u>13,982,016,075</u> | <u>26,988,143,405</u> |
| Total interest rate sensitivity gap | | <u>12,225,826,638</u> | <u>780,300,692</u> | <u>-</u> | <u>13,982,016,075</u> | <u>26,988,143,405</u> |
| Cumulative interest rate sensitivity gap | | <u>12,225,826,638</u> | <u>13,006,127,330</u> | <u>13,006,127,330</u> | | |

| ----- 2020 ----- | | | | | | |
|--|----------------------------------|---|----------------------|---|----------------------|-----------------------|
| Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | Total | |
| | Upto three months | More than three months and up to one year | More than one year | | | |
| ----- (Rupees) ----- | | | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 6.5% - 8% | 1,937,728,451 | - | - | 6,100,010,584 | 8,037,739,035 |
| Investments | 7.9% - 14.64% | 3,570,436,841 | 3,950,648,761 | - | - | 7,521,085,602 |
| Profit receivable | | - | - | - | 24,848,780 | 24,848,780 |
| Security deposit with the Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 100,000 | 100,000 |
| Sub total | | <u>5,508,165,292</u> | <u>3,950,648,761</u> | <u>-</u> | <u>6,124,959,364</u> | <u>15,583,773,417</u> |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 26,262,625 | 26,262,625 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 858,365 | 858,365 |
| Accrued and other liabilities | | - | - | - | 10,756,676 | 10,756,676 |
| Sub total | | <u>-</u> | <u>-</u> | <u>-</u> | <u>37,877,666</u> | <u>37,877,666</u> |
| On-balance sheet gap | | <u>5,508,165,292</u> | <u>3,950,648,761</u> | <u>-</u> | <u>6,087,081,698</u> | <u>15,545,895,751</u> |
| Total interest rate sensitivity gap | | <u>5,508,165,292</u> | <u>3,950,648,761</u> | <u>-</u> | <u>6,087,081,698</u> | <u>15,545,895,751</u> |
| Cumulative interest rate sensitivity gap | | <u>5,508,165,292</u> | <u>9,458,814,053</u> | <u>9,458,814,053</u> | | |

19.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2021.

19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

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

19.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

| | 2021 | | 2020 | |
|-------------------|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| | (Rupees) | | | |
| Bank balances | 25,335,853,393 | 25,335,853,393 | 8,037,739,035 | 8,037,739,035 |
| Investments | 1,670,372,267 | 1,670,372,267 | 7,521,085,602 | 654,765,341 |
| Profit receivable | 7,626,245 | 7,626,245 | 24,848,780 | 24,848,780 |
| Security deposit | 100,000 | 100,000 | 100,000 | 100,000 |
| | <u>27,013,951,905</u> | <u>27,013,951,905</u> | <u>15,583,773,417</u> | <u>8,717,453,156</u> |

The difference in the balance as per the "Statement of Assets and Liabilities" and maximum exposure is due to the fact that investments in Government securities of Nil (2020: Rs. 6,866 million) are not exposed to credit risk.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2021 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired either at June 30, 2021 and June 30, 2020.

19.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2021 with banks having following credit ratings:

| Banks | Rating agency | Rating (Short Term / Long Term) | 2021 | 2020 |
|--|---------------|---------------------------------|---|----------------|
| | | | % of bank balances exposed to credit risk | |
| Allied Bank Limited | PACRA | A1+ / AAA | 57.43% | 87.65% |
| Bank Al Habib Limited | PACRA | A1+ / AAA | 0.00% | 0.00% |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 28.70% | 10.30% |
| Habib Bank Limited | VIS | A-1+ / AAA | 0.00% | 0.03% |
| Habib Metropolitan Bank Limited | PACRA | A1+ / AA+ | 0.00% | 1.87% |
| MCB Bank Limited | PACRA | A1+ / AAA | 0.02% | 0.05% |
| National Bank of Pakistan | PACRA | A-1+ / AAA | 0.00% | 0.00% |
| Samba Bank Limited | VIS | A-1 / AA | 5.95% | 0.00% |
| Zarai Taraqati Bank Limited | VIS | A-1+ / AAA | 0.00% | 0.01% |
| Dubai Islamic Bank Pakistan Limited | VIS | A-1+ / AA | 0.00% | 0.09% |
| The Bank of Punjab | PACRA | A1+ / AA+ | 0.00% | 0.00% |
| Faysal Bank Limited | PACRA | A1+ / AA | 7.90% | 0.00% |
| Central Depository Company of Pakistan Limited | N/A | N/A | 0.00% | 0.00% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

Ratings of commercial papers and sukuk certificate have been disclosed in related notes to the financial statements.

19.2.3 Concentration of credit risk

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

| | 2021 | | 2020 | |
|--|-----------------------|----------------|----------------------|----------------|
| | Rupees | % | Rupees | % |
| Commercial banks (including TDR and profit receivable) | 25,338,315,257 | 93.80% | 8,062,587,815 | 92.49% |
| Power generation and distribution - sukuk certificates (including profit receivable) | 374,664,381 | 1.39% | - | 0.00% |
| Power generation and distribution - commercial papers | 1,300,872,267 | 4.81% | 654,765,341 | 7.51% |
| Central Depository Company of Pakistan Limited | 100,000 | 0.00% | 100,000 | 0.00% |
| | <u>27,013,951,905</u> | <u>100.00%</u> | <u>8,717,453,156</u> | <u>100.00%</u> |

19.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

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

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

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

| | 2021 | | | | | | Total |
|--|-----------------------|---|--|--|-------------------|--|-----------------------|
| | Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial Instruments with no fixed maturity | |
| | (Rupees) | | | | | | |
| Financial assets | | | | | | | |
| Bank balances | 25,335,853,393 | - | - | - | - | - | 25,335,853,393 |
| Investments | - | 890,071,575 | 780,300,692 | - | - | - | 1,670,372,267 |
| Profit receivable | 2,461,864 | - | 5,164,381 | - | - | - | 7,626,245 |
| Security deposit with the Central Depository Company of Pakistan Limited - Trustee | - | - | - | - | - | 100,000 | 100,000 |
| | <u>25,338,315,257</u> | <u>890,071,575</u> | <u>785,465,073</u> | <u>-</u> | <u>-</u> | <u>100,000</u> | <u>27,013,951,905</u> |
| Financial liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 19,270,223 | - | - | - | - | - | 19,270,223 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 1,284,810 | - | - | - | - | - | 1,284,810 |
| Accrued and other liabilities | 5,253,467 | - | - | - | - | - | 5,253,467 |
| | <u>25,808,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,808,500</u> |
| Net financial assets | <u>25,312,506,757</u> | <u>890,071,575</u> | <u>785,465,073</u> | <u>-</u> | <u>-</u> | <u>100,000</u> | <u>26,988,143,405</u> |

| 2020 | | | | | | |
|--|---|--|--|-------------------|--|-----------------------|
| Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial Instruments with no fixed maturity | Total |
| (Rupees) | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 8,037,739,035 | - | - | - | - | 8,037,739,035 |
| Investments | - | 3,570,436,841 | 3,950,648,761 | - | - | 7,521,085,602 |
| Profit receivable | 24,848,780 | - | - | - | - | 24,848,780 |
| Security deposit with the Central Depository Company of Pakistan Limited - Trustee | - | - | - | - | 100,000 | 100,000 |
| | 8,062,587,815 | 3,570,436,841 | 3,950,648,761 | - | 100,000 | 15,583,773,417 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 26,262,625 | - | - | - | - | 26,262,625 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 858,365 | - | - | - | - | 858,365 |
| Accrued and other liabilities | 10,756,676 | - | - | - | - | 10,756,676 |
| | 37,877,666 | - | - | - | - | 37,877,666 |
| Net financial assets | 8,024,710,149 | 3,570,436,841 | 3,950,648,761 | - | 100,000 | 15,545,895,751 |

20. FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

| 2021 | | | | |
|---|---------|----------------------|-------|----------------------|
| Level 1 | Level 2 | Level 3 | Total | |
| (Rupees) | | | | |
| At fair value through profit or loss | | | | |
| Market Treasury Bills | - | - | - | - |
| Commercial papers* | - | 1,300,872,267 | - | 1,300,872,267 |
| Short term sukuk certificates** | - | 369,500,000 | - | 369,500,000 |
| | - | 1,670,372,267 | - | 1,670,372,267 |
| | | | | |
| 2020 | | | | |
| Level 1 | Level 2 | Level 3 | Total | |
| (Rupees) | | | | |
| At fair value through profit or loss | | | | |
| Market Treasury Bills | - | 6,866,320,261 | - | 6,866,320,261 |
| Commercial papers* | - | 654,765,341 | - | 654,765,341 |
| Short term sukuk certificates** | - | - | - | - |
| | - | 7,521,085,602 | - | 7,521,085,602 |

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

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

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

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

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

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

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

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

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

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23. CORRESPONDING FIGURES

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

24. GENERAL

24.1 Rounding off

Figures have been rounded off to the nearest rupee.

24.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

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

25. DISTRIBUTIONS MADE

| Particulars | Date of declaration | Per unit distribution | Capital value | Undistributed income |
|--|---------------------|-----------------------|--------------------|----------------------|
| ----- (Rupees) ----- | | | | |
| 1st interim distribution for the year ended June 30, 2021 | 28-Jul-20 | 0.4724 | 11,418,658 | 86,257,838 |
| 2nd interim distribution for the year ended June 30, 2021 | 31-Aug-20 | 0.5506 | 5,758,832 | 112,199,283 |
| 3rd interim distribution for the year ended June 30, 2021 | 25-Sep-20 | 0.4301 | 2,575,240 | 84,250,790 |
| 4th interim distribution for the year ended June 30, 2021 | 28-Oct-20 | 0.5911 | 11,805,528 | 114,873,493 |
| 5th interim distribution for the year ended June 30, 2021 | 27-Nov-20 | 0.5177 | 3,211,506 | 104,098,835 |
| 6th interim distribution for the year ended June 30, 2021 | 28-Dec-20 | 0.5578 | 8,449,937 | 106,091,404 |
| 7th interim distribution for the year ended June 30, 2021 | 27-Jan-21 | 0.5499 | 7,670,989 | 109,941,476 |
| 8th interim distribution for the year ended June 30, 2021 | 24-Feb-21 | 0.4861 | 6,067,639 | 68,876,292 |
| 9th interim distribution for the year ended June 30, 2021 | 26-Mar-21 | 0.5583 | 23,735,403 | 90,820,119 |
| 10th interim distribution for the year ended June 30, 2021 | 29-Apr-21 | 0.6472 | 24,153,917 | 94,990,202 |
| 11th interim distribution for the year ended June 30, 2021 | 27-May-21 | 0.5086 | 9,133,798 | 92,660,112 |
| 12th interim distribution for the year ended June 30, 2021 | 25-Jun-21 | 0.5560 | 28,764,052 | 110,550,574 |
| For the year ended June 30, 2021 | | | 142,745,499 | 1,175,610,418 |

| Particulars | Date of declaration | Per unit distribution | Capital value | Undistributed income |
|--|---------------------|-----------------------|--------------------|----------------------|
| ----- (Rupees) ----- | | | | |
| 1st interim distribution for the year ended June 30, 2020 | 26-Jul-19 | 0.8419 | 11,955,821 | 158,677,060 |
| 2nd interim distribution for the year ended June 30, 2020 | 29-Aug-19 | 1.1416 | 14,165,023 | 215,742,270 |
| 3rd interim distribution for the year ended June 30, 2020 | 26-Sep-19 | 0.9671 | 5,590,102 | 187,329,289 |
| 4th interim distribution for the year ended June 30, 2020 | 25-Oct-19 | 1.0285 | 9,382,795 | 193,193,189 |
| 5th interim distribution for the year ended June 30, 2020 | 28-Nov-19 | 1.0306 | 9,657,447 | 194,556,741 |
| 6th interim distribution for the year ended June 30, 2020 | 26-Dec-19 | 1.0043 | 21,346,198 | 187,549,407 |
| 7th interim distribution for the year ended June 30, 2020 | 30-Jan-20 | 1.2027 | 12,712,423 | 241,483,249 |
| 8th interim distribution for the year ended June 30, 2020 | 27-Feb-20 | 0.9137 | 5,146,203 | 172,847,841 |
| 9th interim distribution for the year ended June 30, 2020 | 27-Mar-20 | 1.0632 | 5,283,608 | 194,261,160 |
| 10th interim distribution for the year ended June 30, 2020 | 29-Apr-20 | 1.2266 | 25,438,767 | 206,539,681 |
| 11th interim distribution for the year ended June 30, 2020 | 29-May-20 | 0.5758 | 15,749,290 | 73,537,950 |
| 12th interim distribution for the year ended June 30, 2020 | 24-Jun-20 | 0.5381 | 4,212,065 | 73,868,686 |
| For the year ended June 30, 2020 | | | 140,639,742 | 2,099,586,523 |

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|-----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 5,189 | 100,200,032 | 9,843,500,800 | 37% |
| Associated Co./ Directors | 6 | 1,765,439 | 173,434,044 | 1% |
| Insurance Co. | 35 | 1,200,803 | 117,965,118 | 0% |
| Banks/ DFIs | 31 | 2,424,306 | 238,160,138 | 1% |
| Retirement & Other Funds | 104 | 7,224,735 | 709,747,099 | 3% |
| Others | 235 | 160,797,312 | 15,796,486,740 | 59% |
| | 5600 | 273,612,626 | 26,879,293,939 | 100% |

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|-----------------------|------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 2,308 | 76,606,171 | 7,517,990,000 | 28% |
| Associated Co./ Directors | 3 | 5,484,309 | 538,220,000 | 2% |
| Insurance Co. | - | - | - | 0% |
| Banks/ DFIs | 6 | 648,131 | 63,610,000 | 0% |
| Retirement & Other Funds | 35 | 3,938,210 | 386,490,000 | 1% |
| Others | 73 | 70,885,552 | 6,956,580,000 | 26% |
| | 2425 | 157,562,373 | 15,462,890,000 | 58% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|-------------------------------------|--------------|
| | 30 June 2021 |
| | % |
| Bright Capital (Pvt.) Limited | 39 |
| Pearl Securities Limited | 14 |
| Continental Exchange (Pvt.) Limited | 11 |
| Paramount Capital (Pvt.) Limited | 8 |
| Magenta Capital (Pvt.) Limited | 7 |
| Invest One Markets Limited | 7 |
| Summit Capital (Private) Limited | 4 |
| BIPL Securities Limited | 3 |
| Icon Management (Private) Limited | 2 |
| Arif Habib Limited | 2 |
| | 30 June 2020 |
| | % |
| Vector Capital (Pvt.) Limited | 22 |
| Invest One Markets Limited | 18 |
| Bright Capital Private Limited | 18 |
| Magenta Capital Private Limited | 18 |
| Continental Exchange (Pvt.) Limited | 7 |
| JS Global Capital Limited | 5 |
| BIPL Securities Limited | 5 |
| Summit Capital (Pvt.) Limited | 3 |
| BMA Capital Management Limited | 1 |
| Paramount Capital (Pvt.) Limited | 1 |

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachelors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

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

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

PERFORMANCE TABLE - AGHPMMF

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 (Rupees in '000) | 30 June 2017 |
|---|-----------------|-----------------|-----------------|-------------------------------------|-----------------|
| Net Assets | 26,879,298 | 15,462,891 | 17,975,253 | 5,151,181 | 1,240,143 |
| NAV per unit | 98.2385 | 98.1382 | 97.9519 | 102.7407 | 97.4166 |
| Selling price per unit | 99.3486 | 99.2472 | 99.0588 | 103.9017 | 98.5174 |
| Redemption price per unit | 98.2385 | 98.1382 | 97.9519 | 102.7407 | 97.4166 |
| Highest selling price per unit | 99.9017 | 100.2992 | 100.1671 | 103.8842 | 104.9178 |
| Highest redemption price per unit | 98.7854 | 99.1785 | 99.0479 | 102.7407 | 103.7455 |
| Lowest selling price per unit | 99.2625 | 99.0781 | 98.6027 | 98.5988 | 98.5174 |
| Lowest redemption price per unit | 98.1534 | 97.9711 | 97.5009 | 97.4971 | 97.4166 |
| 1st interim distribution per unit | 0.4724 | 0.8419 | 1.4682 | - | 6.3483 |
| 1st interim distribution date | 28-Jul-20 | 26-Jul-19 | 28-Sep-18 | - | 16-Jun-17 |
| 2nd interim distribution per unit | 0.5506 | 1.1416 | 0-Jan-00 | N/A | N/A |
| 2nd interim distribution date | 31-Aug-20 | 29-Aug-19 | 26-Oct-18 | N/A | N/A |
| 3rd interim distribution per unit | 0.4301 | 0.9671 | 0-Jan-00 | N/A | N/A |
| 3rd interim distribution date | 25-Sep-20 | 26-Sep-19 | 29-Nov-18 | N/A | N/A |
| 4th interim distribution per unit | 0.5911 | 1.0285 | 0-Jan-00 | N/A | N/A |
| 4th interim distribution date | 28-Oct-20 | 25-Oct-19 | 27-Dec-18 | N/A | N/A |
| 5th interim distribution per unit | 0.5177 | 1.0306 | 0-Jan-00 | N/A | N/A |
| 5th interim distribution date | 27-Nov-20 | 28-Nov-19 | 29-Jan-19 | N/A | N/A |
| 6th interim distribution per unit | 0.5578 | 1.0043 | 0-Jan-00 | N/A | N/A |
| 6th interim distribution date | 28-Dec-20 | 26-Dec-19 | 27-Feb-19 | N/A | N/A |
| 7th interim distribution per unit | 0.5499 | 1.2027 | 0-Jan-00 | N/A | N/A |
| 7th interim distribution date | 27-Jan-21 | 30-Jan-20 | 29-Mar-19 | N/A | N/A |
| 8th interim distribution per unit | 0.4861 | 0.9137 | 0-Jan-00 | N/A | N/A |
| 8th interim distribution date | 24-Feb-21 | 27-Feb-20 | 29-Apr-19 | N/A | N/A |
| 9th interim distribution per unit | 0.5583 | 1.0632 | 0-Jan-00 | N/A | N/A |
| 9th interim distribution date | 26-Mar-21 | 27-Mar-20 | 31-May-19 | N/A | N/A |
| 10th interim distribution per unit | 0.6472 | 1.2266 | 1.2000 | 5.3241 | Nil |
| 10th interim distribution date | 29-Apr-21 | 29-Apr-20 | 30-Jun-19 | 2-Jul-18 | N/A |
| 11th interim distribution per unit | 0.5086 | 0.5758 | N/A | N/A | N/A |
| 11th interim distribution date | 27-May-21 | 29-May-20 | N/A | N/A | N/A |
| 12th interim distribution per unit | 0.5560 | 0.5381 | N/A | N/A | N/A |
| 12th interim distribution date | 25-Jun-21 | 24-Jun-20 | N/A | N/A | N/A |
| Annualized returns % | 6.86% | 12.64% | 9.15% | 5.46% | 5.65% |
| Income distribution % | 6.55% | 11.78% | 7.86% | 5.47% | 6.46% |
| Weighted avg. portfolio duration (Days) | 06 Days | 40 Days | 06 Day | 01 Day | 04 Days |

Return since inception is **8.64%**

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



Alfalah
Ghp Sovereign Fund

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | AA-(f) by PACRA |

Alfalah GHP Sovereign Fund

Annual Fund Manager`s Report

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

Investment Objective

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

Accomplishment of Objective

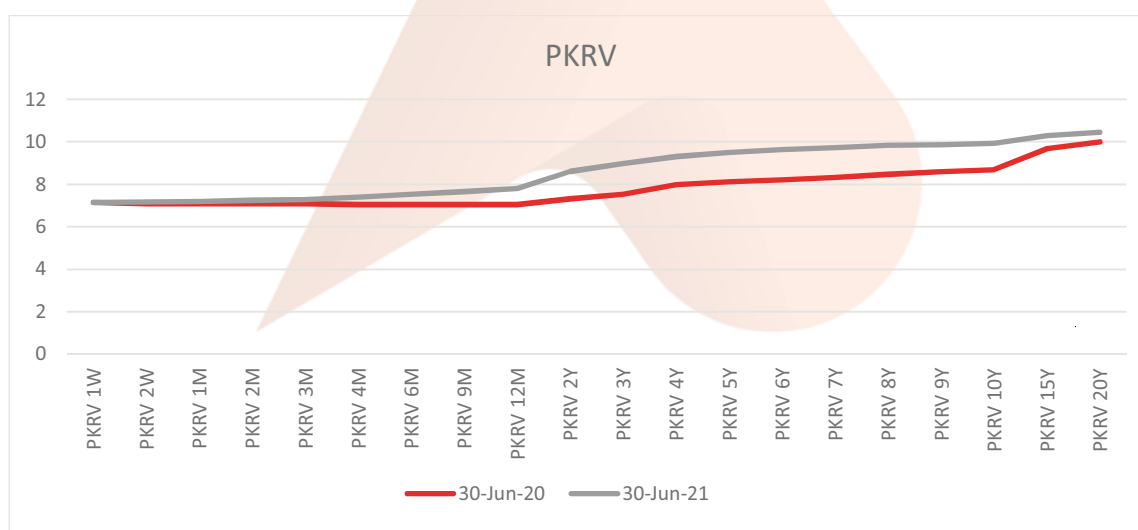
The Fund has achieved its objective of generating regular income by investing in low-medium duration fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review:-

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

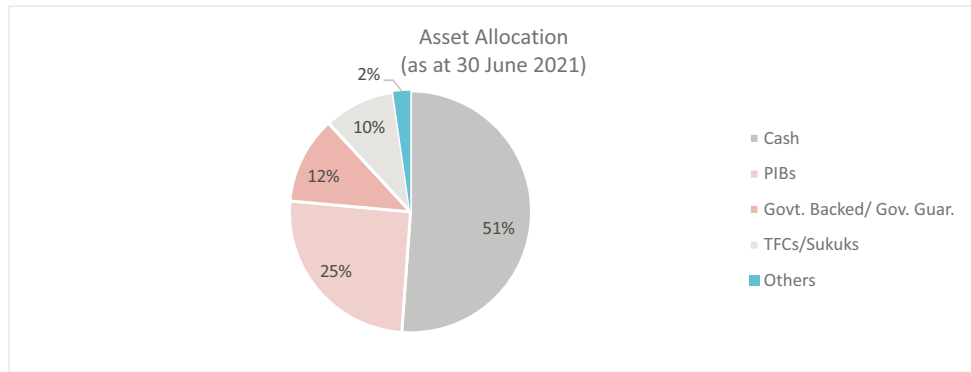
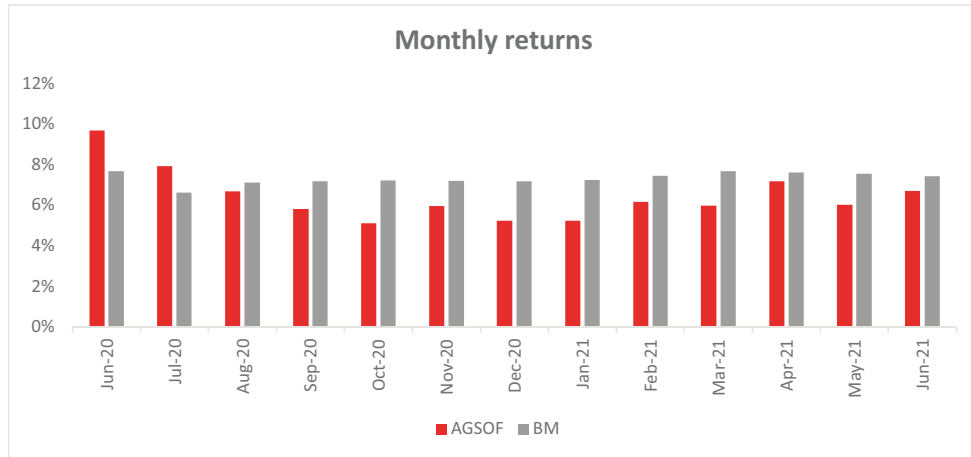
Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



Fund Performance

For the year ended June 30 2021, the fund posted a return of 6.33% against the benchmark of 7.28%.



| Credit Quality (as % of Total Assets) | | | |
|---------------------------------------|--------|-----------|-------|
| Govt. Secs / Guar | 36.97% | A | 0.00% |
| AAA | 5.36% | A- | 0.00% |
| AA+ | 51.32% | BBB+ | 0.00% |
| AA | 2.89% | BBB | 0.00% |
| AA- | 1.06% | Below IG | 0.00% |
| A+ | 0.00% | NR/UR/MTS | 2.41% |

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

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

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

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP SOVEREIGN FUND

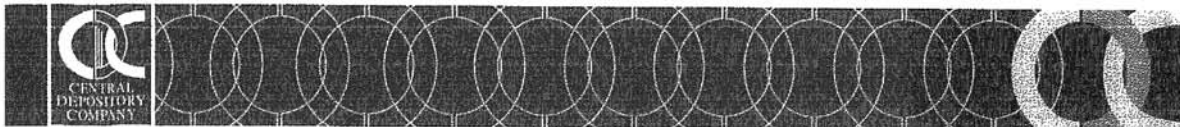
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Sovereign Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021



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

Opinion

We have audited the financial statements of Alfalah GHP Sovereign Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|--|
| 1 | Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements) | |
| | Bank balances and investments constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 553.30 million and bank balances aggregated to Rs. 609.64 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants
Karachi
Date: 30 September, 2021

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|-------------------------------|----------------------|
| | | ----- (Rupees) ----- | |
| Assets | | | |
| Bank balances | 4 | 609,644,401 | 216,821,949 |
| Investments | 5 | 553,299,638 | 1,223,492,599 |
| Advances, prepayments and profit receivable | 6 | 13,970,349 | 8,481,107 |
| Receivable against sale of investments | | - | 47,483,000 |
| Total assets | | <u>1,176,914,388</u> | <u>1,496,278,655</u> |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 7 | 25,221,609 | 24,868,613 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8 | 70,211 | 104,124 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 9 | 286,330 | 187,759 |
| Dividend payable | | - | 9,926,568 |
| Accrued expenses and other liabilities | 10 | 22,832,957 | 32,477,845 |
| Total liabilities | | <u>48,411,107</u> | <u>67,564,909</u> |
| Net assets attributable to the unit holders | | <u>1,128,503,281</u> | <u>1,428,713,746</u> |
| Unit holders' fund (as per the statement attached) | | <u>1,128,503,281</u> | <u>1,428,713,746</u> |
| Contingencies and commitments | | | |
| | 11 | ----- (Number of units) ----- | |
| Number of units in issue | | <u>10,571,807</u> | <u>13,393,619</u> |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | <u>106.7465</u> | <u>106.6712</u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|---|----------------------|--------------------|
| Note | ----- (Rupees) ----- | ----- |
| Income | | |
| Profit / mark up income | 12 112,990,155 | 114,220,400 |
| (Loss) / gain on sale of investments - net | (3,604,677) | 31,213,835 |
| Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | 5.7 3,146,148 | 17,832,978 |
| Other income | - | 198,088 |
| Total income | <u>112,531,626</u> | <u>163,465,301</u> |
| Expenses | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 7.1 11,327,245 | 10,080,360 |
| Sindh sales tax on remuneration of the Management Company | 7.2 1,472,542 | 1,310,445 |
| Allocated expenses | 7.4 1,431,775 | 945,479 |
| Selling and marketing expenses | 7.5 5,727,150 | 3,754,930 |
| Remuneration of Central Depository Company of Pakistan - Trustee | 8.1 930,691 | 616,829 |
| Sindh sales tax on remuneration of the Trustee | 8.2 120,990 | 80,191 |
| Annual fee to Securities and Exchange Commission of Pakistan | 9.1 286,330 | 187,759 |
| Brokerage expense | 221,211 | 411,850 |
| Bank and settlement charges | 492,009 | 212,340 |
| Auditors' remuneration | 13 340,746 | 340,746 |
| Annual listing fee | 27,499 | 27,450 |
| Annual rating fee | 442,941 | 518,724 |
| Printing charges | 29,930 | 30,012 |
| Annual charges for MTS | 250,024 | 250,710 |
| Provision for Sindh Workers' Welfare Fund | 10.1 1,788,611 | 2,893,951 |
| Total expenses | <u>24,889,694</u> | <u>21,661,776</u> |
| Net income for the year before taxation | <u>87,641,932</u> | <u>141,803,525</u> |
| Taxation | 16 - | - |
| Net income for the year after taxation | <u>87,641,932</u> | <u>141,803,525</u> |
| Allocation of net income for the year | | |
| Net income for the year after taxation | 87,641,932 | 141,803,525 |
| Income already paid on units redeemed | (36,532,567) | (59,454,581) |
| | <u>51,109,365</u> | <u>82,348,944</u> |
| Accounting income available for distribution | | |
| - Relating to capital gains | - | 37,910,167 |
| - Excluding capital gains | 51,109,365 | 44,438,777 |
| | <u>51,109,365</u> | <u>82,348,944</u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|--|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| Net income for the year after taxation | 87,641,932 | 141,803,525 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>87,641,932</u> | <u>141,803,525</u> |

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|---------------------------|---------------------------|
| ----- (Rupees) ----- | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net income for the year before taxation | | 87,641,932 | 141,803,525 |
| Adjustments for: | | | |
| Provision for Sindh Workers' Welfare Fund | | 1,788,611 | 2,893,951 |
| Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | | (3,146,148) | (17,832,978) |
| | | <u>86,284,395</u> | <u>126,864,498</u> |
| Decrease / (increase) in assets | | | |
| Investments - net | | 574,435,609 | (909,410,855) |
| Advances, prepayments and profit receivable | | (5,489,242) | 4,544,053 |
| Receivable against sale of investments | | 47,483,000 | (1,463,338) |
| | | <u>616,429,367</u> | <u>(906,330,140)</u> |
| (Decrease) / increase in liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | 352,996 | 962,584 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | (33,913) | 4,881 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | 98,571 | (456,379) |
| Payable against purchase of investments | | - | (220,059,656) |
| Accrued expenses and other liabilities | | (11,433,499) | 12,536,186 |
| | | <u>(11,015,845)</u> | <u>(207,012,384)</u> |
| Net cash generated from / (used in) operating activities | | <u>691,697,917</u> | <u>(986,478,026)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Amounts received against issuance of units - net of refund of element | | 2,307,385,967 | 4,112,495,833 |
| Payments made against redemption of units | | (2,644,860,124) | (3,690,867,241) |
| Dividend paid | | (60,304,808) | (68,440,558) |
| Net cash (used in) / generated from financing activities | | <u>(397,778,965)</u> | <u>353,188,034</u> |
| Net increase / (decrease) in cash and cash equivalents during the year | | <u>293,918,952</u> | <u>(633,289,992)</u> |
| Cash and cash equivalents at beginning of the year | | 315,725,449 | 949,015,441 |
| Cash and cash equivalents at end of the year | 14 | <u><u>609,644,401</u></u> | <u><u>315,725,449</u></u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Sovereign Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 6, 2014 .
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as "Income Scheme" pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt Instruments. The investment objectives and policy are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021 and AA-(f) to the Fund in its credit rating report dated April 8, 2021.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Sindh Trusts Act, 2020 have been introduced as part of this act. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Trusts Act, 2020 for registration.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

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

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

a) Debt instruments

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

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

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

b) Equity instruments

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

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

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

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

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

3.2.2 Impairment

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

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

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

3.2.2.1 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

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

3.2.5 Derecognition

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

3.2.6 Derivatives

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

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

Deferred

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

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

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.8 Distributions to unit holders

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.

- Income on government securities, term finance certificates, sukuks and margin trading system (MTS) is recognised on a time proportionate basis using the effective yield method.
- Interest income on bank balances is recognised on an accrual basis.

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Margin Trading System

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

3.15 Foreign currency translation

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

| | Note | 2021 | 2020 |
|---|------|----------------------|----------------------|
| | | ----- (Rupees) ----- | |
| 4. BANK BALANCES | | | |
| Balances with banks in: | | | |
| Savings accounts | 4.1 | <u>609,644,401</u> | <u>216,821,949</u> |
| | | <u>609,644,401</u> | <u>216,821,949</u> |
| 4.1 These represent balances in deposit accounts maintained with banks carrying profit rates ranging from 4% to 7.90% (2020: 6.50% to 8%) per annum. It includes bank balance of Rs. 409.19 million (2020: Rs. 215.468 million) maintained with Bank Alfalah Limited (a related party), carrying profit at the rate of 7.70% (2020: 6.50%) per annum. | | | |
| 5. INVESTMENTS | Note | 2021 | 2020 |
| | | ----- (Rupees) ----- | |
| At fair value through profit or loss | | | |
| Market Treasury Bills | 5.1 | - | 891,978,874 |
| Pakistan Investment Bonds | 5.2 | 300,350,000 | 51,643,658 |
| Term Finance Certificates | 5.3 | 46,778,188 | 3,919,337 |
| Sukuk certificates | 5.4 | 206,171,450 | 188,214,480 |
| Government of Pakistan Ijara sukuks | 5.5 | - | 87,736,250 |
| Letters of placement | 5.6 | - | - |
| | | <u>553,299,638</u> | <u>1,223,492,599</u> |

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

| T-Bill Tenure | Issue date | Face value | | | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|------------------------------|--------------------|--------------------|---------------------------|--------------------------------|-----------------------------|----------------|--------------|---------------------------------|------------|
| | | As at July 1, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets |
| ----- (Rupees) ----- | | | | | | | | | |
| Market Treasury Bills | | | | | | | | | |
| - 3 months | June 4, 2020 | 100,000,000 | - | 100,000,000 | - | - | - | - | - |
| - 3 months | July 2, 2020 | - | 75,000,000 | 75,000,000 | - | - | - | - | - |
| - 3 months | July 16, 2020 | - | 90,000,000 | 90,000,000 | - | - | - | - | - |
| - 3 months | August 27, 2020 | - | 151,000,000 | 151,000,000 | - | - | - | - | - |
| - 3 months | September 24, 2020 | - | 300,000,000 | 300,000,000 | - | - | - | - | - |
| - 3 months | October 8, 2020 | - | 121,000,000 | 121,000,000 | - | - | - | - | - |

| T-Bill Tenure | Issue date | Face value | | | | Balance as at June 30, 2021 | | | Market value as a percentage of | | | |
|----------------------------------|--------------------|--------------------|---------------------------|--------------------------------|-----------------------|-----------------------------|--------------------|--------------------------|---------------------------------|------------------|---|---|
| | | As at July 1, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets | Total investment | | |
| | | | | | | | | | | (Rupees) | % | |
| Market Treasury Bills | | | | | | | | | | | | |
| - 3 months | November 5, 2020 | - | 35,000,000 | 35,000,000 | - | - | - | - | - | - | - | - |
| - 3 months | December 31, 2020 | - | 895,000,000 | 895,000,000 | - | - | - | - | - | - | - | - |
| - 3 months | January 14, 2021 | - | 810,000,000 | 810,000,000 | - | - | - | - | - | - | - | - |
| - 3 months | January 28, 2021 | - | 290,000,000 | 290,000,000 | - | - | - | - | - | - | - | - |
| - 3 months | February 25, 2021 | - | 130,000,000 | 130,000,000 | - | - | - | - | - | - | - | - |
| - 3 months | April 8, 2021 | - | 677,000,000 | 677,000,000 | - | - | - | - | - | - | - | - |
| Market Treasury Bills | | | | | | | | | | | | |
| - 6 months | April 23, 2020 | - | 343,000,000 | 343,000,000 | - | - | - | - | - | - | - | - |
| - 6 months | May 7, 2020 | - | 300,000,000 | 300,000,000 | - | - | - | - | - | - | - | - |
| - 6 months | June 18, 2020 | 75,000,000 | - | 75,000,000 | - | - | - | - | - | - | - | - |
| - 6 months | July 2, 2020 | - | 75,000,000 | 75,000,000 | - | - | - | - | - | - | - | - |
| - 6 months | July 16, 2020 | - | 75,000,000 | 75,000,000 | - | - | - | - | - | - | - | - |
| - 6 months | September 24, 2020 | - | 125,000,000 | 125,000,000 | - | - | - | - | - | - | - | - |
| - 6 months | January 28, 2021 | - | 1,000,000,000 | 1,000,000,000 | - | - | - | - | - | - | - | - |
| - 6 months | February 25, 2021 | - | 250,000,000 | 250,000,000 | - | - | - | - | - | - | - | - |
| - 6 months | April 8, 2021 | - | 440,000,000 | 440,000,000 | - | - | - | - | - | - | - | - |
| Market Treasury Bills | | | | | | | | | | | | |
| -12 months | August 16, 2019 | - | 140,000,000 | 140,000,000 | - | - | - | - | - | - | - | - |
| -12 months | September 12, 2019 | - | 100,000,000 | 100,000,000 | - | - | - | - | - | - | - | - |
| -12 months | October 10, 2019 | 10,500,000 | 100,000,000 | 110,500,000 | - | - | - | - | - | - | - | - |
| -12 months | January 30, 2020 | - | 100,000,000 | 100,000,000 | - | - | - | - | - | - | - | - |
| -12 months | March 12, 2020 | 262,000,000 | 230,000,000 | 492,000,000 | - | - | - | - | - | - | - | - |
| -12 months | March 26, 2020 | 280,000,000 | 84,000,000 | 364,000,000 | - | - | - | - | - | - | - | - |
| -12 months | April 9, 2020 | 55,000,000 | - | 55,000,000 | - | - | - | - | - | - | - | - |
| -12 months | April 23, 2020 | 150,000,000 | - | 150,000,000 | - | - | - | - | - | - | - | - |
| -12 months | June 4, 2020 | - | 20,000,000 | 20,000,000 | - | - | - | - | - | - | - | - |
| Total as at June 30, 2021 | | | 6,956,000,000 | 7,888,500,000 | | | | | | | | |
| Total as at June 30, 2020 | | | 522,000,000 | 16,976,500,000 | 16,566,000,000 | 932,500,000 | 878,576,583 | 891,978,874 | 13,402,291 | | | |

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

| Particulars | Note | Issue date | Face value | | | | Balance as at June 30, 2021 | | | Market value as a percentage of | | |
|----------------------------------|-------|--------------------|--------------------|---------------------------|--------------------------------|---------------------|-----------------------------|--------------------|--------------------------|---------------------------------|------------------|--|
| | | | As at July 1, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets | Total investment | |
| | | | | | | | | | | (Rupees) | % | |
| Pakistan Investment Bonds | | | | | | | | | | | | |
| - 03 years | | September 19, 2019 | 50,000,000 | 275,000,000 | 325,000,000 | - | - | - | - | 0.00% | 0.00% | |
| - 03 years | 5.2.1 | June 18, 2020 | - | 410,000,000 | 210,000,000 | 200,000,000 | 200,717,503 | 200,240,000 | (477,503) | 17.74% | 36.19% | |
| Pakistan Investment Bonds | | | | | | | | | | | | |
| - 05 years | | September 19, 2019 | - | 1,225,000,000 | 1,225,000,000 | - | - | - | - | 0.00% | 0.00% | |
| - 05 years | 5.2.2 | June 18, 2020 | - | 100,000,000 | - | 100,000,000 | 100,407,610 | 100,110,000 | (297,610) | 8.87% | 18.09% | |
| Total as at June 30, 2021 | | | 50,000,000 | 2,010,000,000 | 1,760,000,000 | 300,000,000 | 301,125,113 | 300,350,000 | (775,113) | | | |
| Total as at June 30, 2020 | | | 100,000,000 | 1,200,000,000 | 1,250,000,000 | 50,000,000 | 47,611,412 | 51,643,658 | 4,032,246 | | | |

5.2.1 These carry purchase yield of 8.107% - 8.117% (2020: 11.54%) per annum. These have maturity upto June 19, 2023 (2020: September 19, 2022).

5.2.2 These carry purchase yield of 8.117% (2020: 11.54%) per annum. These have maturity upto June 18, 2025 (2020: September 19, 2022).

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

| Name of the investee company | Profit payments / principal redemptions | Profit rate | Maturity date | As at July 1, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Balance as at June 30, 2021 | | | Market value as a percentage of | | Investment as percentage of issue size |
|--|---|------------------------|-----------------|--------------------|---------------------------|--------------------------------|---------------------|-----------------------------|-------------------|------------------|---------------------------------|------------------|--|
| | | | | | | | | Carrying value | Market value | Unrealised gain | Net assets | Total investment | |
| | | | | | | | | (Rupees) | | | % | | |
| COMMERCIAL BANKS | | | | | | | | | | | | | |
| The Bank of Punjab Limited (AA, PACRA) (Face value Rs. 99,820) | Semi-annually | 6 Months KIBOR + 1% | August 23, 2026 | 3,995,200 | 29,943,600 | - | 33,938,800 | 31,473,897 | 34,278,188 | 2,804,291 | 3.04% | 6.20% | 1.37% |
| Samba Bank Limited (AA-, PACRA) (Face value Rs. 100,000) | Semi-annually | 6 Months KIBOR + 1.35% | March 1, 2031 | - | 12,500,000 | - | 12,500,000 | 12,500,000 | 12,500,000 | - | 1.11% | 2.26% | 0.25% |
| Total as at June 30, 2021 | | | | 3,995,200 | 42,443,600 | - | 46,438,800 | 43,973,897 | 46,778,188 | 2,804,291 | | | |
| Total as at June 30, 2020 | | | | 110,565,100 | 3,995,200 | 110,565,100 | 3,995,200 | 3,971,626 | 3,919,337 | (52,289) | | | |

5.4 Sukuk certificates - at fair value through profit or loss

| Name of the investee company | Profit payments / principal redemptions | Profit rate | Maturity date | As at July 01, 2020 | Purchased during the year | Sold during the year | As at June 30, 2021 | Balance as at June 30, 2021 | | | Market value as a percentage of | | Investment as a percentage of issue size |
|---|---|-----------------------|-----------------|---------------------|---------------------------|----------------------|---------------------|-----------------------------|--------------------|------------------|---------------------------------|---------------------------|--|
| | | | | | | | | Carrying value | Market value | Unrealised gain | Net Assets of the Fund | Total value of investment | |
| | | | | | | | | | | | | | |
| Power generation & distribution | | | | | | | | | | | | | |
| The Hub Power Company Limited (AA+, PACRA) (Face value Rs. 100,000) | Quarterly | 3 Months KIBOR + 1.9% | August 22, 2023 | 100 | - | - | 100 | 10,214,480 | 10,199,450 | (15,030) | 0.90% | 1.84% | 0.15% |
| Pakistan Energy Sukuk II (Face value Rs. 5,000) | Semi-annually | 6 Months KIBOR - 0.1% | May 22, 2030 | 35,600 | - | 8,000 | 27,600 | 138,000,000 | 139,104,000 | 1,104,000 | 12.33% | 25.14% | 0.07% |
| K - Electric Limited (AA+, JCR VIS) (Face value Rs. 5,000) | Quarterly | 3 Months KIBOR + 1.7% | August 3, 2027 | - | 11,200 | - | 11,200 | 56,840,000 | 56,868,000 | 28,000 | 5.04% | 10.28% | 0.23% |
| Total as at June 30, 2021 | | | | | | | | <u>205,054,480</u> | <u>206,171,450</u> | <u>1,116,970</u> | | | |
| Total as at June 30, 2020 | | | | | | | | <u>188,000,000</u> | <u>188,214,480</u> | <u>214,480</u> | | | |

5.5 Ijara sukuk certificates

| Name of the investee company | Yield per annum | Secured / Unsecured | Maturity date | As at July 01, 2020 | Purchased during the year | Sold during the year | As at June 30, 2021 | Balance as at June 30, 2021 | | | Market value as a percentage of | | |
|--|-----------------|---------------------|---------------|---------------------|---------------------------|----------------------|---------------------|-----------------------------|-------------------|--------------------------|---------------------------------|---------------------------|--------------------------|
| | | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total value of investment | |
| | | | | | | | | | | | | | (Number of certificates) |
| GoP Ijara Sukuks - 10 Years (Issue date: May 29, 2020) | 7.65% | Secured | May 29, 2030 | 875 | - | 875 | - | - | - | - | - | - | - |
| Total as at June 30, 2021 | | | | | | | | <u>-</u> | <u>-</u> | <u>-</u> | | | |
| Total as at June 30, 2020 | | | | | | | | <u>87,500,000</u> | <u>87,736,250</u> | <u>236,250</u> | | | |

5.6 Letters of placement

| Name of the investee company | Rate of return per annum | Face value | | | | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|----------------------------------|--------------------------|---------------------|---------------------------|-------------------------|---------------------|-----------------------------|--------------|--------------------------|---------------------------------|------------------|
| | | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets | Total investment |
| | | (Rupees) | | | | | | | % | |
| Total as at June 30, 2021 | | - | - | - | - | - | - | - | - | - |
| Total as at June 30, 2020 | | - | 170,000,000 | 170,000,000 | - | - | - | - | - | - |

| 5.7 Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | 2021 | 2020 |
|---|------------------|-------------------|
| | (Rupees) | |
| Market value of investments | 553,299,638 | 1,223,492,599 |
| Less: Carrying value of investments | (550,153,490) | (1,205,659,621) |
| | <u>3,146,148</u> | <u>17,832,978</u> |

| 6. ADVANCES, PREPAYMENTS AND PROFIT RECEIVABLE | Note | 2021 ----- (Rupees)----- | 2020 |
|--|------|-----------------------------|------------------|
| Advances and deposits: | | | |
| - Advance against MTS - National Clearing Company of Pakistan Limited | | 2,750,000 | 250,000 |
| - Advance against TFC exposure - National Clearing Company of Pakistan Limited | | 2,937,357 | 2,937,357 |
| - Security deposit with the Central Depository Company of Pakistan Limited - Trustee | | 100,000 | 100,000 |
| Prepayments: | | | |
| - PACRA rating fee | | 87,726 | 87,896 |
| - Annual listing fee | | 5,600 | - |
| Profit receivable on: | | | |
| - Bank balances | 6.1 | 1,374,806 | 1,236,989 |
| - Term Finance Certificates | | 417,163 | 1,665,423 |
| - Sukuk certificates | | 4,970,248 | 158,552 |
| - Government of Pakistan Ijara sukuks | | - | 604,919 |
| - Pakistan Investment Bonds | | 1,162,546 | 1,284,998 |
| Advance tax | 6.2 | 164,903 | 154,973 |
| | | <u>13,970,349</u> | <u>8,481,107</u> |

6.1 This includes accrued markup of Rs. 0.436 million (2020: Rs 0.181 million) receivable from Bank Alfalah Limited (a related party).

6.2 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2021, withholding tax on profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on bank deposits amounts to Rs. 0.165 million (2020: Rs. 0.155 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| 7. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | Note | 2021 ----- (Rupees)----- | 2020 |
|--|------|-----------------------------|-------------------|
| Management remuneration payable | 7.1 | 708,363 | 1,116,394 |
| Sindh sales tax payable on management remuneration | 7.2 | 2,651,470 | 2,596,738 |
| Federal excise duty payable on management remuneration | 7.3 | 18,099,657 | 18,099,657 |
| Preliminary expenses and floatation costs payable | | 5,000 | 5,000 |
| Sales load payable | | 628,612 | 628,612 |
| Payable against allocated expenses | 7.4 | 615,703 | 71,307 |
| Payable against selling and marketing expenses | 7.5 | 2,462,804 | 2,300,905 |
| Other payables | | 50,000 | 50,000 |
| | | <u>25,221,609</u> | <u>24,868,613</u> |

7.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 10% of the gross earnings of the Fund, calculated on a daily basis, subject to a minimum remuneration of 0.25% of the average net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

7.2 During the year, an amount of Rs. 1.473 million (2020: Rs. 1.310 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.418 million (2020: Rs. 1.257 million) has been paid to the Management Company which acts as a collecting agent.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 18.010 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2021 would have been higher by Rs. 1.71 per unit (June 30, 2020: Rs. 1.35 per unit).

7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the current year, the Management Company has charged such expenses to the Fund at the rate of 0.1% of the average net assets of the Fund.

7.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

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

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|---|------|------------------------------|------------------------------|
| 8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | | |
| Trustee remuneration payable | 8.1 | 62,132 | 92,144 |
| Sindh sales tax payable on trustee remuneration | 8.2 | 8,079 | 11,980 |
| | | <u>70,211</u> | <u>104,124</u> |

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate of 0.065% per annum of net assets of the Fund (2020: at the rate of 0.065% per annum of net assets of the Fund).

8.2 During the year, an amount of Rs 0.121 million (2020: Rs. 0.08 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.125 million (2020: Rs. 0.079 million) was paid to the Trustee which acts as a collecting agent.

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|--|------|------------------------------|------------------------------|
| 9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | | | |
| Annual fee payable | 9.1 | <u>286,330</u> | <u>187,759</u> |

9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| | Note | 2021 | 2020 |
|---|------|-------------------|-------------------|
| ----- (Rupees) ----- | | | |
| 10. ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Withholding tax payable | | 189,837 | 9,682,880 |
| Capital gain tax payable | | 2,095,139 | 2,084,850 |
| Auditors' remuneration | | 483,470 | 386,817 |
| Brokerage payable | | 109,638 | 155,259 |
| Printing charges payable | | 133,305 | 103,375 |
| NCCPL charges payable | | 444,053 | - |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 11,633,704 | 9,845,093 |
| Sales load payable | | 7,743,811 | 10,219,571 |
| | | <u>22,832,957</u> | <u>32,477,845</u> |

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act. Since the Fund has started operations with effect from October 12, 2017 therefore, the provision has been recognised from October 12, 2017 to June 30, 2021.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from October 12, 2017 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Rs. 1.10 (2020: Re 0.74) per unit.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

| | Note | 2021 | 2020 |
|---------------------------------------|------|--------------------|--------------------|
| ----- (Rupees) ----- | | | |
| 12. PROFIT / MARK UP INCOME | | | |
| Profit / mark up income on: | | | |
| - Market Treasury Bills | | 51,197,109 | 77,817,923 |
| - Pakistan Investment Bonds | | 36,683,236 | 9,354,546 |
| - Government of Pakistan Ijara sukuks | | 274,962 | 1,313,396 |
| - Term Finance Certificates | | 18,095,266 | 5,660,843 |
| - Margin Trading System (MTS) | | 732,379 | 294,574 |
| - Letters of placement | | - | 105,754 |
| - Bank balances | | 6,007,203 | 19,673,364 |
| | | <u>112,990,155</u> | <u>114,220,400</u> |

13. AUDITORS' REMUNERATION

| | | | |
|---------------------------------|--|----------------|----------------|
| Audit fee | | 160,000 | 160,000 |
| Review and other certifications | | 125,000 | 125,000 |
| Out of pocket expenses | | 30,506 | 30,506 |
| Sindh sales tax | | 25,240 | 25,240 |
| | | <u>340,746</u> | <u>340,746</u> |

14. CASH AND CASH EQUIVALENTS

| | | | |
|--|-----|--------------------|--------------------|
| Bank balances | 4. | 609,644,401 | 216,821,949 |
| Market Treasury Bills (with original maturity of 3 months or less) | 5.1 | - | 98,903,500 |
| | | <u>609,644,401</u> | <u>315,725,449</u> |

15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 1.74% which includes 0.26% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

16. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the year.

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

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit holders' fund

| Particulars | Note | 2021 | | | | | | | | | |
|--|--------|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|
| | | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2021 |
| | | | | | (Units) | | | | | (Rupees) | |
| Associated companies / undertakings | | | | | | | | | | | |
| CDC - Trustee Alfalah GHP Conservative Plan | 17.1.1 | 255,460 | - | 13,637 | 37,300 | 231,797 | 27,250,225 | - | 1,454,691 | 4,000,000 | 24,743,518 |
| CDC - Trustee Alfalah GHP Moderate Plan | 17.1.1 | 448,439 | - | 17,710 | 165,140 | 301,009 | 47,835,526 | - | 1,889,042 | 18,000,000 | 32,131,657 |
| CDC - Trustee Alfalah GHP Active Allocation Plan | 17.1.1 | 4,728 | - | - | 4,728 | - | 504,341 | - | - | 553,494 | - |
| Alfalah GHP Investment Management Limited | 17.1.1 | 4,182 | 93,133 | - | 97,315 | - | 446,099 | 10,000,000 | - | 10,734,058 | - |
| Key management personnel | | | | | | | | | | | |
| Head of Corporate & Institutional Sales | 17.1.1 | 1,920 | - | 103 | - | 2,023 | 204,809 | - | 10,886 | - | 215,948 |
| Unit holder holding 10 % or more units | | | | | | | | | | | |
| Barrett Hodgson Pakistan Pvt Ltd. | 17.1.1 | 1,413,372 | 925,778 | - | 2,339,150 | - | 150,766,087 | 100,000,000 | - | 256,931,480 | - |
| Naheed Kamal Azfar | 17.1.1 | 1,822,038 | 3,797,193 | 8,273 | 5,626,859 | 645 | 194,358,980 | 412,290,576 | 900,982 | 611,002,419 | 68,851 |
| The Sultan Foundation | 17.1.1 | - | 5,832,425 | - | 4,084,160 | 1,748,265 | - | 636,762,810 | - | 454,105,078 | 186,621,170 |
| 2020 | | | | | | | | | | | |
| Particulars | | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2020 |
| | | | | | (Units) | | | | | (Rupees) | |
| Associated companies / undertakings | | | | | | | | | | | |
| CDC - Trustee Alfalah GHP Conservative Plan | | 268,280 | 128,427 | 40,219 | 181,466 | 255,460 | 28,525,408 | 14,800,000 | 3,703,988 | 19,900,000 | 27,250,225 |
| CDC - Trustee Alfalah GHP Moderate Plan | | 855,345 | 17,971 | 61,181 | 486,058 | 448,439 | 90,946,268 | 2,000,000 | 6,502,060 | 54,200,000 | 47,835,526 |
| CDC - Trustee Alfalah GHP Active Allocation Plan | | 234 | 125,607 | 837 | 121,950 | 4,728 | 24,881 | 14,000,000 | 68,552 | 14,000,000 | 504,341 |
| Alfalah GHP Investment Management Limited | | 4,049,919 | 3,647 | 535 | 4,049,919 | 4,182 | 430,851,122 | 420,069 | 56,888 | 97,473,883 | 446,099 |
| Key management personnel | | | | | | | | | | | |
| Head of Corporate & Institutional Sales | | - | 1,676 | 244 | - | 1,920 | - | 199,179 | 25,983 | - | 204,809 |
| Unit holder holding 10 % or more units | | | | | | | | | | | |
| Barrett Hodgson Pakistan Pvt Ltd. | | - | 1,221,978 | 191,394 | - | 1,413,372 | - | 149,344,259 | 20,350,360 | - | 150,766,087 |
| Naheed Kamal Azfar | | - | 3,376,020 | 244,837 | 1,798,819 | 1,822,038 | - | 385,200,000 | 26,032,786 | 191,808,639 | 194,358,980 |

17.1.1 This reflects the position of related party / connected person status as at June 30, 2021.

| 17.2 Other transactions | 2021 | 2020 |
|--|----------------------|---------------|
| | ----- (Rupees) ----- | |
| Associated companies / undertakings | | |
| Alfaluh GHP Investment Management Limited - Management Company | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 11,327,245 | 10,080,360 |
| Sindh sales tax on remuneration of the Management Company | 1,472,542 | 1,310,445 |
| Allocated expenses | 1,431,775 | 945,479 |
| Selling and marketing expenses | 5,727,150 | 3,754,930 |
| Sales Load | 19,828 | 1,402,244 |
| Bank Alfalah Limited | | |
| Mark-up on bank deposits | 4,352,980 | 7,119,184 |
| Sales load | 2,711,342 | 3,306,626 |
| Bank charges | 28,111 | 30,514 |
| Alfaluh GHP Money Market Fund | | |
| Market Treasury Bills - purchased | 1,006,244,260 | 2,030,275,840 |
| Market Treasury Bills - sold | 2,010,532,802 | 3,408,380,365 |
| Alfaluh GHP Income Multiplier Fund | | |
| Market Treasury Bills - purchased | 26,963,300 | 202,515,300 |
| Market Treasury Bills - sold | 34,622,840 | 187,772,925 |
| Alfaluh GHP Cash Fund | | |
| Market Treasury Bills - purchased | 695,759,341 | 399,722,380 |
| Market Treasury Bills - sold | 527,271,750 | 207,326,606 |
| Alfaluh GHP Income Fund | | |
| Treasury Bills - purchased | 165,239,923 | 214,540,705 |
| Market Treasury Bills - sold | 118,876,600 | 147,054,440 |
| Pakistan Investment Bonds - purchased | - | 24,831,400 |
| Alfaluh Capital Preservation Fund II | | |
| Market Treasury Bills - purchased | - | 273,618,095 |
| Market Treasury Bills - sold | - | 44,087,450 |
| Pakistan Investment Bonds - sold | - | - |
| Alfaluh GHP Value Fund | | |
| Market Treasury Bills - purchased | - | 195,848,000 |
| Market Treasury Bills - sold | - | 503,216,260 |
| Term Finance Certificates - purchased | - | 3,973,226 |
| Pakistan Investment Bonds - Sold | - | - |
| Alfaluh GHP Stock Fund | | |
| Treasury Bills - purchased | - | 48,639,350 |
| Alfaluh GHP Islamic Income Fund | | |
| Sukuk certificates - Sold | 89,075,000 | 119,640,000 |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of the Trustee | 930,691 | 616,829 |
| Sindh sales tax on Trustee remuneration | 120,990 | 80,191 |
| CDC charges | 74,587 | - |

17.3 Other balances

| | 2021 | 2020 |
|---|----------------------|-------------|
| | ----- (Rupees) ----- | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Management remuneration payable | 708,363 | 1,116,394 |
| Sindh sales tax payable on management remuneration | 2,651,470 | 2,596,738 |
| Federal excise duty payable on management remuneration | 18,099,657 | 18,099,657 |
| Preliminary expense and floatation costs payable | 5,000 | 5,000 |
| Sales load payable | 628,612 | 628,612 |
| Other payables | 50,000 | 50,000 |
| Payable against allocated expenses | 615,703 | 71,307 |
| Payable against selling and marketing expenses | 2,462,804 | 2,300,905 |
| Bank Alfalah Limited | | |
| Bank balance | 409,190,030 | 215,468,632 |
| Mark-up receivable | 435,985 | 181,462 |
| Sales load payable | 7,743,811 | 10,219,571 |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable to the Trustee | 62,132 | 92,144 |
| Sindh sales tax on Trustee remuneration | 8,079 | 11,980 |
| Security deposit | 100,000 | 100,000 |

18. FINANCIAL INSTRUMENTS BY CATEGORY

| Particulars | 2021 | | |
|---|----------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 609,644,401 | - | 609,644,401 |
| Investments | - | 553,299,638 | 553,299,638 |
| Advances and profit receivable | 13,712,120 | - | 13,712,120 |
| | <u>623,356,521</u> | <u>553,299,638</u> | <u>1,176,656,159</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 25,221,609 | - | 25,221,609 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 70,211 | - | 70,211 |
| Accrued expenses and other liabilities | 8,914,277 | - | 8,914,277 |
| | <u>34,206,097</u> | <u>-</u> | <u>34,206,097</u> |

| Particulars | 2020 | | |
|---|----------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 216,821,949 | - | 216,821,949 |
| Investments | - | 1,223,492,599 | 1,223,492,599 |
| Advances and profit receivable | 8,238,238 | - | 8,238,238 |
| Receivable against sale of investments | 47,483,000 | - | 47,483,000 |
| | <u>272,543,187</u> | <u>1,223,492,599</u> | <u>1,496,035,786</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 24,868,613 | - | 24,868,613 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 104,124 | - | 104,124 |
| Dividend payable | 9,926,568 | - | 9,926,568 |
| Accrued expenses and other liabilities | 10,865,022 | - | 10,865,022 |
| | <u>45,764,327</u> | <u>-</u> | <u>45,764,327</u> |

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

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

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

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

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2021, is as follows:

| | 2021 | 2020 |
|---|----------------------|----------------------|
| | ----- (Rupees) ----- | |
| Variable rate instruments (financial assets) | | |
| Bank balances | 609,644,401 | 216,821,949 |
| Term Finance Certificates | 46,778,188 | 3,919,337 |
| Sukuk certificates | 206,171,450 | 188,214,480 |
| | <u>862,594,039</u> | <u>408,955,766</u> |
| Fixed rate instruments (financial assets) | | |
| Market Treasury Bills | - | 891,978,874 |
| Pakistan Investment Bonds | 300,350,000 | 51,643,658 |
| Government of Pakistan Ijara sukuks | - | 87,736,250 |
| | <u>300,350,000</u> | <u>1,031,358,782</u> |

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 8.63 million (2020: Rs 4.09 million) The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2021, the Fund holds Pakistan Investment Bonds which are classified as financial assets 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in interest rates announced by Financial Markets Association of Pakistan for Pakistan Investment Bonds and with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 3 million (2020: Rs. 10.31 million). The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

| 2021 | | | | | |
|---|---------------------------------------|--|--------------------|--------------------------------------|---------------|
| Yield / effective interest rate | Exposed to yield / interest rate risk | | | Not exposed to yield / interest risk | Total |
| | Upto three months | More than three months and upto one year | More than one year | | |
| (Rupees) | | | | | |
| On-balance sheet financial instruments | | | | | |
| Financial assets | | | | | |
| Bank balances | 4.00% - 7.9% | 609,644,401 | - | - | 609,644,401 |
| Investments: | | | | | |
| - Term Finance Certificates | 8.69% - 9.00% | - | 46,778,188 | - | 46,778,188 |
| - Sukuk certificates | 7.59% - 9.36% | 67,067,450 | 139,104,000 | - | 206,171,450 |
| - Pakistan Investment Bonds | 8.107% - 8.117% | - | 300,350,000 | - | 300,350,000 |
| Advances and profit receivable | | - | - | 13,712,120 | 13,712,120 |
| | | 676,711,851 | 486,232,188 | 13,712,120 | 1,176,656,159 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | 25,221,609 | 25,221,609 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | 70,211 | 70,211 |
| Accrued expenses and other liabilities | | - | - | 8,914,277 | 8,914,277 |
| | | - | - | 34,206,097 | 34,206,097 |
| On-balance sheet gap | | 676,711,851 | 486,232,188 | (20,493,977) | 1,142,450,062 |
| Off-balance sheet financial instruments | | - | - | - | - |
| Off-balance sheet gap (b) | | - | - | - | - |
| Total profit rate sensitivity gap (a+b) | | 676,711,851 | 486,232,188 | (20,493,977) | 1,142,450,062 |

| 2020 | | | | | |
|---|---------------------------------------|--|--------------------|--------------------------------------|---------------|
| Yield / effective interest rate | Exposed to yield / interest rate risk | | | Not exposed to yield / interest risk | Total |
| | Upto three months | More than three months and upto one year | More than one year | | |
| (Rupees) | | | | | |
| Financial assets | | | | | |
| Bank balances | 6.50% - 8% | 216,821,949 | - | - | 216,821,949 |
| Investments: | | | | | |
| - Market Treasury Bills | 7.23% - 14.71% | 98,903,500 | 793,075,374 | - | 891,978,874 |
| - Term Finance Certificates | 6.92% - 13.45% | - | 3,919,337 | - | 3,919,337 |
| - Sukuk Certificates | 8.41% - 13.91% | 10,214,480 | 265,736,250 | - | 275,950,730 |
| - Pakistan Investment Bonds | 12% | - | - | 51,643,658 | 51,643,658 |
| Advances and profit receivable | | - | - | 8,238,238 | 8,238,238 |
| Receivable against sale of investments | | - | - | 47,483,000 | 47,483,000 |
| | | 325,939,929 | 1,062,730,961 | 55,721,238 | 1,496,035,786 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | 24,868,613 | 24,868,613 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | 104,124 | 104,124 |
| Dividend payable | | - | - | 9,926,568 | 9,926,568 |
| Accrued expenses and other liabilities | | - | - | 10,865,022 | 10,865,022 |
| | | - | - | 45,764,327 | 45,764,327 |
| On-balance sheet gap | | 325,939,929 | 1,062,730,961 | 51,643,658 | 1,450,271,459 |
| Off-balance sheet financial instruments | | - | - | - | - |
| Off-balance sheet gap (b) | | - | - | - | - |
| Total profit rate sensitivity gap (a+b) | | 325,939,929 | 1,062,730,961 | 51,643,658 | 1,450,271,459 |

19.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2021.

19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

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

19.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

| | 2021 | | 2020 | |
|--|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| | (Rupees) | | | |
| Bank balances | 609,644,401 | 609,644,401 | 216,821,949 | 216,821,949 |
| Investments | 553,299,638 | 113,845,638 | 1,223,492,599 | 14,133,817 |
| Advances and profit receivable | 13,712,120 | 13,712,120 | 8,238,238 | 8,238,238 |
| Receivable against sale of Investments | - | - | 47,483,000 | 47,483,000 |
| | <u>1,176,656,159</u> | <u>737,202,159</u> | <u>1,496,035,786</u> | <u>286,677,004</u> |

The difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. 439.454 million (2020: Rs. 1,209.359 million) are not exposed to credit risk.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2021 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired either at June 30, 2021 and June 30, 2020.

19.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of investment in term finance certificates and sukuk certificates and profit accrued thereon.

Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Name of bank | Rating Agency | Rating (Short Term / Long Term) | 2021 | 2020 |
|--|---------------|---------------------------------|-------------|-------------|
| | | | (%) | |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 67.12% | 99.38% |
| Bank Al Habib Limited | PACRA | A1+ / AAA | 0.00% | 0.00% |
| MCB Bank Limited | PACRA | A1+ / AAA | 0.08% | - |
| Faysal bank Limited | PACRA | A1+ / AA | 0.00% | - |
| Allied Bank Limited | PACRA | A1+ / AAA | 31.28% | 0.11% |
| Zarai Taraqati Bank Limited | VIS | A-1+ / AAA | 0.00% | 0.10% |
| Habib Bank Limited | VIS | A-1+ / AAA | 1.22% | 0.36% |
| National Bank of Pakistan | PACRA | A-1+ / AAA | 0.03% | 0.00% |
| Samba Bank Limited | VIS | A-1 / AA | 0.01% | 0.03% |
| Soneri Bank Limited | PACRA | A1+ / AA- | 0.00% | 0.00% |
| JS Bank Limited | PACRA | A1+ / AA- | 0.01% | 0.02% |
| Central Depository Company of Pakistan Limited | N/A | N/A | 0.25% | 0.00% |
| | | | <u>100%</u> | <u>100%</u> |

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

Ratings of term finance certificates and sukuk certificates have been disclosed in related notes to financial statements.

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

19.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

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

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

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

| | Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial Instruments with no fixed maturity | Total |
|---|--------------------|---|--|--|--------------------|--|----------------------|
| (Rupees) | | | | | | | |
| Financial assets | | | | | | | |
| Bank balances | 609,644,401 | - | - | - | - | - | 609,644,401 |
| Investments | - | - | - | 310,549,450 | 242,750,188 | - | 553,299,638 |
| Advances and profit receivable | 1,374,806 | - | 6,549,957 | - | - | 5,787,357 | 13,712,120 |
| | 611,019,207 | - | 6,549,957 | 310,549,450 | 242,750,188 | 5,787,357 | 1,176,656,159 |
| Financial liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 25,221,609 | - | - | - | - | - | 25,221,609 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 70,211 | - | - | - | - | - | 70,211 |
| Accrued expenses and other liabilities | 8,914,277 | - | - | - | - | - | 8,914,277 |
| | 34,206,097 | - | - | - | - | - | 34,206,097 |
| Net financial assets | 576,813,110 | - | 6,549,957 | 310,549,450 | 242,750,188 | 5,787,357 | 1,142,450,062 |
| 2020 | | | | | | | |
| | Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial Instruments with no fixed maturity | Total |
| (Rupees) | | | | | | | |
| Financial assets | | | | | | | |
| Bank balances | 216,821,949 | - | - | - | - | - | 216,821,949 |
| Investments | - | 98,903,500 | 793,075,374 | 61,858,138 | 269,655,587 | - | 1,223,492,599 |
| Advances, prepayments and profit receivable | 1,236,989 | 1,284,998 | 2,428,894 | - | - | 3,287,357 | 8,238,238 |
| Receivable against sales of Investment | 47,483,000 | - | - | - | - | - | 47,483,000 |
| | 265,541,938 | 100,188,498 | 795,504,268 | 61,858,138 | 269,655,587 | 3,287,357 | 1,496,035,786 |
| Financial liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 24,868,613 | - | - | - | - | - | 24,868,613 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 104,124 | - | - | - | - | - | 104,124 |
| Dividend payable | 9,926,568 | - | - | - | - | - | 9,926,568 |
| Accrued expenses and other liabilities | 10,865,022 | - | - | - | - | - | 10,865,022 |
| | 45,764,327 | - | - | - | - | - | 45,764,327 |
| Net financial assets | 219,777,611 | 100,188,498 | 795,504,268 | 61,858,138 | 269,655,587 | 3,287,357 | 1,450,271,459 |

20. FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

| | 2021 | | | |
|--|-----------------|---------------|---------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets 'at fair value through profit or loss' | (Rupees) | | | |
| Investments | | | | |
| Term Finance Certificates | - | 46,778,188 | - | 46,778,188 |
| Pakistan Investment Bonds | - | 300,350,000 | - | 300,350,000 |
| Sukuk certificates | - | 206,171,450 | - | 206,171,450 |
| | - | 553,299,638 | - | 553,299,638 |
| | | | | |
| | 2020 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets 'at fair value through profit or loss' | (Rupees) | | | |
| Investments | | | | |
| Market Treasury Bills | - | 891,978,874 | - | 891,978,874 |
| Term Finance Certificates | - | 3,919,337 | - | 3,919,337 |
| Pakistan Investment Bonds | - | 51,643,658 | - | 51,643,658 |
| Sukuk certificates | - | 188,214,480 | - | 188,214,480 |
| Government of Pakistan Ijara Sukuks | - | 87,736,250 | - | 87,736,250 |
| | - | 1,223,492,599 | - | 1,223,492,599 |

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21. UNIT HOLDER'S FUND RISK MANAGEMENT

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

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

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

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

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

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

22. SUPPLEMENTARY NON - FINANCIAL INFORMATION

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

23. CORRESPONDING FIGURES

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

24. GENERAL

24.1 Rounding off

Figures have been rounded off to the nearest rupee.

24.2 Impact of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

24.3 Operational risk management

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

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|--------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 2287 | 4,244,716 | 453,108,427 | 40% |
| Retirement & Other Funds | 48 | 1,387,318 | 148,091,299 | 13% |
| Others | 87 | 4,939,774 | 527,303,555 | 47% |
| | 2422 | 10,571,807 | 1,128,503,281 | 100% |

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 352 | 6,768,999 | 722,059,487 | 51% |
| Associated Co./ Directors | 1 | 4,182 | 446,152 | 0% |
| Retirement & Other Funds | 15 | 1,507,674 | 160,830,000 | 11% |
| Others | 27 | 5,112,763 | 545,378,107 | 38% |
| | 395 | 13,393,619 | 1,428,713,746 | 100% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|---|---------------------|
| | 30 June 2021 |
| | % |
| Bright Capital Private Limited | 30.52% |
| Continental Exchange (Pvt) Limited | 25.50% |
| Next Capital (Pvt) Limited | 17.52% |
| Pearl Securities Limited | 8.25% |
| JS Global Capital Limited | 6.96% |
| Invest One Markets Limited | 2.79% |
| BIPL Securities Limited | 2.56% |
| Paramount Capital (Pvt) Limited | 2.47% |
| Summit Capital (Pvt) Limited | 2.47% |
| ICON Management Limited | 0.64% |
| | 30 June 2020 |
| | % |
| Continental Exchange (Pvt) Limited | 25.02% |
| Invest One Market Limited | 15.65% |
| Bright Capital Private Limited | 13.71% |
| Next Capital Limited | 13.63% |
| BIPL Securities Limited | 5.82% |
| JS Global Capital Limited | 5.34% |
| BMA Capital | 3.73% |
| Magenta Capital (Pvt) Limited | 2.81% |
| Paramount Capital (Pvt) Limited | 2.43% |
| ICON Securities | 1.47% |

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

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

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

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

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

PERFORMANCE TABLE - AGSOF

| | 30 June 2021 | 30 June 2020 | 30 June 2019 (Rupees in '000) | 30 June 2018 | 30 June 2017 |
|-----------------------------------|-----------------|-----------------|-------------------------------------|-----------------|-----------------|
| Net Assets | 1,431,753 | 1,429 | 943,649 | 837,519 | 1,221,351 |
| NAV per unit | 106.7465 | 106.6712 | 106.3270 | 111.0050 | 105.7586 |
| Selling price per unit | 107.9527 | 107.8766 | 107.5285 | 112.2594 | 106.9537 |
| Redemption price per unit | 106.7465 | 106.6712 | 106.3270 | 111.0050 | 105.7586 |
| Highest selling price per unit | 114.6199 | 124.5069 | 112.7015 | 112.2403 | 112.8651 |
| Highest redemption price per unit | 113.3392 | 123.1157 | 111.4422 | 110.9862 | 111.6040 |
| Lowest selling price per unit | 107.6914 | 107.5285 | 106.6400 | 107.0203 | 106.9537 |
| Lowest redemption price per unit | 106.6898 | 106.3270 | 105.8583 | 105.8245 | 105.7586 |
| 1st interim distribution per unit | Nil | Nil | 5.1152 | Nil | 5.8914 |
| Interim distribution date | N/A | N/A | 29-Mar-19 | N/A | 22-Jun-17 |
| Final distribution per unit | 6.6680 | 16.7887 | 2.3296 | 5.2464 | N/A |
| Final distribution date | 25-Jun-21 | 30-Jun-20 | 30-Jun-19 | 2-Jul-18 | N/A |
| Annualized returns | 6.33% | 16.16% | 7.68% | Nil | Nil |
| Income distribution | 6.25% | 15.79% | 6.71% | 4.96% | 5.57% |
| Weighted avg. portfolio duration | 2.47 Yrs | 2.05 Yrs | 1.24 Yrs | 1.39 Yrs | 1.39 Yrs |

Return since inception is **9.11%**

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



**Alfalah
Ghp Income Fund**

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | A+(f) by PACRA |

Alfalah GHP Income Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

To minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the unit holders.

Accomplishment of Objective

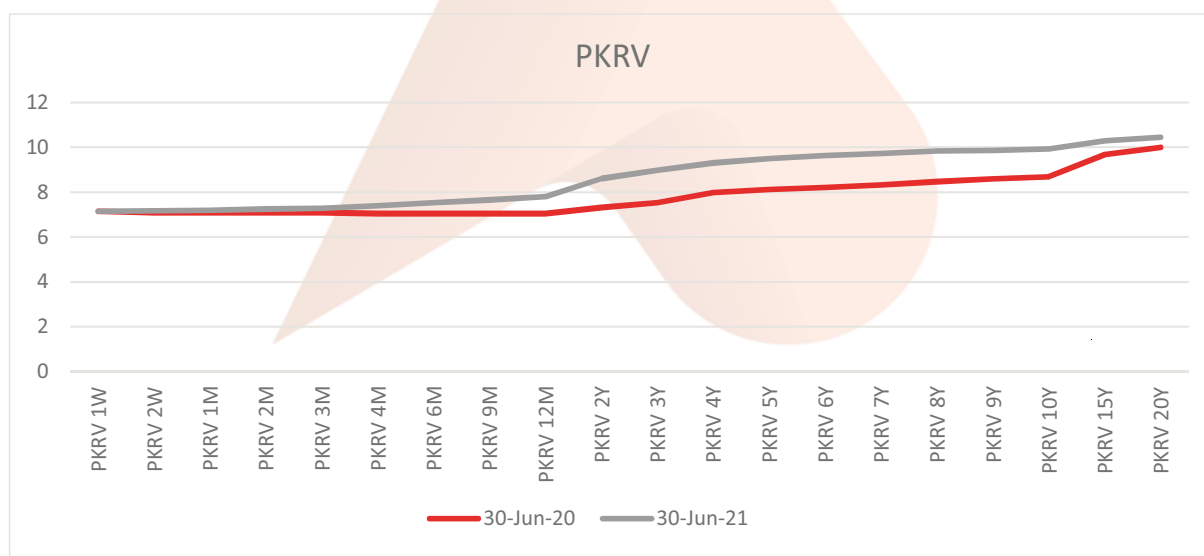
The Fund has achieved its objective of generating regular income by investing in low duration fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

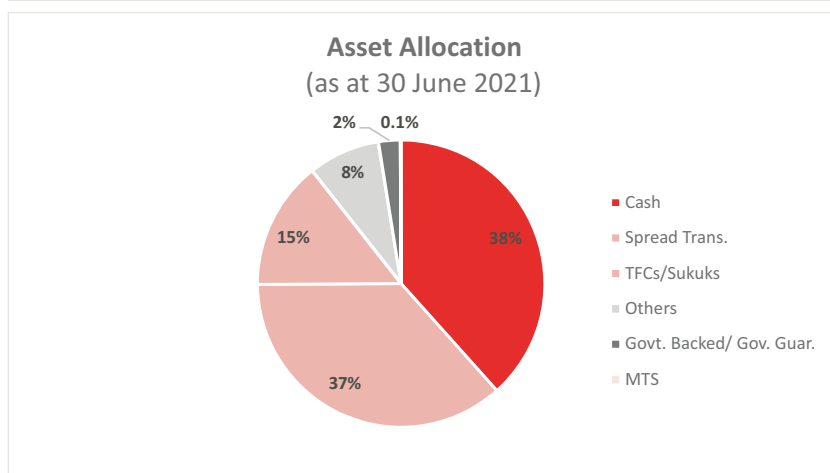
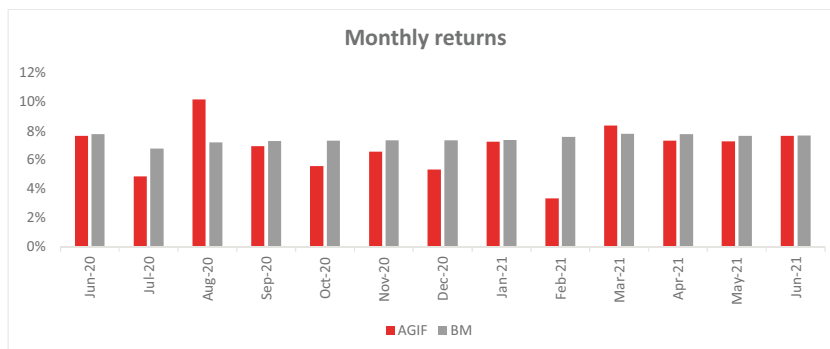
The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



Fund Performance

For the year ended June 30 2021, the fund posted a return of 6.96% against the benchmark of 7.43%.

Performance comparison with Benchmark



| Credit Quality (as % of Total Assets) | | | |
|---------------------------------------|--------|--------------|--------|
| Govt. Sec / Guar. | 2.47% | A | 0.00% |
| AAA | 19.80% | A- | 0.00% |
| AA+ | 21.79% | BBB+ | 0.00% |
| AA | 6.09% | BBB | 0.00% |
| AA- | 2.46% | Below IG | 0.00% |
| A+ | 2.75% | MTS/NR/UR*** | 44.65% |

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

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

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

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 21, 2021



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

Opinion

We have audited the financial statements of Alfalah GHP Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|--|
| 1 | Net Asset Value (NAV) (Refer notes 5 to the financial statements) | |
| | Bank balances and investments constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 702.01 million and bank balances aggregated to Rs. 976.04 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants
Karachi
Date: 30 September, 2021

ALFALAH GHP INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|----------------------|----------------------|
| | | (Rupees) | |
| Assets | | | |
| Bank balances | 4 | 702,014,887 | 43,884,533 |
| Investments | 5 | 976,037,790 | 1,157,305,241 |
| Advances, deposits and prepayments | 6 | 140,222,852 | 5,176,831 |
| Mark-up / profit receivable | | 6,066,987 | 4,332,873 |
| Total assets | | <u>1,824,342,516</u> | <u>1,210,699,478</u> |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 7 | 13,677,022 | 12,530,178 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8 | 154,503 | 160,217 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 9 | 267,008 | 86,941 |
| Accrued expenses and other liabilities | 10 | 13,888,287 | 4,628,369 |
| Total liabilities | | <u>27,986,820</u> | <u>17,405,705</u> |
| Net assets attributable to the unit holders | | <u>1,796,355,696</u> | <u>1,193,293,773</u> |
| Unit holders' fund (as per the statement attached) | | <u>1,796,355,696</u> | <u>1,193,293,773</u> |
| Contingencies and commitments | | | |
| | 11 | (Number of units) | |
| Number of units in issue | | <u>15,857,186</u> | <u>10,586,712</u> |
| | | (Rupees) | |
| Net asset value per unit | | <u>113.2834</u> | <u>112.7162</u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|-------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Income | | | |
| Profit / mark up income | 12 | 91,505,713 | 51,776,481 |
| Dividend income | | 3,077,800 | - |
| Income from spread transactions - net | 5.5.2 | 13,050,323 | - |
| (Loss) / gain on sale of investments - net | | (1,979,172) | 10,663,335 |
| Unrealised gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | 5.7 | 7,867,756 | 2,820,008 |
| Total income | | <u>113,522,420</u> | <u>65,259,824</u> |
| Expenses | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 7.1 | 10,911,040 | 4,723,205 |
| Sindh sales tax on remuneration of the Management Company | 7.2 | 1,418,435 | 614,017 |
| Allocated expenses | 7.4 | 1,335,119 | 435,942 |
| Selling and marketing expenses | 7.5 | 881,618 | 611,734 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 8.1 | 1,001,359 | 326,087 |
| Sindh sales tax on remuneration of the Trustee | 8.2 | 130,177 | 42,392 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 9.1 | 267,008 | 86,966 |
| Brokerage expense | | 3,720,637 | 180,136 |
| Settlement and bank charges | | 16,555 | 37,179 |
| Auditors' remuneration | 13 | 277,909 | 277,093 |
| Annual listing fee | | 49,601 | 22,000 |
| Annual rating fee | | 284,778 | 323,010 |
| Clearing charges | | 745,042 | 637,666 |
| Printing charges | | 30,107 | 30,006 |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 1,849,061 | 1,138,346 |
| Total expenses | | <u>22,918,446</u> | <u>9,485,779</u> |
| Net income for the year before taxation | | <u>90,603,974</u> | <u>55,774,045</u> |
| Taxation | 14 | - | - |
| Net income for the year after taxation | | <u>90,603,974</u> | <u>55,774,045</u> |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 90,603,974 | 55,774,045 |
| Income already paid on units redeemed | | (46,769,384) | (8,746,227) |
| | | <u>43,834,590</u> | <u>47,027,818</u> |
| Accounting income available for distribution | | | |
| -Relating to capital gains | | 1,901,365 | 13,483,343 |
| -Excluding capital gains | | 41,933,225 | 33,544,475 |
| | | <u>43,834,590</u> | <u>47,027,818</u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|--|----------------------|-------------------|
| | ----- (Rupees) ----- | |
| Net income for the year after taxation | 90,603,974 | 55,774,045 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>90,603,974</u> | <u>55,774,045</u> |

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



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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Capital Value | Undistributed income | Total | Capital Value | Undistributed income | Total |
| | Rupees | | | Rupees | | |
| Net assets at the beginning of the year | 1,116,987,343 | 76,306,430 | 1,193,293,773 | 202,564,874 | 73,875,018 | 276,439,892 |
| Issuance of 41,724,340 units (2020: 14,359,244 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 4,703,009,052 | - | 4,703,009,052 | 1,615,208,177 | - | 1,615,208,177 |
| - Element of income | 86,102,131 | - | 86,102,131 | 149,029,539 | - | 149,029,539 |
| Total proceeds on issuance of units | 4,789,111,183 | - | 4,789,111,183 | 1,764,237,716 | - | 1,764,237,716 |
| Redemption of 36,453,866 units (2020: 6,230,090 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 4,108,941,251 | - | 4,108,941,251 | 700,795,412 | - | 700,795,412 |
| - Element of loss | 14,455,293 | 46,769,384 | 61,224,677 | 42,447,834 | 8,746,227 | 51,194,061 |
| Total payments on redemption of units | 4,123,396,544 | 46,769,384 | 4,170,165,928 | 743,243,246 | 8,746,227 | 751,989,473 |
| Total comprehensive income for the year | - | 90,603,974 | 90,603,974 | - | 55,774,045 | 55,774,045 |
| Interim distribution for the year ended June 30, 2020 @ Rs. 16.4172 per unit on June 24, 2020 | - | - | - | (106,572,001) | (44,596,406) | (151,168,407) |
| Interim distribution for the year ended June 30, 2021 @ Rs. 7.2642 per unit on June 25, 2021 | (67,609,854) | (38,877,452) | (106,487,306) | - | - | - |
| | (67,609,854) | (38,877,452) | (106,487,306) | (106,572,001) | (44,596,406) | (151,168,407) |
| Net assets at the end of the year | 1,715,092,128 | 81,263,568 | 1,796,355,696 | 1,116,987,343 | 76,306,430 | 1,193,293,773 |
| | (Rupees) | | | (Rupees) | | |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 73,486,422 | | | 74,924,818 | |
| - Unrealised income / (loss) | | 2,820,008 | | | (1,049,800) | |
| | | <u>76,306,430</u> | | | <u>73,875,018</u> | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | 1,901,365 | | | 13,483,343 | |
| - Excluding capital gains | | 41,933,225 | | | 33,544,475 | |
| | | <u>43,834,590</u> | | | <u>47,027,818</u> | |
| Distribution during the year | | (38,877,452) | | | (44,596,406) | |
| Undistributed income carried forward | | <u>81,263,568</u> | | | <u>76,306,430</u> | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 73,395,812 | | | 73,486,422 | |
| - Unrealised income | | 7,867,756 | | | 2,820,008 | |
| | | <u>81,263,568</u> | | | <u>76,306,430</u> | |
| Net asset value per unit at the beginning of the year | | <u>112.7162</u> | | | <u>112.4856</u> | |
| Net asset value per unit at the end of the year | | <u>113.2834</u> | | | <u>112.7162</u> | |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|------|---------------------------|---------------------------|
| | | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income for the year before taxation | | 90,603,974 | 55,774,045 |
| Adjustments for: | | | |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 1,849,061 | 1,138,346 |
| Unrealised gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | 5.7 | (7,867,756) | (2,820,008) |
| | | <u>84,585,279</u> | <u>54,092,383</u> |
| (Increase) / decrease in assets | | | |
| Investments - net | | 41,111,332 | (878,807,804) |
| Advances, deposits and prepayments | | (135,046,021) | - |
| Mark-up / profit receivable | | (1,734,114) | 287,213 |
| | | (95,668,803) | (878,520,591) |
| Decrease / (increase) in liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | 1,146,844 | 677,203 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | (5,714) | 56,335 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | 180,067 | (173,080) |
| Accrued expenses and other liabilities | | 7,410,857 | 104,802 |
| | | 8,732,054 | 665,260 |
| Net cash used in operating activities | | <u>(2,351,470)</u> | <u>(823,762,948)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | (38,877,452) | (44,596,406) |
| Amounts received against issuance of units (net of refund of capital) | | 4,721,501,329 | 1,657,665,715 |
| Payments made against redemption of units | | (4,170,165,928) | (751,989,473) |
| Net cash generated from financing activities | | 512,457,949 | 861,079,836 |
| Net increase in cash and cash equivalents during the year | | 510,106,479 | 37,316,888 |
| Cash and cash equivalents at the beginning of the year | | 191,908,408 | 154,591,520 |
| Cash and cash equivalents at the end of the year | 16 | <u><u>702,014,887</u></u> | <u><u>191,908,408</u></u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Income Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984. On October 15, 2013, the management rights of the Fund were transferred from the former Management Company to Alfalah GHP Investment Management Limited (the Management Company) by sanctioning of order by the Securities and Exchange Commission of Pakistan (SECP) sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/AMCW/AD-ZI/AGIF/241/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Fund (formerly IGI Income Fund).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorised as an 'Income Scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the Trust Deed, the Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, Government securities, sukuk and term finance certificates, certificates of investment, certificates of musharaka, commercial papers, term deposit receipts, spread transactions and reverse repurchase agreements.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021 and A+(f) to the Fund in its credit rating report dated April 8, 2021.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of financial assets (notes 3.3.1 and 5).
- ii. Impairment of financial assets (note 3.3.2).
- iii. Provision for Sindh Workers' Welfare Fund (note 10.1)
- iv. Taxation (notes 3.7 and 14).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.1.2 Equity instruments

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

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

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

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

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

3.3.2 Impairment

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

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

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

Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is

distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

Deferred

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

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Dividend income is recognised when the Fund's right to receive the same is established.
- Markup income on bank balances, letter of placement and other income is recognised on an accrual basis.
- Income on government securities (including Market Treasury Bills and Pakistan Investment Bonds) is recognised on an accrual basis using the effective yield rate method.
- Income on debt securities (including term finance certificates and sukuks) is recognised on an accrual basis using the effective yield method.
- Profit on margin trading system is recognised on an accrual basis.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.

3.13 Expenses

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

3.14 Earnings per unit

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

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

3.15 Margin Trading System

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

3.16 Foreign currency translation

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

| | Note | 2021 | 2020 |
|------------------------|------|-------------|------------|
| ----- (Rupees) ----- | | | |
| 4 BANK BALANCES | | | |
| Savings accounts | 4.1 | 702,014,887 | 43,884,533 |

4.1 These accounts carry profit rates ranging between 5.50% to 7.90% (2020: 6.50% to 8.00%) per annum. These include bank balance of Rs. 435.529 million (2020: Rs. 15.623 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 7.90% (2020: 6.50%) per annum.

| | Note | 2021 | 2020 |
|---|------|--------------------|----------------------|
| ----- (Rupees) ----- | | | |
| 5 INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| Sukuk certificates | 5.1 | 213,373,998 | 144,204,165 |
| Term finance certificates | 5.2 | 98,096,109 | 67,996,269 |
| Government securities | 5.3 | - | 945,104,807 |
| Letters of placement | 5.4 | - | - |
| Listed equity securities | 5.5 | 663,402,145 | - |
| Future stock contracts | 5.6 | 1,165,538 | - |
| | | <u>976,037,790</u> | <u>1,157,305,241</u> |

5.1 Sukuk certificates

| Name of the investee company | Profit payments / principal redemptions | Profit rate | Maturity date | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Balance as at June 30, 2021 | | | Market value as a percentage of | | Investment as percentage of issue size |
|--------------------------------------|---|-------------|---------------|---------------------|---------------------------|--------------------------------|---------------------|-----------------------------|--------------|--------------------------|---------------------------------|------------------------------|--|
| | | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investment of the Fund | |
| | | | | | | | | | | | | | |
| ----- (Number of certificates) ----- | | | | | | | | ----- (Rupees) ----- | | | | | |

COMMERCIAL BANKS

| | | | | | | | | | | | | | |
|--|--|---------------------------|--------------------|----|-----|----|-----|------------|------------|---|-------|-------|-------|
| Dubai Islamic Bank Pakistan Limited (AA-, VIS) (Face value Rs. 1,000,000) | Semi-annually / bullet payment at maturity | 6 Months KIBOR + 0.50% | July 14, 2027 | 5 | - | 5 | - | - | - | - | - | - | - |
| Meezan Bank Limited (AA+, VIS) (Face value Rs. 1,000,000) | Semi-annually / bullet payment at maturity | 6 Months KIBOR + 0.5% | September 22, 2026 | 25 | - | 25 | - | - | - | - | - | - | - |
| Samba Bank Limited (AA-, PACRA) (Face value Rs. 100,000) | Semi-annually | 6 Months KIBOR + 1.35% | March 01, 2031 | - | 450 | - | 450 | 45,000,000 | 45,000,000 | - | 2.51% | 4.61% | 0.90% |

| Name of the investee company | Profit payments / principal redemptions | Profit rate | Maturity date | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Balance as at June 30, 2021 | | | Market value as a percentage of | | Investment as percentage of issue size |
|--|---|------------------------|-------------------|---------------------|---------------------------|--------------------------------|---------------------|-----------------------------|--------------------|--------------------------|---------------------------------|------------------------------|--|
| | | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investment of the Fund | |
| | | | | | | | | | | | | | |
| INVESTMENT BANKS / INVESTMENT COMPANIES / SECURITIES COMPANIES | | | | | | | | | | | | | |
| Dawood Hercules Corporation Limited (AA, PACRA) (Face value Rs. 60,000) | Quarterly | 3 Months KIBOR + 1.00% | November 16, 2022 | 140 | - | 140 | - | - | - | - | - | - | - |
| Dawood Hercules Corporation Limited (AA, PACRA) (Face value Rs. 70,000) | Quarterly | 3 Months KIBOR + 1.00% | March 1, 2021 | 100 | 200 | 300 | - | - | - | - | - | - | - |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | | | | |
| The Hub Power Company Limited (AA+, PACRA) (Face value Rs. 100,000) | Quarterly | 3 Months KIBOR + 1.90% | August 22, 2023 | 260 | - | 260 | - | - | - | - | - | - | - |
| K - Electric Limited (AA+, VIS) (Face value Rs. 5,000) | Quarterly | 3 Months KIBOR + 1.70% | August 3, 2027 | - | 14,000 | - | 14,000 | 71,050,000 | 71,085,000 | 35,000 | 3.96% | 7.28% | 0.28% |
| Pakistan Energy Sukuk II (AAA) (Face value Rs. 5,000)* | Semi-annually | 6 Months KIBOR - 0.10% | May 20, 2030 | 9,000 | - | - | 9,000 | 45,000,000 | 45,360,000 | 360,000 | 2.53% | 4.65% | 0.02% |
| ENGINEERING | | | | | | | | | | | | | |
| Mughal Iron & Steel Industries Limited (A+, PACRA) (Face value Rs. 1,000,000) | Quarterly | 3 Months KIBOR + 1.30% | March 02, 2026 | - | 38 | - | 38 | 38,000,000 | 38,133,000 | 133,000 | 2.12% | 3.91% | 1.27% |
| MISCELLANEOUS | | | | | | | | | | | | | |
| International Brands Limited (AA, VIS) (Face value Rs. 41,022) | Quarterly / Monthly | 3 Months KIBOR + 0.50% | May 5, 2022 | 337 | - | - | 337 | 13,588,159 | 13,795,998 | 207,839 | 0.77% | 1.41% | 0.49% |
| Total as at June 30, 2021 | | | | | | | | 212,638,159 | 213,373,998 | 735,839 | 11.89% | 21.86% | 2.96% |
| Total as at June 30, 2020 | | | | | | | | 143,187,069 | 144,204,165 | 1,017,096 | 12.08% | 12.46% | 2.07% |

* These investments have been carried at cost as they have not been valued by MUFAP as at June 30, 2021.

5.2 Term finance certificates

| Name of the investee company | Profit payments / principal redemptions | Profit rate | Maturity date | As at July 01, 2020 | Purchased during the year | Matured / sold during the year | As at June 30, 2021 | Balance as at June 30, 2021 | | | Market value as a percentage of | | Investment as percentage of issue size |
|--|---|------------------------|-------------------|---------------------|---------------------------|--------------------------------|---------------------|-----------------------------|-------------------|--------------------------|---------------------------------|------------------------------|--|
| | | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investment of the Fund | |
| | | | | | | | | | | | | | |
| COMMERCIAL BANKS | | | | | | | | | | | | | |
| The Bank of Punjab Limited (AA, PACRA) (Face value Rs. 99,820) | Semi-annually | 6 Months KIBOR + 1% | December 23, 2026 | 423 | 550 | - | 973 | 94,733,298 | 98,096,109 | 3,362,811 | 5.46% | 10.05% | 3.92% |
| Habib Bank Limited (AAA, VIS) (Face value Rs. 99,820) | Semi-annually | 6 Months KIBOR + 0.50% | February 19, 2021 | 209 | - | 209 | - | - | - | - | - | - | - |
| JS Bank Limited (A+, PACRA) (December 14, 2016) (Face value Rs. 4,991) | Semi-annually | 6 Months KIBOR + 1.40% | December 14, 2023 | 1,250 | - | 1,250 | - | - | - | - | - | - | - |
| Total as at June 30, 2021 | | | | | | | | 94,733,298 | 98,096,109 | 3,362,811 | 5.47% | 10.05% | 11.01% |
| Total as at June 30, 2020 | | | | | | | | 68,866,142 | 67,996,269 | (869,873) | 5.70% | 5.88% | 2.07% |

5.3 Government securities

5.3.1 Market Treasury Bills

| Particulars | Issue date | Face value | | | | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|-----------------------------------|--------------------|--------------------|---------------------------|--------------------------------|---------------------|-----------------------------|--------------------|--------------------------|---------------------------------|------------------------------|
| | | As at July 1, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investment of the Fund |
| (Rupees) | | | | | | | | | | % |
| Market Treasury Bills - 3 months | June 4, 2020 | 25,000,000 | 100,000,000 | 125,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | June 18, 2020 | 125,000,000 | - | 125,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | July 2, 2020 | - | 50,000,000 | 50,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | July 16, 2020 | - | 75,000,000 | 75,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | August 27, 2020 | - | 505,000,000 | 505,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | September 24, 2020 | - | 420,000,000 | 420,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | October 8, 2020 | - | 557,000,000 | 557,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | November 5, 2020 | - | 45,000,000 | 45,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | November 19, 2020 | - | 450,000,000 | 450,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | December 31, 2020 | - | 1,075,000,000 | 1,075,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | January 14, 2021 | - | 837,000,000 | 837,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | January 28, 2021 | - | 375,000,000 | 375,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | February 25, 2021 | - | 250,000,000 | 250,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | March 11, 2021 | - | 135,000,000 | 135,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | March 25, 2021 | - | 345,000,000 | 345,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | April 8, 2021 | - | 740,000,000 | 740,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 3 months | April 22, 2021 | - | 300,000,000 | 300,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 6 months | May 7, 2020 | 300,000,000 | - | 300,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 6 months | June 18, 2020 | 125,000,000 | - | 125,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 6 months | July 2, 2020 | - | 150,000,000 | 150,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 6 months | July 16, 2020 | - | 75,000,000 | 75,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 6 months | September 10, 2020 | - | 25,000,000 | 25,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 6 months | February 25, 2021 | - | 30,000,000 | 30,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 6 months | April 8, 2021 | - | 465,000,000 | 465,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 6 months | April 23, 2020 | 120,000,000 | - | 120,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 12 months | October 10, 2019 | - | 50,000,000 | 50,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 12 months | December 5, 2019 | - | 245,000,000 | 245,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 12 months | December 19, 2019 | - | 175,000,000 | 175,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 12 months | March 12, 2020 | - | 50,000,000 | 50,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 12 months | March 26, 2020 | 180,000,000 | - | 180,000,000 | - | - | - | - | - | - |
| Market Treasury Bills - 12 months | April 23, 2020 | 100,000,000 | 52,000,000 | 152,000,000 | - | - | - | - | - | - |
| Total as at June 30, 2021 | | 975,000,000 | 7,576,000,000 | 8,551,000,000 | - | - | - | - | - | - |
| Total as at June 30, 2020 | | - | 4,968,000,000 | 3,993,000,000 | 975,000,000 | 942,432,022 | 945,104,807 | 2,672,785 | 79.20% | 81.66% |

5.3.2 Pakistan Investment Bonds

| Particulars | Issue date | Face value | | | | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|-----------------------------------|--------------------|--------------------|---------------------------|--------------------------------|---------------------|-----------------------------|--------------|--------------------------|---------------------------------|------------------------------|
| | | As at July 1, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investment of the Fund |
| (Rupees) | | | | | | | | | | % |
| Pakistan Investment Bond-03 Years | June 18, 2020 | - | 300,000,000 | 300,000,000 | - | - | - | - | - | - |
| Pakistan Investment Bond-03 Years | September 19, 2019 | - | 150,000,000 | 150,000,000 | - | - | - | - | - | - |
| Pakistan Investment Bond-05 Years | September 19, 2019 | - | 150,000,000 | 150,000,000 | - | - | - | - | - | - |
| Total as at June 30, 2021 | | - | 600,000,000 | 600,000,000 | - | - | - | - | - | - |
| Total as at June 30, 2020 | | 50,000,000 | 250,000,000 | 300,000,000 | - | - | - | - | - | - |

5.4 Letters of placement

| Name of the investee company | Rate of return per annum | Date of maturity | Rating (Long Term / Short Term) | Face Value | | | | Balance as at June 30, 2021 | | Unrealised gain on revaluation | Market value as a percentage of | |
|----------------------------------|--------------------------|------------------|---------------------------------|---------------------|---------------------------|-------------------------|---------------------|-----------------------------|--------------|--------------------------------|---------------------------------|------------------------------|
| | | | | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Carrying value | Market value | | Net assets of the Fund | Total investment of the Fund |
| Pak Brunei Investment Company | 6.05% | April 15, 2021 | AA+ / A-1+ | - | 60,000,000 | 60,000,000 | - | - | - | - | - | - |
| Total as at June 30, 2021 | | | | - | 60,000,000 | 60,000,000 | - | - | - | - | - | - |
| Total as at June 30, 2020 | | | | - | 60,000,000 | 60,000,000 | - | - | - | - | - | - |

5.5 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the period | Sold during the period | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Market value as a percentage of | | Holding as a percentage of paid up capital of the investee company |
|--|-------|---------------------|-----------------------------|------------------------|---------------------|---------------------|-------------------|--------------------------|---------------------------------|---------------------------|--|
| | | | | | | | | | Net assets of Fund | Total investments of Fund | |
| | | | | | | As at June 30, 2021 | | | | | |
| | | | | | | (Rupees) | | | | | % |
| COMMERCIAL BANKS | | | | | | | | | | | |
| Bank Alfalah Limited | - | - | 2,500 | - | 2,500 | 79,000 | 80,450 | 1,450 | 0.00% | 0.01% | 0.00% |
| Bank AL Habib Limited | - | - | 1,500 | - | 1,500 | 106,542 | 105,180 | (1,362) | 0.01% | 0.01% | 0.00% |
| The Bank of Punjab | - | - | 713,000 | - | 713,000 | 6,059,285 | 5,989,200 | (70,085) | 0.33% | 0.61% | 0.02% |
| MCB Bank Limited | - | - | 5,000 | - | 5,000 | 784,824 | 799,150 | 14,326 | 0.04% | 0.08% | 0.01% |
| National Bank of Pakistan | - | - | 536,500 | 533,000 | 3,500 | 125,410 | 127,995 | 2,585 | 0.01% | 0.01% | 0.00% |
| United Bank Limited | - | - | 2,000 | - | 2,000 | 255,968 | 244,400 | (11,568) | 0.01% | 0.03% | 0.00% |
| Habib Bank Limited | - | - | 539,000 | 539,000 | - | - | - | - | - | - | - |
| | | | | | | 7,411,029 | 7,346,375 | (64,654) | 0.40% | 0.75% | |
| TEXTILE COMPOSITE | | | | | | | | | | | |
| Gul Ahmed Textile Mills Limited | - | - | 500 | - | 500 | 24,550 | 25,365 | 815 | 0.00% | 0.00% | 0.00% |
| Nishat Chunian Limited | - | - | 945,500 | 936,500 | 9,000 | 471,340 | 452,610 | (18,730) | 0.03% | 0.05% | 0.02% |
| Nishat Mills Limited | - | - | 30,500 | - | 30,500 | 2,968,975 | 2,845,650 | (123,325) | 0.16% | 0.29% | 0.08% |
| Azgard Nine Limited | - | - | 2,950,000 | 546,000 | 2,404,000 | 82,876,635 | 81,471,560 | (1,405,075) | 4.54% | 8.35% | 1.68% |
| | | | | | | 86,341,500 | 84,795,185 | (1,546,315) | 4.73% | 8.69% | |
| CEMENT | | | | | | | | | | | |
| Cherat Cement Company Limited | - | - | 4,000 | - | 4,000 | 733,120 | 709,520 | (23,600) | 0.04% | 0.07% | 0.04% |
| D. G. Khan Cement Company Limited | 5.5.1 | - | 19,000 | - | 19,000 | 2,372,480 | 2,240,480 | (132,000) | 0.12% | 0.23% | 0.05% |
| Fauji Cement Company Limited | - | - | 2,583,000 | 2,551,500 | 31,500 | 758,197 | 724,500 | (33,697) | 0.04% | 0.07% | 0.01% |
| Lucky Cement Limited | - | - | 3,000 | - | 3,000 | 2,640,000 | 2,590,320 | (49,680) | 0.14% | 0.27% | 0.08% |
| Maple Leaf Cement Factory Limited | - | - | 855,000 | 847,000 | 8,000 | 379,680 | 375,840 | (3,840) | 0.02% | 0.04% | 0.00% |
| Pioneer Cement Limited | - | - | 124,000 | 113,000 | 11,000 | 1,430,295 | 1,441,770 | 11,475 | 0.08% | 0.15% | 0.06% |
| Power Cement Limited | - | - | 261,000 | 99,000 | 162,000 | 1,592,705 | 1,556,820 | (35,885) | 0.09% | 0.16% | 0.01% |
| | | | | | | 9,906,477 | 9,639,250 | (267,227) | 0.53% | 0.99% | |
| REFINERY | | | | | | | | | | | |
| Attock Refinery Limited | - | - | 84,000 | 83,000 | 1,000 | 267,000 | 256,450 | (10,550) | 0.01% | 0.03% | 0.02% |
| Byco Petroleum Pakistan Limited | - | - | 3,875,000 | 2,000,000 | 1,875,000 | 21,955,384 | 21,768,750 | (186,634) | 1.21% | 2.23% | 0.04% |
| National Refinery Limited | 5.5.1 | - | 24,000 | 7,000 | 17,000 | 9,019,081 | 8,894,230 | (124,851) | 0.50% | 0.91% | 1.11% |
| Pakistan Refinery Limited | - | - | 50,500 | 50,500 | - | - | - | - | - | - | - |
| | | | | | | 31,241,465 | 30,919,430 | (322,035) | 1.72% | 3.17% | |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | | |
| The Hub Power Company Limited | 5.5.1 | - | 76,500 | - | 76,500 | 6,247,453 | 6,094,755 | (152,698) | 0.34% | 0.62% | 0.05% |
| K-Electric Limited | - | - | 6,304,000 | 3,985,000 | 2,319,000 | 10,030,413 | 9,693,420 | (336,993) | 0.54% | 0.99% | 0.01% |
| | | | | | | 16,277,866 | 15,788,175 | (489,691) | 0.88% | 1.61% | |
| OIL & GAS MARKETING COMPANIES | | | | | | | | | | | |
| Pakistan State Oil Company Limited | - | - | 381,000 | 376,000 | 5,000 | 1,137,417 | 1,121,250 | (16,167) | 0.06% | 0.11% | 0.02% |
| Sui Northern Gas Pipelines Limited | - | - | 440,500 | 295,000 | 145,500 | 7,195,896 | 7,068,390 | (127,506) | 0.39% | 0.72% | 0.11% |
| Sui Southern Gas Company Limited | - | - | 15,500 | - | 15,500 | 221,110 | 206,150 | (14,960) | 0.01% | 0.02% | 0.00% |
| | | | | | | 8,554,423 | 8,395,790 | (158,633) | 0.46% | 0.85% | |

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the period | Sold during the period | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | Market value as a percentage of | | Holding as a percentage of paid up capital of the investee company |
|--|-------|---------------------|-----------------------------|------------------------|---------------------|---------------------|--------------------|--------------------------|---------------------------------|---------------------------|--|
| | | | | | | | | | Net assets of Fund | Total investments of Fund | |
| | | | | | | As at June 30, 2021 | | | | | % |
| | | | | | | (Rupees) | | | | | % |
| OIL & GAS EXPLORATION COMPANIES | | | | | | | | | | | |
| Oil & Gas Development Company Limited | - | 96,500 | 77,500 | 19,000 | 19,000 | 1,877,620 | 1,805,570 | (72,050) | 0.10% | 0.18% | 0.00% |
| Pakistan Petroleum Limited | - | 124,000 | 96,000 | 28,000 | 28,000 | 2,516,405 | 2,431,240 | (85,165) | 0.14% | 0.25% | 0.01% |
| | | | | | | 4,394,025 | 4,236,810 | (157,215) | 0.24% | 0.43% | |
| ENGINEERING | | | | | | | | | | | |
| Aisha Steel Mills Limited | - | 1,577,000 | 1,500,000 | 77,000 | 77,000 | 1,980,953 | 1,918,070 | (62,883) | 0.11% | 0.20% | 0.03% |
| Amreli Steels Limited | - | 124,000 | 105,000 | 19,000 | 19,000 | 849,195 | 825,360 | (23,835) | 0.05% | 0.08% | 0.03% |
| International Industries Limited | - | 5,500 | - | 5,500 | 5,500 | 1,180,264 | 1,160,610 | (19,654) | 0.06% | 0.12% | 0.09% |
| International Steels Limited | - | 542,000 | 531,000 | 11,000 | 11,000 | 1,047,985 | 1,027,510 | (20,475) | 0.06% | 0.11% | 0.02% |
| Mughal Iron & Steel Industries Limited | - | 21,000 | - | 21,000 | 21,000 | 2,268,930 | 2,192,400 | (76,530) | 0.12% | 0.22% | 0.08% |
| Ittefaq Iron Industries Limited | - | 1,530,500 | 1,530,500 | - | - | - | - | - | - | - | - |
| | | | | | | 7,327,327 | 7,123,950 | (203,377) | 0.40% | 0.73% | |
| AUTOMOBILE ASSEMBLER | | | | | | | | | | | |
| Ghandhara Industries Limited | - | 64,500 | 53,500 | 11,000 | 11,000 | 3,151,210 | 3,069,220 | (81,990) | 0.17% | 0.31% | 0.72% |
| Ghandhara Nissan Limited | - | 50,000 | 28,500 | 21,500 | 21,500 | 2,374,010 | 2,348,445 | (25,565) | 0.13% | 0.24% | 0.41% |
| Pak Suzuki Motor Company Limited | - | 54,500 | 39,000 | 15,500 | 15,500 | 5,571,285 | 5,509,320 | (61,965) | 0.31% | 0.56% | 0.67% |
| Sazgar Engineering Works Limited | - | 1,000 | - | 1,000 | 1,000 | 172,420 | 168,210 | (4,210) | 0.01% | 0.02% | 0.04% |
| | | | | | | 11,268,925 | 11,095,195 | (173,730) | 0.62% | 1.13% | |
| CABLE & ELECTRICAL GOODS | | | | | | | | | | | |
| Pak Electron Limited | - | 15,000 | - | 15,000 | 15,000 | 525,995 | 525,900 | (95) | 0.03% | 0.05% | 0.01% |
| | | | | | | 525,995 | 525,900 | (95) | 0.03% | 0.05% | |
| TRANSPORT | | | | | | | | | | | |
| Pakistan International Bulk Terminal Limited | - | 2,767,000 | 2,608,000 | 159,000 | 159,000 | 1,862,935 | 1,809,420 | (53,515) | 0.10% | 0.19% | 0.01% |
| | | | | | | 1,862,935 | 1,809,420 | (53,515) | 0.10% | 0.19% | |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | | | |
| Avanceon Limited | 5.5.1 | 27,000 | - | 27,000 | 27,000 | 2,531,270 | 2,475,360 | (55,910) | 0.14% | 0.25% | 0.10% |
| Hum Network Limited | 5.5.1 | 7,476,500 | 1,892,500 | 5,584,000 | 5,584,000 | 49,718,339 | 44,783,680 | (4,934,659) | 2.49% | 4.59% | 4.74% |
| NetSol Technologies Limited | 5.5.1 | 764,000 | 589,000 | 175,000 | 175,000 | 30,354,274 | 29,746,500 | (607,774) | 1.66% | 3.05% | 3.31% |
| Pakistan Telecommunication Company Limited | - | 317,500 | - | 317,500 | 317,500 | 3,925,355 | 3,759,200 | (166,155) | 0.21% | 0.39% | 0.01% |
| TRG Pakistan Limited | 5.5.1 | 6,019,500 | 5,118,500 | 901,000 | 901,000 | 140,867,672 | 149,863,330 | 8,995,658 | 8.34% | 15.35% | 2.75% |
| | | | | | | 227,396,910 | 230,628,070 | 3,231,160 | 12.84% | 23.63% | |
| FERTILIZER | | | | | | | | | | | |
| Engro Corporation Limited | - | 23,000 | 21,500 | 1,500 | 1,500 | 447,780 | 441,915 | (5,865) | 0.02% | 0.05% | 0.01% |
| Fauji Fertilizer Bin Qasim Limited | - | 92,500 | - | 92,500 | 92,500 | 2,482,780 | 2,442,925 | (39,855) | 0.14% | 0.25% | 0.02% |
| Fauji Fertilizer Company Limited | - | 1,000 | - | 1,000 | 1,000 | 106,942 | 106,100 | (842) | 0.01% | 0.01% | 0.00% |
| | | | | | | 3,037,502 | 2,990,940 | (46,562) | 0.17% | 0.31% | |
| PHARMACEUTICALS | | | | | | | | | | | |
| The Searle Company Limited | - | 5,500 | - | 5,500 | 5,500 | 1,381,509 | 1,334,410 | (47,099) | 0.07% | 0.14% | 0.06% |
| | | | | | | 1,381,509 | 1,334,410 | (47,099) | 0.07% | 0.14% | |
| CHEMICAL | | | | | | | | | | | |
| Engro Polymer & Chemicals Limited | - | 83,500 | - | 83,500 | 83,500 | 4,053,935 | 3,944,540 | (109,395) | 0.22% | 0.40% | 0.04% |
| Ghani Global Holdings Limited | 5.5.1 | 3,375,500 | 2,323,000 | 1,052,500 | 1,052,500 | 51,620,574 | 52,246,100 | 625,526 | 2.91% | 5.35% | 1.87% |
| Lotte Chemical Pakistan Limited | - | 102,500 | - | 102,500 | 102,500 | 1,616,810 | 1,582,600 | (34,210) | 0.09% | 0.16% | 0.01% |
| Nimir Resins Limited | - | 209,000 | - | 209,000 | 209,000 | 4,477,270 | 4,211,350 | (265,920) | 0.23% | 0.43% | 0.30% |
| | | | | | | 61,768,589 | 61,984,590 | 216,001 | 3.45% | 6.34% | |
| FOOD & PERSONAL CARE PRODUCTS | | | | | | | | | | | |
| Unity Foods Limited | - | 9,442,500 | 6,460,500 | 2,982,000 | 2,982,000 | 133,136,434 | 132,758,640 | (377,794) | 7.39% | 13.60% | 1.34% |
| Al Shaheer Corporation Limited | - | 1,123,000 | - | 1,123,000 | 1,123,000 | 22,312,745 | 22,381,390 | 68,645 | 1.25% | 2.29% | 0.75% |
| Treet Corporation Limited | - | 745,500 | 509,000 | 236,500 | 236,500 | 9,698,251 | 11,704,385 | 2,006,134 | 0.65% | 1.20% | 0.67% |
| | | | | | | 165,147,430 | 166,844,415 | 1,696,985 | 9.29% | 17.09% | |
| GLASS & CERAMICS | | | | | | | | | | | |
| Shabbir Tiles & Ceramics Limited | - | 2,000 | - | 2,000 | 2,000 | 65,380 | 66,700 | 1,320 | 0.00% | 0.01% | 0.00% |
| Tariq Glass Industries Limited | 5.5.1 | 518,500 | 479,000 | 39,500 | 39,500 | 4,292,325 | 4,202,010 | (90,315) | 0.23% | 0.43% | 0.31% |
| | | | | | | 4,357,705 | 4,268,710 | (88,995) | 0.23% | 0.44% | |
| MISCELLANEOUS | | | | | | | | | | | |
| Siddiqsons Tin Plate Limited | - | 714,500 | - | 714,500 | 714,500 | 12,596,965 | 13,675,530 | 1,078,565 | 0.76% | 1.40% | 0.60% |
| | | | | | | 12,596,965 | 13,675,530 | 1,078,565 | 0.76% | 1.40% | |
| As at June 30, 2021 | | | | | | 660,798,577 | 663,402,145 | 2,603,568 | 36.92% | 67.94% | |
| As at June 30, 2020 | | | | | | - | - | - | - | - | |

5.5.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by SECP:

| Name of security | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
|----------------------------------|--------------------|---------------|----------------------------------|---------------|
| | (Number of shares) | | --- Market value (in Rupees) --- | |
| Avanceon Limited | 6,000 | - | 550,080 | - |
| D.G. Khan Cement Company Limited | 8,500 | - | 1,002,320 | - |
| Ghani Global Holdings Limited | 312,000 | - | 15,487,680 | - |
| The Hub Power Company Limited | 14,500 | - | 1,155,215 | - |
| Hum Network Limited | 5,225,000 | - | 41,904,500 | - |
| NetSol Technologies Limited | 81,500 | - | 13,853,370 | - |
| National Refinery Limited | 5,500 | - | 2,877,545 | - |
| Tariq Glass Industries Limited | 31,500 | - | 3,350,970 | - |
| TRG Pakistan Limited | 900,000 | - | 149,697,000 | - |
| | | | <u>229,878,680</u> | <u>-</u> |

5.5.2 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchases equity securities in ready settlement market and sells the securities in future settlement market on the same day, resulting in spread income / (loss) due to difference in ready and future stock prices.

5.6 This represents unrealised gain amounting to Rs. 1.166 million (2020:Nil) on mark to market of future stock contracts.

| 5.7 Unrealised gain on revaluation of 'investments classified as at fair value through profit or loss' - net | Note | 2021 | 2020 |
|--|------|------------------|------------------|
| | | (Rupees) | |
| Market value of investments | | 976,037,790 | 1,157,305,241 |
| Less: Carrying value of investments | | (968,170,034) | (1,154,485,233) |
| | | <u>7,867,756</u> | <u>2,820,008</u> |

6. ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with:

- National Clearing Company of Pakistan Limited (NCCPL)
- Central Depository Company of Pakistan Limited (CDC)

| | |
|------------------|------------------|
| 2,750,000 | 2,750,000 |
| 100,000 | 100,000 |
| <u>2,850,000</u> | <u>2,850,000</u> |

Exposure deposit with the NCCPL against spread transactions

135,067,657

-

Security Margin with the NCCPL

1,819,324

1,819,324

Prepaid Margin trading system fee

206,487

228,123

Advance tax

6.1

279,384

279,384

140,222,852

5,176,831

6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs. 0.279 million (2020: 0.279 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| | Note | 2021 | 2020 |
|---|------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| 7. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | | | |
| Management remuneration payable | 7.1 | 1,099,299 | 813,907 |
| Sindh sales tax payable on management remuneration | 7.2 | 1,496,894 | 1,459,795 |
| Federal excise duty payable on management remuneration | 7.3 | 9,778,882 | 9,778,882 |
| Payable against allocated expenses | 7.4 | 671,751 | 125,663 |
| Selling and marketing expenses payable | 7.5 | 581,612 | 303,347 |
| Sales load payable | | 48,584 | 48,584 |
| | | <u>13,677,022</u> | <u>12,530,178</u> |

7.1 As per regulation 61 of the the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 10% of the gross earnings of the Fund, calculated on a daily basis, provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Fund.

7.2 During the year, an amount of Rs. 1.418 million (2020: Rs. 0.614 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.381 million (2020: Rs. 0.55 million) has been paid to the Management Company which acts as a collecting agent.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 9.779 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2021 would have been higher by Re 0.62 per unit (June 30, 2020: Re 0.92 per unit).

7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the current year, the Management Company has charged such expenses to the Fund at the rate of 0.1% of the average net assets of the Fund.

7.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

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

| | Note | 2021 | 2020 |
|---|------|----------------------|----------------|
| | | ----- (Rupees) ----- | |
| 8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | | |
| Trustee remuneration payable | 8.1 | 107,219 | 76,838 |
| Sindh sales tax payable on trustee remuneration | 8.2 | 13,939 | 9,989 |
| Central Depository System Transaction Fee | | 33,345 | 73,390 |
| | | <u>154,503</u> | <u>160,217</u> |

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration is payable to the trustee at the rate of 0.075% (2020: 0.075%) per annum of the net assets of the Fund.

8.2 During the year, an amount of Rs. 0.130 million (2020: Rs. 0.042 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.126 million (2020: Rs. 0.081 million) was paid to the Trustee which acts as a collecting agent.

| 9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2021 | 2020 |
|---|------|----------------|---------------|
| ----- (Rupees) ----- | | | |
| Annual fee payable | 9.1 | <u>267,008</u> | <u>86,941</u> |

9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| 10. ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2021 | 2020 |
|--|------|-------------------|------------------|
| ----- (Rupees) ----- | | | |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 5,456,777 | 3,607,716 |
| Annual rating fee | | - | 10,552 |
| Withholding tax payable | | 5,887,150 | 183,851 |
| Auditors' remuneration | | 217,628 | 182,881 |
| Sales load payable | | 720,506 | 355,281 |
| Capital gain tax payable | | 523,106 | 32,328 |
| Printing charges | | 47,438 | 90,012 |
| Clearing charges | | 141,948 | 48,767 |
| Brokerage and settlement charges | | 893,734 | 116,981 |
| | | <u>13,888,287</u> | <u>4,628,369</u> |

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Re 0.344 (2020: Re 0.341) per unit.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There were no contingencies outstanding as at June 30, 2021 and June 30, 2020.

11.2 Commitments

Future sale transactions of equity securities entered into by the Fund which have not been settled as at year end

| 2021 | 2020 |
|----------------------|----------|
| ----- (Rupees) ----- | |
| <u>672,033,527</u> | <u>-</u> |

12. PROFIT / MARK UP INCOME

| | 2021 | 2020 |
|--|----------------------|-------------------|
| | ----- (Rupees) ----- | |
| Profit / mark up income on: | | |
| - Bank balances | 9,233,215 | 8,419,659 |
| - Term finance certificates and sukuk certificates | 21,574,275 | 15,874,638 |
| - Market Treasury Bills | 42,876,142 | 22,127,603 |
| - Pakistan Investment Bonds | 15,427,239 | 4,274,167 |
| - GoP Ijara Sukuk | - | 144,980 |
| - Letters of placement | 19,890 | 468,822 |
| - Margin trading system | 1,379,280 | 298,054 |
| - Others | 995,672 | 168,558 |
| | <u>91,505,713</u> | <u>51,776,481</u> |

13. AUDITORS' REMUNERATION

| | | |
|---------------------------------|----------------|----------------|
| Audit fee | 120,000 | 120,000 |
| Review and other certifications | 110,000 | 110,000 |
| Out of pocket expenses | 27,323 | 26,568 |
| | 257,323 | 256,568 |
| Sindh sales tax | 20,586 | 20,525 |
| | <u>277,909</u> | <u>277,093</u> |

14. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 1.72% (2020: 1.75%) which includes 0.26% (2020: 0.43%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

16. CASH AND CASH EQUIVALENTS

| | 2021 | 2020 |
|--|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| Bank balances | 702,014,887 | 43,884,533 |
| Market treasury bills maturing within 3 months | - | 148,023,875 |
| | <u>702,014,887</u> | <u>191,908,408</u> |

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

| Note | 2021 | | | | | | | | | | |
|--|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|-------------|
| | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2021 | |
| | Units | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Alfalsh GHP Prosperity Planning Fund | 17.1.1 | 86,258 | - | 5,540 | - | 91,798 | 9,722,674 | - | 626,596 | - | 10,399,190 |
| Alfalsh GHP Investment Management Limited | 17.1.1 | 1,631,257 | 1,487,638 | 172,489 | 128,354 | 3,163,030 | 183,869,090 | 175,000,000 | 19,508,282 | 15,000,000 | 358,318,793 |
| Key management personnel (Employees) | | | | | | | | | | | |
| Head of Retail Sales | 17.1.1 | 1,816 | - | 99 | - | 1,915 | 204,693 | - | 11,211 | - | 216,938 |
| Unit holder holding 10% or more units | | | | | | | | | | | |
| Pak China Investment Company Limited | 17.1.1 | - | 1,662,949 | 106,612 | - | 1,769,561 | - | 200,000,000 | 12,057,616 | - | 200,461,887 |
| IGI Life Insurance Limited | 17.1.1 | - | 10,452,623 | 108,293 | 8,765,937 | 1,794,979 | - | 1,243,581,580 | 12,247,798 | 1,043,923,597 | 203,341,324 |

| Note | 2020 | | | | | | | | | | |
|--|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|-------------|
| | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2020 | |
| | Units | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Alfalsh GHP Prosperity Planning Fund | | 94,742 | 10,985 | - | 19,469 | 86,258 | 10,656,998 | 1,235,756 | - | 2,200,000 | 9,722,674 |
| Alfalsh GHP Investment Management Limited | | 1,451,223 | | 180,034 | - | 1,631,257 | 163,241,690 | - | 20,251,257 | - | 183,869,090 |
| Key management personnel (Employees) | | | | | | | | | | | |
| Head of Retail Sales | | - | 1,599 | 217 | - | 1,816 | - | 200,000 | 24,429 | - | 204,693 |
| Unit holder holding 10% or more units | | | | | | | | | | | |
| Individual | | - | 5,218,830 | 755,855 | 5,457 | 5,969,228 | - | 668,996,728 | 85,022,798 | 700,000 | 672,828,697 |

17.1.1 This reflects the position of related party / connected persons status as at June 30, 2021.

17.2 Other transactions

| | 2021 | 2020 |
|--|-------------|-------------|
| | (Rupees) | |
| Associated companies / undertakings | | |
| Alfalsh GHP Investment Management Limited - Management Company | | |
| Remuneration of Alfalsh GHP Investment Management Limited - Management Company | 10,911,040 | 4,723,205 |
| Sindh sales tax on remuneration of the Management Company | 1,418,435 | 614,017 |
| Sales load | 373,308 | 1,492,832 |
| Allocated expenses | 1,335,119 | 435,942 |
| Selling and marketing expenses | 881,618 | 611,734 |
| Alfalsh GHP Sovereign Fund | | |
| Market Treasury Bills - purchased | 118,876,600 | 147,054,440 |
| Market Treasury Bills - sold | 165,239,923 | 214,540,705 |
| Pakistan Investment Bonds - sold | - | 24,831,400 |
| Alfalsh GHP Income Multiplier Fund | | |
| Market Treasury Bills - purchased | 31,702,708 | - |
| Market Treasury Bills - sold | 40,927,770 | 13,403,970 |
| Alfalsh GHP Value Fund | | |
| Term finance certificates - purchased | 34,944,000 | 12,022,292 |
| Pakistan Investment Bonds - purchased | - | 22,175,875 |
| Market Treasury Bills - purchased | 198,870,866 | - |
| Market Treasury Bills - sold | 74,215,979 | 231,196,855 |

| | 2021 | 2020 |
|---|----------------------|-------------|
| | ----- (Rupees) ----- | |
| Alfalah GHP Money Market Fund | | |
| Market Treasury Bills - purchased | 1,445,914,300 | 467,214,302 |
| Market Treasury Bills - sold | 701,230,644 | 993,020,542 |
| Sukuk certificates - Sold | - | 2,000,000 |
| Alfalah GHP Capital Preservation Fund - II | | |
| Market Treasury Bills - purchased | - | 55,084,570 |
| Market Treasury Bills - sold | - | 159,727,725 |
| Alfalah GHP Cash Fund | | |
| Market Treasury Bills - purchased | 617,529,800 | 19,833,780 |
| Market Treasury Bills - sold | 231,784,525 | 22,725,426 |
| Alfalah GHP Stock Fund | | |
| Market Treasury Bills - purchased | 49,191,700 | 34,271,335 |
| Market Treasury Bills - sold | - | 53,489,095 |
| Alfalah GHP Islamic Income Fund | | |
| Sukuk certificates- sold | 30,876,500 | 39,880,000 |
| Bank Alfalah Limited | | |
| Market Treasury Bills - sold | 160,697,581 | 149,541,900 |
| Market Treasury Bills - purchased | 1,392,179,306 | 129,920,600 |
| Pakistan Investment Bonds - purchased | 100,373,600 | 3,594,424 |
| Bank charges | 3,930 | 37,179 |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of the Trustee | 1,001,359 | 326,087 |
| Sindh sales tax on remuneration of the Trustee | 130,177 | 42,392 |
| CDS charges | 60,167 | 60,661 |
| 17.3 Other balances | | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Management remuneration payable | 1,099,299 | 813,907 |
| Sindh sales tax payable on management remuneration | 1,496,894 | 1,459,795 |
| Federal excise duty payable on management remuneration | 9,778,882 | 9,778,882 |
| Sales load payable | 48,584 | 48,584 |
| Payable against allocated expenses | 671,751 | 125,663 |
| Selling and marketing expenses payable | 581,612 | 303,347 |
| Bank Alfalah Limited | | |
| Bank balance | 435,528,685 | 15,623,119 |
| Profit receivable | 132,980 | 6,975 |
| Sales load payable | 720,506 | 355,281 |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee remuneration payable | 107,219 | 76,838 |
| Sindh sales tax payable on trustee remuneration | 13,939 | 9,989 |
| CDS transaction Fee | 33,345 | 73,390 |
| Security deposit | 100,000 | 100,000 |

18 FINANCIAL INSTRUMENTS BY CATEGORY

| Particulars | 2021 | | |
|-----------------------------|--------------------|--------------------------------------|----------------------|
| | At amortised Cost | At fair value through profit or loss | Total |
| (Rupees) | | | |
| Financial assets | | | |
| Bank balances | 702,014,887 | - | 702,014,887 |
| Investments | - | 976,037,790 | 976,037,790 |
| Advances and deposits | 139,736,981 | - | 139,736,981 |
| Mark-up / profit receivable | 6,066,987 | - | 6,066,987 |
| | <u>847,818,855</u> | <u>976,037,790</u> | <u>1,823,856,645</u> |

| Particulars | 2021 | | |
|---|--------------------------------------|-------------------|-------------------|
| | At fair value through profit or loss | At amortised cost | Total |
| (Rupees) | | | |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | - | 13,677,022 | 13,677,022 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 154,503 | 154,503 |
| Accrued expenses and other liabilities | - | 2,021,254 | 2,021,254 |
| | <u>-</u> | <u>15,852,779</u> | <u>15,852,779</u> |

| Particulars | 2020 | | |
|-----------------------------|-------------------|--------------------------------------|----------------------|
| | At amortised Cost | At fair value through profit or loss | Total |
| (Rupees) | | | |
| Financial assets | | | |
| Bank balances | 43,884,533 | - | 43,884,533 |
| Investments | - | 1,157,305,241 | 1,157,305,241 |
| Advances and deposits | 4,669,324 | - | 4,669,324 |
| Mark-up / profit receivable | 4,332,873 | - | 4,332,873 |
| | <u>52,886,730</u> | <u>1,157,305,241</u> | <u>1,210,191,971</u> |

| Particulars | 2020 | | |
|---|--------------------------------------|-------------------|-------------------|
| | At fair value through profit or loss | At amortised cost | Total |
| (Rupees) | | | |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | - | 12,530,178 | 12,530,178 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 160,217 | 160,217 |
| Accrued expenses and other liabilities | - | 804,474 | 804,474 |
| | <u>-</u> | <u>13,494,869</u> | <u>13,494,869</u> |

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

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

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

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

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2021, is as follows:

| | 2021 | 2020 |
|---|----------------------|--------------------|
| | ----- Rupees ----- | |
| Variable rate instruments (financial assets) | | |
| Bank balances | 702,014,887 | 43,884,533 |
| Sukuk certificates | 213,373,998 | 144,204,165 |
| Term finance certificates | 98,096,109 | 67,996,269 |
| | <u>1,013,484,994</u> | <u>256,084,967</u> |
| Fixed rate instruments (financial assets) | | |
| Market treasury bills | - | 945,104,807 |
| | <u>-</u> | <u>945,104,807</u> |

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 10.135 million (2020: Rs. 2.561 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs Nil (2020: Rs Nil) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

| Particulars | Effective yield / interest rate | 2021 | | | | Total |
|---|---------------------------------|----------------------------------|---|--------------------|---|----------------------|
| | | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| ----- (Rupees) ----- | | | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.5% - 7.9% | 702,014,887 | - | - | - | 702,014,887 |
| Investments | | | | | | |
| - Sukuk certificates | 7.13% - 9.36% | 123,013,998 | 90,360,000 | - | - | 213,373,998 |
| - Term finance certificates | 7.71% - 9.10% | - | 98,096,109 | - | - | 98,096,109 |
| - Listed equity securities | | - | - | - | 663,402,145 | 663,402,145 |
| - Future stock contracts | | - | - | - | 1,165,538 | 1,165,538 |
| | | 123,013,998 | 188,456,109 | - | 664,567,683 | 976,037,790 |
| Advances and deposits | | - | - | - | 139,736,981 | 139,736,981 |
| Mark-up / profit receivable | | - | - | - | 6,066,987 | 6,066,987 |
| Sub total | | <u>825,028,885</u> | <u>188,456,109</u> | <u>-</u> | <u>810,371,651</u> | <u>1,823,856,645</u> |

| Particulars | 2021 | | | | | Total |
|---|---------------------------------|----------------------------------|---|--------------------|---|---------------|
| | Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| | | | | | | |
| | | | | | | (Rupees) |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 13,677,022 | 13,677,022 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 154,503 | 154,503 |
| Accrued expenses and other liabilities | | - | - | - | 2,021,254 | 2,021,254 |
| Sub total | | - | - | - | 15,852,779 | 15,852,779 |
| On-balance sheet gap | | 825,028,885 | 188,456,109 | - | 794,518,872 | 1,808,003,866 |
| Off-balance sheet financial instruments | | - | - | - | 672,033,527 | 672,033,527 |
| Off-balance sheet gap (b) | | - | - | - | 672,033,527 | 672,033,527 |
| Total interest rate sensitivity gap (a+b) | | 825,028,885 | 188,456,109 | - | | |
| Cumulative interest rate sensitivity gap | | 825,028,885 | 1,013,484,994 | 1,013,484,994 | | |

| Particulars | 2020 | | | | | Total |
|---|---------------------------------|----------------------------------|---|--------------------|---|---------------|
| | Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| | | | | | | |
| | | | | | | (Rupees) |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.5% - 8% | 43,884,533 | - | - | - | 43,884,533 |
| Investments | | | | | | |
| - Sukuk certificates | 8.15% - 13.65% | - | - | 144,204,165 | - | 144,204,165 |
| - Term finance certificates | 7.05% - 7.10% | 148,023,875 | 797,080,932 | - | - | 945,104,807 |
| - Pakistan investment bonds | 8.68% - 13.99% | - | - | 67,996,269 | - | 67,996,269 |
| | | 148,023,875 | 797,080,932 | 212,200,434 | - | 1,157,305,241 |
| Advances and deposits | | - | - | - | 4,669,324 | 4,669,324 |
| Mark-up / profit receivable | | - | - | - | 4,332,873 | 4,332,873 |
| Sub total | | 191,908,408 | 797,080,932 | 212,200,434 | 9,002,197 | 1,210,191,971 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 12,530,178 | 12,530,178 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 160,217 | 160,217 |
| Accrued expenses and other liabilities | | - | - | - | 804,474 | 804,474 |
| Sub total | | - | - | - | 13,494,869 | 13,494,869 |
| On-balance sheet gap | | 191,908,408 | 797,080,932 | 212,200,434 | (4,492,672) | 1,196,697,102 |
| Off-balance sheet financial instruments | | - | - | - | - | - |
| Off-balance sheet gap (b) | | - | - | - | - | - |
| Total interest rate sensitivity gap (a+b) | | 191,908,408 | 797,080,932 | 212,200,434 | | |
| Cumulative interest rate sensitivity gap | | 191,908,408 | 988,989,340 | 1,201,189,774 | | |

19.13 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks.

In case of 1% increase / decrease in KSE 100 index on June 30, 2021, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 6.634 million (2020: Rs. Nil) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

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

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|-----------------------------|--|----------------------|--|--------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure | Balance as per statement of assets and liabilities | Maximum exposure |
| Bank balances | 702,014,887 | 702,014,887 | 43,884,533 | 43,884,533 |
| Investments | 976,037,790 | 266,110,107 | 1,157,305,241 | 167,200,434 |
| Advances and deposits | 139,736,981 | 139,736,981 | 4,669,324 | 4,669,324 |
| Mark-up / profit receivable | 6,066,987 | 6,066,987 | 4,332,873 | 4,332,873 |
| | <u>1,823,856,645</u> | <u>1,113,928,962</u> | <u>1,210,191,971</u> | <u>220,087,164</u> |

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in shares of listed companies and government securities of Rs. 709.928 million (2020: Rs 990.104 million) are not exposed to credit risk.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

No financial assets were considered to be past due or impaired either at June 30, 2021 and June 30, 2020.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2021 with banks (including profit receivable) having following credit ratings:

| Name of Bank | Rating Agency | Rating | 2021 | 2020 |
|-----------------------------------|---------------|------------|-----------------------------------|----------------|
| | | | Percentage of total bank balances | |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 62.040% | 35.641% |
| JS Bank Limited | PACRA | A1+ / AA- | 0.015% | 0.234% |
| Allied Bank Limited | PACRA | A1+ / AAA | 37.404% | 41.019% |
| Soneri Bank Limited | PACRA | A1+ / AA- | 0.005% | 0.073% |
| National Bank of Pakistan | PACRA | A1+ / AAA | 0.017% | 1.814% |
| BankIslami Pakistan Limited | PACRA | A1 / A+ | 0.500% | 19.395% |
| Habib Bank Limited | VIS | A-1+ / AAA | 0.002% | 0.604% |
| MCB Bank Limited | PACRA | A1+ / AAA | 0.003% | 0.049% |
| Habib Metropolitan Bank Limited | PACRA | A1+ / AA+ | 0.001% | 0.011% |
| Telenor Microfinance Bank Limited | PACRA | A1 / A+ | 0.001% | 0.022% |
| Zarai Taraqati Bank Limited | VIS | A-1+ / AAA | 0.004% | 1.023% |
| Samba Bank Limited | VIS | A-1 / AA | 0.008% | 0.109% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

19.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2021 with entities having following credit ratings:

| Name of Entity | Rating agency | Rating | 2021 | 2020 |
|--|---------------|------------|-----------------------------|-------------|
| | | | Percentage of total balance | |
| Pakistan Energy Sukuk | N/A | Not rated | 14.56% | 21.21% |
| Meezan Bank Limited | VIS | A-1+ / AAA | - | 12.08% |
| JS Bank Limited | PACRA | A1+ / AA- | - | 2.89% |
| The Bank of Punjab | PACRA | A1+ / AA+ | 31.49% | 19.53% |
| Habib Bank Limited | VIS | A-1+ / AAA | - | 9.63% |
| Dubai Islamic Bank Pakistan Limited | VIS | A-1+ / AA | - | 2.42% |
| International Brands Limited | VIS | A-2 / A | 4.43% | 11.24% |
| Dawood Hercules Corporation Limited | PACRA | A1+ / AA | - | 8.50% |
| The Hub Power Company Limited | PACRA | A1+ / AA+ | - | 12.52% |
| K-Electric Limited | VIS | A-1+ / AA | 22.82% | 0.00% |
| Samba Bank Limited | VIS | A-1 / AA | 14.45% | 0.00% |
| Mughal Iron & Steel Industries Limited | VIS | A-2 / A | 12.25% | 0.00% |
| | | | <u>100%</u> | <u>100%</u> |

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

19.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

19.3 Liquidity risk

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

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

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

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

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

| | 2021 | | | | | Total |
|---|--------------------|---|--|--------------------|--|----------------------|
| | Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year | Financial instruments with no fixed maturity | |
| | Rupees | | | | | |
| Financial assets | | | | | | |
| Bank balances | 702,014,887 | - | - | - | - | 702,014,887 |
| Investments | 1,165,538 | - | 13,795,998 | 297,674,109 | 663,402,145 | 976,037,790 |
| Advances and deposits | 136,886,981 | - | - | - | 2,850,000 | 139,736,981 |
| Mark-up / profit receivable | 6,066,987 | - | - | - | - | 6,066,987 |
| | <u>846,134,393</u> | <u>-</u> | <u>13,795,998</u> | <u>297,674,109</u> | <u>666,252,145</u> | <u>1,823,856,645</u> |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 13,677,022 | - | - | - | - | 13,677,022 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 154,503 | - | - | - | - | 154,503 |
| Accrued expenses and other liabilities | 2,021,254 | - | - | - | - | 2,021,254 |
| | <u>15,852,779</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,852,779</u> |
| Net financial assets | <u>830,281,614</u> | <u>-</u> | <u>13,795,998</u> | <u>297,674,109</u> | <u>666,252,145</u> | <u>1,808,003,866</u> |

| | 2020 | | | | | Total |
|---|-------------------|---|--|--------------------|--|----------------------|
| | Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year | Financial instruments with no fixed maturity | |
| Rupees | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 43,884,533 | - | - | - | - | 43,884,533 |
| Investments | - | 148,023,875 | 797,080,932 | 212,200,434 | - | 1,157,305,241 |
| Advances, deposits and prepayments | 1,819,324 | - | - | - | 2,850,000 | 4,669,324 |
| Mark-up / profit receivable | 4,332,873 | - | - | - | - | 4,332,873 |
| | 50,036,730 | 148,023,875 | 797,080,932 | 212,200,434 | 2,850,000 | 1,210,191,971 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 12,530,178 | - | - | - | - | 12,530,178 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 160,217 | - | - | - | - | 160,217 |
| Accrued expenses and other liabilities | 804,474 | - | - | - | - | 804,474 |
| | 13,494,869 | - | - | - | - | 13,494,869 |
| Net financial assets | 36,541,861 | 148,023,875 | 797,080,932 | 212,200,434 | 2,850,000 | 1,196,697,102 |

19.4 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair values:

| | 2021 | | | Total |
|--|--------------------|----------------------|----------|----------------------|
| | Level 1 | Level 2 | Level 3 | |
| Rupees | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Investments | | | | |
| Sukuk certificates | - | 213,373,998 | - | 213,373,998 |
| Term finance certificates | - | 98,096,109 | - | 98,096,109 |
| Listed equity securities | 663,402,145 | - | - | 663,402,145 |
| Future stock contracts | 1,165,538 | - | - | 1,165,538 |
| | 664,567,683 | 311,470,107 | - | 976,037,790 |
| Rupees | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Investments | | | | |
| Sukuk certificates | - | 144,204,165 | - | 144,204,165 |
| Term finance certificates | - | 67,996,269 | - | 67,996,269 |
| Pakistan investment bonds | - | 945,104,807 | - | 945,104,807 |
| | - | 1,157,305,241 | - | 1,157,305,241 |

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit holders' fund management

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

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

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

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

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

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

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21 CORRESPONDING FIGURES

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

22 GENERAL

22.1 Rounding off

Figures have been rounded off to the nearest rupee

22.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CIFS operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

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

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **30 August, 2021**.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 1920 | 5,015,597 | 568,183,923 | 32% |
| Associated Co./ Directors | 6 | 3,163,030 | 358,318,830 | 20% |
| Banks/Dfis | 65 | 1,786,340 | 202,362,635 | 11% |
| Insurance Co. | 31 | 1,815,911 | 205,712,565 | 11% |
| Retirement & Other Funds | 83 | 2,024,683 | 229,363,012 | 13% |
| Others | 103 | 2,051,625 | 232,415,041 | 13% |
| | 2208 | 15,857,187 | 1,796,356,006 | 100% |

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 213 | 2,260,731 | 254,832,686 | 21% |
| Associated Co./ Directors | 2 | 1,631,257 | 183,870,000 | 15% |
| Banks/Dfis | 3 | 382,110 | 43,070,000 | 4% |
| Insurance Co. | 4 | 949,059 | 106,970,000 | 9% |
| Retirement & Other Funds | 12 | 557,078 | 62,790,000 | 5% |
| Others | 12 | 4,806,478 | 541,761,087 | 45% |
| | 246 | 10,586,713 | 1,193,293,773 | 100% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | 30 June 2021 |
|--|---------------------|
| | % |
| Topline Securities (Pvt) Limited | 63.84 |
| VECTOR SECURITIES (PRIVATE) LIMITED | 8.01 |
| MULTILINE SECURITIES LIMITED | 7.66 |
| ADAM Securities Limited | 7.44 |
| BMA Capital Management Limited | 4.32 |
| Next Capital Limited | 3.14 |
| Cedar Capital (Private) Limited | 2.27 |
| Bright Capital Private Limited | 1.44 |
| Continental Exchange (Pvt.) Limited | 0.82 |
| Summit Capital (Private) Limited | 0.34 |
| | 30 June 2020 |
| | % |
| Next Capital Limited | 49.45 |
| Continental Exchange (Pvt) Limited | 31.69 |
| Invest One Markets Limited | 25.05 |
| Bright Capital (Pvt.) Limited | 20.24 |
| Vector Capital Limited | 5.64 |
| Magenta Capital Limited | 5.19 |
| ICON Management Limited | 4.69 |
| Arif Habib Limited | 2.43 |
| C & M Management Limited | 2.34 |
| BIPL Securities Limited | 2.04 |

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

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

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

PERFORMANCE TABLE - AGHPIF

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|---|-------------------------|-----------------|-----------------|-----------------|-----------------|
| | (Rupees in '000) | | | | |
| Net Assets | 1,796,356 | 1,193,294 | 276,440 | 545,115 | 762,809 |
| NAV per unit | 113.2834 | 112.7162 | 112.4856 | 117.3377 | 111.9719 |
| Selling price per unit | 114.5635 | 113.9899 | 113.7567 | 118.6636 | 113.2372 |
| Redemption price per unit | 113.2834 | 112.7162 | 112.4856 | 117.3377 | 111.9719 |
| Highest selling price per unit | 121.7033 | 130.3594 | 121.8312 | 118.6455 | 117.8329 |
| Highest redemption price per unit | 120.3434 | 128.9028 | 120.4699 | 117.3198 | 116.5163 |
| Lowest selling price per unit | 114.0724 | 113.8146 | 113.0394 | 113.5624 | 111.5416 |
| Lowest redemption price per unit | 112.7978 | 112.5429 | 111.7763 | 112.2935 | 110.2953 |
| Total interim distribution per unit | | Nil | Nil | Nil | 4.5031 |
| Interim distribution date | | N/A | N/A | N/A | 22-Jun-17 |
| | | N/A | N/A | N/A | N/A |
| | | N/A | N/A | N/A | N/A |
| | | N/A | N/A | N/A | N/A |
| Final distribution per unit | 7.26 | 16.42 | 8.11 | 5.37 | Nil |
| Final distribution date | 25-Jun-21 | 24-Jun-20 | 30-Jun-19 | 2-Jul-18 | N/A |
| Annualized returns % | 6.96% | 14.83% | 7.70% | 4.79% | 5.20% |
| Income distribution % | 6.44% | 14.59% | 7.24% | 4.79% | 4.07% |
| Weighted avg. portfolio duration (Days) | 405 Days | 505 Days | 501 Days | 211 Days | 341 Days |

Return since inception is 9.05%

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



**Alfalah GHP
Income Multiplier Fund**

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | A+(f) by PACRA |

Alfalah GHP Income Multiplier Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Aggressive Income Scheme

Investment Objective

The investment objective of Alfalah GHP Income Multiplier Fund (AGIMF) is to generate stable and consistent returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements.

Accomplishment of Objective

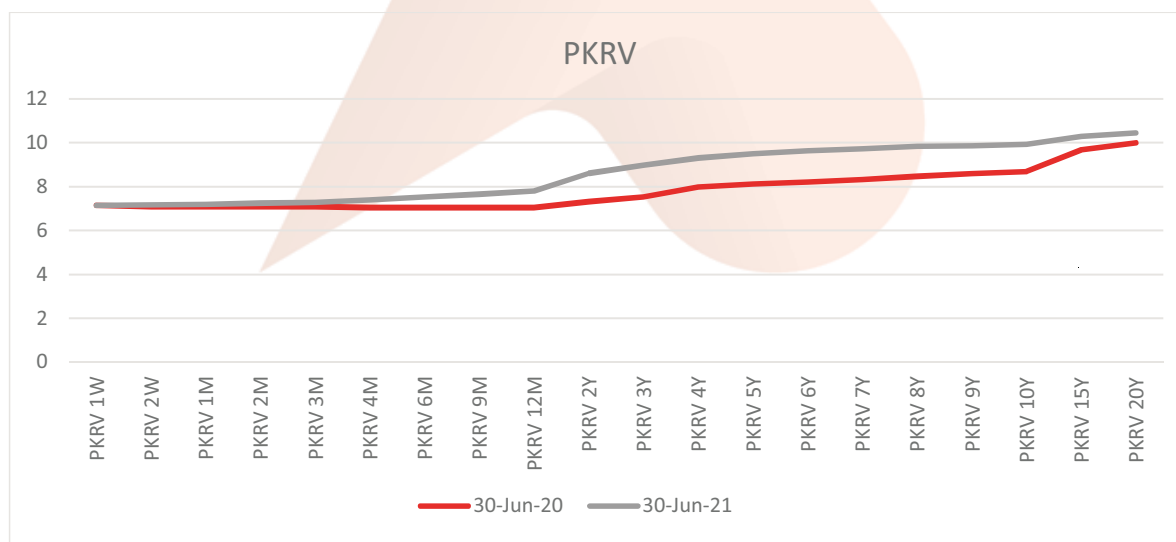
The Fund has achieved its objective of generating regular income by investing in low-medium duration fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

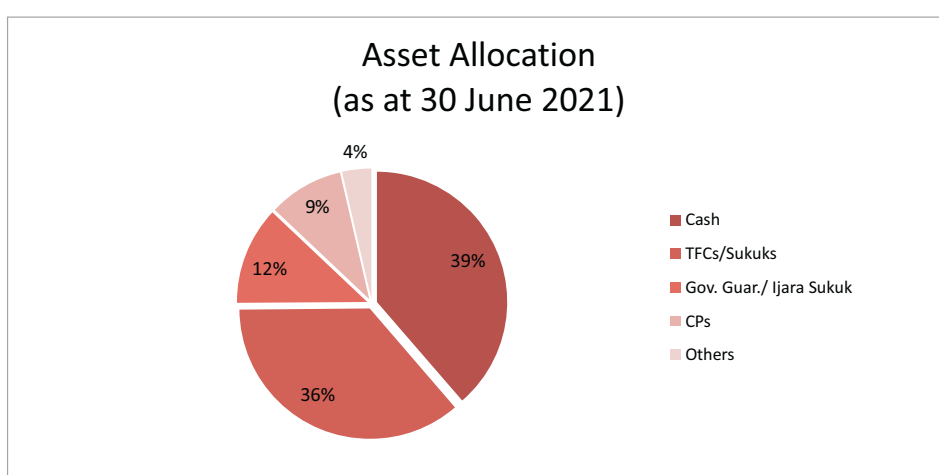
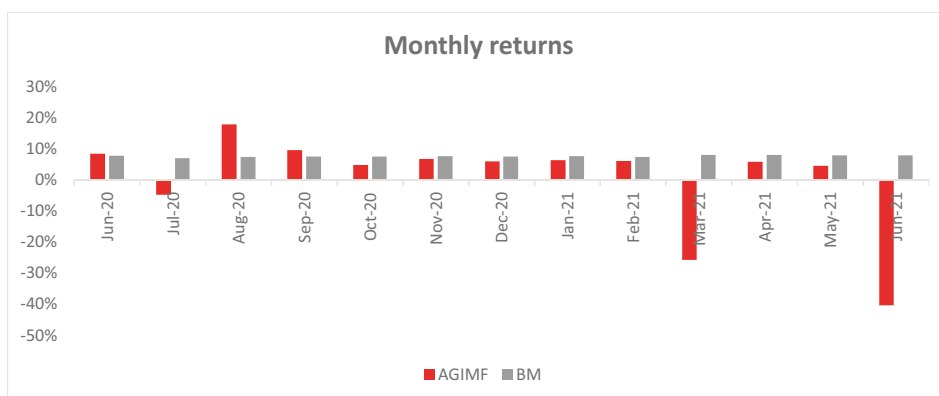
Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



Fund performance review and strategies employed

For the year ended June 30 2021, the fund posted a return of -0.31% against the benchmark of 7.73%.



| Credit Quality (as % of Total Assets) | | | |
|---------------------------------------|-------|-----------|------|
| Gov. Sec / Guar. | 12.2% | A | 0.0% |
| AAA | 36.5% | A- | 0.0% |
| AA+ | 7.8% | BBB+ | 0.0% |
| AA | 24.2% | BBB | 0.0% |
| AA- | 4.9% | Below IG | 5.7% |
| A+ | 5.0% | MTS/NR/UR | 3.6% |

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

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

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

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME MULTIPLIER FUND

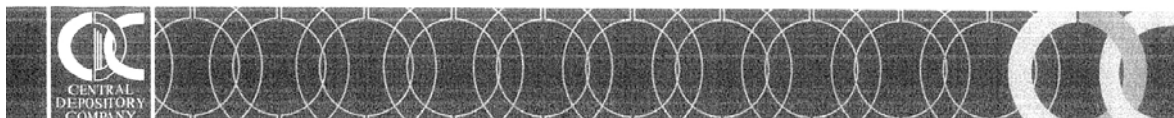
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 21, 2021



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

Opinion

We have audited the financial statements of Alfalah GHP Income Multiplier Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|--|--|
| 1 | Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements) | |
| | Investments and bank balances constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 119.87 million and bank balances aggregated to Rs. 79.89 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants
Karachi
Date: September 30, 2021

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2021

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|---|------|------------------------------|------------------------------|
| Assets | | | |
| Bank balances | 4 | 79,888,476 | 29,552,283 |
| Investments | 5 | 119,871,506 | 206,715,838 |
| Security deposits | 6 | 2,850,000 | 2,850,000 |
| Mark-up and other receivables | 7 | 4,057,352 | 4,742,641 |
| Total assets | | 206,667,334 | 243,860,762 |
| Liabilities | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | 8 | 15,375,695 | 15,474,032 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 14,198 | 17,468 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 10 | 46,530 | 58,989 |
| Accrued expenses and other liabilities | 11 | 9,887,093 | 10,372,119 |
| Total liabilities | | 25,323,516 | 25,922,608 |
| Net assets attributable to unit holders | | <u>181,343,818</u> | <u>217,938,154</u> |
| Unit holders' fund (as per the statement attached) | | <u>181,343,818</u> | <u>217,938,154</u> |
| Contingencies and commitments | | | |
| 12 ----- (Number of units) ----- | | | |
| Number of units in issue | | <u>3,416,202</u> | <u>4,093,035</u> |
| ----- (Rupees) ----- | | | |
| Net asset value per unit | | <u>53.0835</u> | <u>53.2461</u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 ----- (Rupees) ----- | 2020 |
|---|-------|------------------------------|--------------|
| Income | | | |
| Profit / mark-up income | 13 | 18,304,322 | 40,968,012 |
| Gain on sale of investments - net | | 292,803 | 8,138,551 |
| Unrealised gain on revaluation of investments classified as ' at fair value through profit or loss'- net | 5.6 | 1,000,214 | 902,800 |
| Other income | | 32,062 | - |
| Total income | | 19,629,401 | 50,009,363 |
| Expenses | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 8.1 | 2,909,662 | 3,687,617 |
| Sindh sales tax on remuneration of the Management Company | 8.2 | 378,256 | 479,390 |
| Allocated expenses | 8.4 | 232,795 | 294,934 |
| Selling and marketing expenses | 8.5 | 350,000 | 1,179,733 |
| Remuneration of Central Depository of Pakistan Limited - Trustee | 9.1 | 174,536 | 221,260 |
| Sindh sales tax on remuneration of the Trustee | 9.2 | 22,690 | 28,764 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10 | 46,555 | 58,989 |
| Brokerage expense | | 25,983 | 53,152 |
| Bank and settlement charges | | 306,062 | 380,150 |
| Fees and subscriptions | | 641,577 | 652,943 |
| Auditor's remuneration | 14 | 278,892 | 278,892 |
| Legal expenses | | 146,090 | - |
| Printing charges | | 29,083 | - |
| Impairment on investments | 5.5.2 | 14,119,126 | - |
| Provision for Sindh Workers' Welfare Fund | 11.1 | - | 853,871 |
| Total expenses | | 19,661,307 | 8,169,695 |
| Net (loss) / income for the year before taxation | | (31,906) | 41,839,668 |
| Taxation | 16 | - | - |
| Net (loss) / income for the year after taxation | | (31,906) | 41,839,668 |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | - | 41,839,668 |
| Income already paid on units redeemed | | - | (13,747,108) |
| | | - | 28,092,560 |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | - | 7,471,695 |
| - Excluding capital gains | | - | 20,620,865 |
| | | - | 28,092,560 |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|---|----------------------|-------------------|
| | ----- (Rupees) ----- | |
| Net (loss) / income for the year after taxation | (31,906) | 41,839,668 |
| Other comprehensive income for the year | - | - |
| Total comprehensive (loss) / income for the year | <u>(31,906)</u> | <u>41,839,668</u> |

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|--|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | ----- (Rupees) ----- | | | ----- (Rupees) ----- | | |
| Net assets at the beginning of the year | 82,837,146 | 135,101,008 | 217,938,154 | 229,808,583 | 135,185,284 | 364,993,867 |
| Issuance of 3,663,247 units (2020: 4,162,151 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 195,053,616 | - | 195,053,616 | 221,704,049 | - | 221,704,049 |
| - Element of income | 6,633,567 | - | 6,633,567 | 7,725,917 | - | 7,725,917 |
| | 201,687,183 | - | 201,687,183 | 229,429,966 | - | 229,429,966 |
| Redemption of 4,340,080 units (2020: 6,921,315 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 231,092,334 | - | 231,092,334 | 368,675,610 | - | 368,675,610 |
| - Element of loss | 7,157,279 | - | 7,157,279 | 6,814,429 | 13,747,108 | 20,561,537 |
| | 238,249,613 | - | 238,249,613 | 375,490,039 | 13,747,108 | 389,237,147 |
| Total comprehensive (loss) / income for the year | - | (31,906) | (31,906) | - | 41,839,668 | 41,839,668 |
| Final distribution for the year ended June 30, 2020 @ Rs. 8.1534 per unit on June 27, 2020 | - | - | - | (911,364) | (28,176,836) | (29,088,200) |
| Net assets at the end of the year | <u>46,274,716</u> | <u>135,069,102</u> | <u>181,343,818</u> | <u>82,837,146</u> | <u>135,101,008</u> | <u>217,938,154</u> |
| | (Rupees) | | | (Rupees) | | |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 134,198,208 | | | 137,051,278 | |
| - Unrealised income / (loss) | | 902,800 | | | (1,865,994) | |
| | | <u>135,101,008</u> | | | <u>135,185,284</u> | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | - | | | 7,471,695 | |
| - Excluding capital gains | | - | | | 20,620,865 | |
| | | - | | | 28,092,560 | |
| Total comprehensive loss for the year | | (31,906) | | | - | |
| Final distribution for the year ended June 30, 2020 @ Rs. 8.1534 per unit on June 27, 2020 | | - | | | (28,176,836) | |
| Undistributed income carried forward | | <u>135,069,102</u> | | | <u>135,101,008</u> | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 134,068,888 | | | 134,198,208 | |
| - Unrealised gain | | 1,000,214 | | | 902,800 | |
| | | <u>135,069,102</u> | | | <u>135,101,008</u> | |
| | | (Rupees) | | | (Rupees) | |
| Net asset value per unit at the beginning of the year | | <u>53.2461</u> | | | <u>53.2667</u> | |
| Net asset value per unit at the end of the year | | <u>53.0835</u> | | | <u>53.2461</u> | |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 ----- (Rupees) ----- | 2020 |
|--|------|------------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net (loss) / income for the year before taxation | | (31,906) | 41,839,668 |
| Adjustments for: | | | |
| Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' -net | | (1,000,214) | (902,800) |
| Provision for Sindh Workers' Welfare Fund | | - | 853,871 |
| | | <u>(1,032,120)</u> | <u>41,790,739</u> |
| Decrease in assets | | | |
| Investments - net | | 35,541,847 | 32,141,424 |
| Mark-up and other receivables | | 685,289 | 5,081,226 |
| Receivable from Alfalah GHP Investment Management Limited - Management Company | | - | 433,576 |
| | | <u>36,227,136</u> | <u>37,656,226</u> |
| (Decrease) / increase in liabilities | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | | (98,337) | 187,679 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | (3,270) | (31,678) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | (12,459) | (254,459) |
| Accrued expenses and other liabilities | | (485,026) | 1,102,812 |
| | | <u>(599,092)</u> | <u>1,004,354</u> |
| Net cash generated from operating activities | | <u>34,595,924</u> | <u>80,451,319</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Amount received against issuance of units (net of refund of capital) | | 201,687,183 | 229,429,966 |
| Amount paid against redemption of units | | (238,249,613) | (388,325,783) |
| Dividend paid | | - | (29,999,564) |
| Net cash used in financing activities | | <u>(36,562,430)</u> | <u>(188,895,381)</u> |
| Net decrease in cash and cash equivalents during the year | | <u>(1,966,506)</u> | <u>(108,444,062)</u> |
| Cash and cash equivalents at beginning of the year | | 81,854,982 | 190,299,044 |
| Cash and cash equivalents at end of the year | 15 | <u><u>79,888,476</u></u> | <u><u>81,854,982</u></u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Income Multiplier Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on March 08, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on February 14, 2007. The SECP approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/NBFC-II/AGIMF/573/2010 dated October 13, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Multiplier Fund.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorised as an 'Aggressive income scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in debt and money market securities. The Fund invests in debt instruments, money market securities and interest bearing accounts. The investment objectives and policy are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated March 3, 2021 to the Management Company and a stability rating of A+(f) (stable outlook) dated April 8, 2021 to the Fund.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- Classification and valuation of financial assets (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.2)
- Provision for Sindh Workers' Welfare Fund (note 11.1)
- Taxation (notes 3.7 and 16)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

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

3.3.1.2 Equity instruments

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

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

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

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

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

3.3.2 Impairment

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

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

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

3.3.2.1 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

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

Deferred

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

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement at the date at which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Income on sukuk certificates, term finance certificates and government securities are recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the income is recorded on receipt basis.
- Unrealised gains / (losses) arising on revaluation of investments classified as at fair value through profit or loss are included in the income statement in the period in which they arise.

3.13 Expenses

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

3.14 (Loss) / earnings per unit

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

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

3.15 Margin Trading System

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

3.16 Foreign currency translation

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

| | Note | 2021 ----- (Rupees) ----- | 2020 |
|------------------------|------|------------------------------|-------------------|
| 4 BANK BALANCES | | | |
| Savings accounts | 4.1 | <u>79,888,476</u> | <u>29,552,283</u> |

4.1 These balances in savings deposit accounts carry profit rates ranging from 5.50% to 7.85% (2020: 5.50% to 8%) per annum. This includes Rs 3.78 million (2020: Rs 8.37 million) placed with Bank Alfalah Limited (a related party), carrying profit at the rate of 7.70% (2020: 6.50%) per annum.

| | Note | 2021 ----- (Rupees) ----- | 2020 |
|---|------|------------------------------|--------------------|
| 5 INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| Term finance certificates | 5.1 | <u>29,155,458</u> | <u>53,508,033</u> |
| Sukuk certificates | 5.2 | <u>70,888,085</u> | <u>71,546,806</u> |
| Commercial paper | 5.3 | <u>19,827,963</u> | <u>-</u> |
| Government Securities | 5.4 | <u>-</u> | <u>81,660,999</u> |
| | | <u>119,871,506</u> | <u>206,715,838</u> |

5.1 Term finance certificates

| Name of the investee company | Profit payments / principal redemptions | Secured / Unsecured | Maturity | Profit / mark-up rate per annum | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain / (loss) as at June 30, 2021 | Market value as a percentage of | | | |
|---|---|---------------------|--------------------|---------------------------------|---------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------------|-------------------|---------------|---|
| | | | | | | | | | | | | Net assets of the Fund | Total investments | Size of issue | |
| ----- (Number of certificates) ----- (Rupees) ----- | | | | | | | | | | | | | | | |
| COMMERCIAL BANKS | | | | | | | | | | | | | | | |
| Askari Bank Limited (September 30, 2014) (AA+, PACRA) (Face value Rs.4,988) | Quarterly | Unsecured | September 30, 2024 | 3M KIBOR + 1.20% | 1,458 | - | 1,458 | - | - | - | - | - | - | - | - |
| Habib Bank Limited (February 19, 2016) (AAA, VIS) (Face value Rs. 99,820) | Semi Annually | Unsecured | February 19, 2026 | 6M KIBOR + 0.50% | 94 | - | 94 | - | - | - | - | - | - | - | - |
| JS Bank Limited (December 14, 2016) (A+, PACRA) (Face value Rs. 4,992) | Semi Annually | Secured | December 16, 2023 | 6M KIBOR + 1.40% | 3,850 | - | 3,850 | - | - | - | - | - | - | - | - |
| The Bank of Punjab (December 23, 2016) (AA, PACRA) (Face value Rs. 99,820) | Semi Annually | Unsecured | December 23, 2026 | 6M KIBOR + 1.00% | 190 | - | - | 190 | 18,609,246 | 19,155,458 | 546,212 | 10.56% | 15.98% | 0.77% | |
| Samba Bank Limited (March 01, 2021) (AA-, PACRA) (Face value Rs. 100,000) | Semi Annually | Unsecured | March 1, 2031 | 6M KIBOR + 1.35% | - | 100 | - | 100 | 10,000,000 | 10,000,000 | - | 5.51% | 8.34% | 0.20% | |
| As at June 30, 2021 | | | | | | | | | <u>28,609,246</u> | <u>29,155,458</u> | <u>546,212</u> | <u>16.08%</u> | <u>24.32%</u> | | |
| As at June 30, 2020 | | | | | | | | | <u>54,397,216</u> | <u>53,508,033</u> | <u>(889,183)</u> | | | | |

5.2 Sukuk certificates

| Name of the investee company | Profit payments / principal redemptions | Secured / Unsecured | Maturity | Profit / mark-up rate per annum | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain / (loss) as at June 30, 2021 | Market value as a percentage of: | | |
|---|--|---------------------|--------------------|---------------------------------|---------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|--|----------------------------------|-------------------|---------------|
| | | | | | | | | | | | | Net assets of the Fund | Total investments | Size of issue |
| ----- (Number of certificates) ----- | | | | | | | | | | | | | | |
| ----- (Rupees) ----- | | | | | | | | | | | | | | |
| INVESTMENT BANKS / INVESTMENT COMPANIES / SECURITIES COMPANIES | | | | | | | | | | | | | | |
| Dawood Hercules Corporation Limited (November 16, 2017) (AA, PACRA) (Face value Rs. 60,000) | Quarterly | Secured | November 16, 2022 | 3M KIBOR + 1.00% | 130 | - | 130 | - | - | - | - | - | - | - |
| Dawood Hercules Corporation Limited (March 1, 2018) (AA, PACRA) (Face value rs. 60,000) | Quarterly | Secured | March 1, 2023 | 3M KIBOR + 1.00% | 60 | - | 60 | - | - | - | - | - | - | - |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | | | | | |
| Pakistan Energy Sukuk (May 21, 2020) ** (AAA) (Face value Rs. 5,000) | Semi-annually / bullet payment at maturity | Secured | May 20, 2030 | 6M KIBOR - 0.10% | 5,000 | - | - | 5,000 | 25,000,000 | 25,200,000 | 200,000 | 13.90% | 21.03% | 0.01% |
| The Hub Power Company Limited (August 22, 2019) (AA+, PACRA) (Face value Rs. 100,000) | Quarterly | Unsecured | August 22, 2023 | 3M KIBOR + 1.9% | 70 | - | - | 70 | 7,150,138 | 7,139,612 | (10,526) | 3.94% | 5.96% | 0.18% |
| COMMERCIAL BANKS | | | | | | | | | | | | | | |
| Meezan Bank Limited - Sukuk (September 22, 2016) (AA+, VIS) (Face value Rs. 1,000,000) | Semi-annually / bullet payment at maturity | Secured | September 22, 2026 | 6M KIBOR + 0.50% | 5 | - | - | 5 | 5,125,000 | 5,178,108 | 53,108 | 2.86% | 4.32% | 0.07% |
| OIL & GAS MARKETING COMPANIES | | | | | | | | | | | | | | |
| Hascol Petroleum Limited (January 7, 2016) (D, VIS) (Face value Rs. 1,250) | Quarterly | Secured | January 6, 2022 | 3M KIBOR + 1.5% | - | 21,114 | - | 21,114 | 11,876,625 | 11,876,625 | - | 6.55% | 9.91% | 0.59% |
| ENGINEERING | | | | | | | | | | | | | | |
| Mughal Iron & Steel Industries Limited (March 02, 2021) (A+, PACRA) (Face value Rs. 1,000,000) | Quarterly | Secured | March 2, 2026 | 3M KIBOR + 1.30% | - | 10 | - | 10 | 10,000,000 | 10,035,000 | 35,000 | 5.53% | 8.38% | 0.33% |
| MISCELLANEOUS | | | | | | | | | | | | | | |
| International Brands Limited (November 15, 2017) * (AA, VIS) (Face value Rs. 41,022) | Quarterly / Monthly | Secured | November 15, 2021 | 3M KIBOR + 0.50% | 280 | - | - | 280 | 11,282,320 | 11,458,740 | 176,420 | 6.32% | 9.56% | 0.40% |
| As at June 30, 2021 | | | | | | | | | | 70,434,083 | 70,888,085 | 454,003 | 32.77% | 49.60% |
| As at June 30, 2020 | | | | | | | | | | 70,940,995 | 71,546,806 | 605,811 | | |

* There was a restructuring in the terms of International Brands Limited.

** These investments have been carried at cost as they were not valued by MUFAP as at June 30, 2021.

5.3 Commercial paper

| Name of the investee company | Rate of Return per annum | Issue date | Maturity date | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as percentage of | |
|------------------------------|--------------------------|-------------------|-----------------|---------------------|---------------------------|--------------------------------|---------------------|------------------------------------|-------------------------------|-------------------|
| | | | | | | | | | Net assets of the fund | Total investments |
| ----- Face value ----- | | | | | | | | | | |
| K- Electric Limited | 7.96% | February 10, 2021 | August 10, 2021 | - | 20,000,000 | - | 20,000,000 | 19,827,963 | 10.93% | 16.54% |
| Total as at June 30, 2021 | | | | - | 20,000,000 | - | 20,000,000 | 19,827,963 | 10.93% | 16.54% |
| Total as at June 30, 2020 | | | | - | - | - | - | - | - | - |

5.4 Government Securities

5.4.1 Market Treasury Bills

| Particulars | Issue Date | Face Value | | | | As at June 30, 2021 | | | Market value as a percentage of | |
|----------------------------|--------------------|---------------------|---------------------------|--------------------------------|---------------------|---------------------|--------------|--------------------------|---------------------------------|-----------------------------------|
| | | As at July 01, 2020 | Purchased during the year | Sold / Matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealized gain / (loss) | net assets of the Fund | total market value of investments |
| 3 Months | September 24, 2020 | - | 60,000,000 | 60,000,000 | - | - | - | - | - | - |
| 3 Months | November 5, 2020 | - | 15,000,000 | 15,000,000 | - | - | - | - | - | - |
| 3 Months | October 8, 2020 | - | 40,000,000 | 40,000,000 | - | - | - | - | - | - |
| 3 Months | February 25, 2021 | - | 40,000,000 | 40,000,000 | - | - | - | - | - | - |
| 3 Months | April 8, 2021 | - | 95,000,000 | 95,000,000 | - | - | - | - | - | - |
| 3 Months | January 14, 2021 | - | 112,000,000 | 112,000,000 | - | - | - | - | - | - |
| 6 Months | April 23, 2020 | 30,000,000 | - | 30,000,000 | - | - | - | - | - | - |
| 6 Months | February 25, 2021 | - | 35,000,000 | 35,000,000 | - | - | - | - | - | - |
| 12 Months | March 26, 2020 | 55,000,000 | - | 55,000,000 | - | - | - | - | - | - |
| 12 Months | April 23, 2020 | - | 15,000,000 | 15,000,000 | - | - | - | - | - | - |
| As at June 30, 2021 | | 85,000,000 | 412,000,000 | 497,000,000 | - | - | - | - | - | - |
| As at June 30, 2020 | | - | 85,000,000 | - | 85,000,000 | 80,474,827 | 81,660,999 | 1,186,172 | 37.47% | 39.50% |

| Particulars | Issue Date | Face Value | | | | As at June 30, 2021 | | | Market value as a percentage of | |
|----------------------------|------------|---------------------|---------------------------|--------------------------------|---------------------|---------------------|--------------|--------------------------|---------------------------------|-----------------------------------|
| | | As at July 01, 2020 | Purchased during the year | Sold / Matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealized gain / (loss) | net assets of the Fund | total market value of investments |
| 3 year | 19-Sep-21 | - | 25,000,000 | 25,000,000 | - | - | - | - | - | - |
| 5 year | 19-Sep-19 | - | 100,000,000 | 100,000,000 | - | - | - | - | - | - |
| As at June 30, 2021 | | - | 125,000,000 | 125,000,000 | - | - | - | - | - | - |
| As at June 30, 2020 | | - | - | - | - | - | - | - | - | - |

5.4.2 Pakistan Investment Bonds

| Particulars | Issue Date | Face Value | | | | As at June 30, 2021 | | | Market value as a percentage of | |
|----------------------------|------------|---------------------|---------------------------|--------------------------------|---------------------|---------------------|--------------|--------------------------|---------------------------------|-----------------------------------|
| | | As at July 01, 2020 | Purchased during the year | Sold / Matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealized gain / (loss) | net assets of the Fund | total market value of investments |
| 3 year | 19-Sep-21 | - | 25,000,000 | 25,000,000 | - | - | - | - | - | - |
| 5 year | 19-Sep-19 | - | 100,000,000 | 100,000,000 | - | - | - | - | - | - |
| As at June 30, 2021 | | - | 125,000,000 | 125,000,000 | - | - | - | - | - | - |
| As at June 30, 2020 | | - | - | - | - | - | - | - | - | - |

5.5 Non-Compliant Investments

| Name of non-compliant investment | Type of investment | Note | Value of Investment before provision | Provision balance as on July 01, 2020 | Provision during the period | Provision balance as on June 30, 2021 | Value of investment after provision | Fair value as a percentage of | |
|----------------------------------|--------------------|-------|--------------------------------------|---------------------------------------|-----------------------------|---------------------------------------|-------------------------------------|-------------------------------|---------------|
| | | | | | | | | Net assets | Gross assets |
| ----- (Rupees) ----- | | | | | | | | | |
| The Bank Of Punjab | TFCs | 5.5.1 | 19,155,458 | - | - | - | 19,155,458 | 10.56% | 9.27% |
| K-Electric Limited | Commercial papers | 5.5.1 | 19,827,963 | - | - | - | 19,827,963 | 10.93% | 9.59% |
| Hascol Petroleum Limited | Sukuks | 5.5.2 | 25,995,751 | - | 14,119,126 | 14,119,126 | 11,876,625 | 6.55% | 5.75% |
| | | | 64,979,172 | - | 14,119,126 | 14,119,126 | 50,860,046 | 28.05% | 24.61% |

5.5.1 As per the NBFC Regulations, regulation 55 sub-regulation (5), the exposure of collective investment scheme to any single entity shall not exceed the lower of an amount equal to 10% of the total net assets of the collective investment scheme or 10% of the debt issue. As at June 30, 2021, the Fund held investments in Term Finance Certificates (TFCs) of The Bank of Punjab and Commercial papers of K-Electric Limited that stood at 10.56% and 10.93% of the net assets of the Fund respectively.

5.5.2 On April 1, 2021, sukuk certificates of Hascol Petroleum Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Accordingly, an amount of Rs. 14.12 million has been provided against the investment as at June 30, 2021.

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

| | Note | 2021 | 2020 |
|--|----------------|----------------------|----------------|
| | | ----- (Rupees) ----- | |
| Market value of investment as at June 30 | 5.1, 5.2 & 5.3 | 119,871,506 | 206,715,838 |
| Less: Carrying value of investment as at June 30 | 5.1, 5.2 & 5.3 | (118,871,292) | (205,813,038) |
| | | <u>1,000,214</u> | <u>902,800</u> |

5.7 Term finance certificates - Impaired

| Name of the investee company | Secured / Unsecured | Maturity | Profit / mark-up rate | As at July 01, 2020 | Purchased during the year | Sold / matured during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Impairment as at June 30, 2021 | Market value as at June 30, 2021 | Market value as a percentage of: | | |
|--|---------------------|---------------|-----------------------|---------------------|--------------------------------------|--------------------------------|---------------------|------------------------------------|--------------------------------|----------------------------------|----------------------------------|-------------------|---------------|
| | | | | | | | | | | | net assets of the Fund | total investments | size of issue |
| | | | | | ----- (Number of certificates) ----- | | | ----- (Rupees) ----- | | | ----- (%) ----- | | |
| Trust Investment Bank Limited (note 5.7.1) | Unsecured | July 2013 | 6M KIBOR + 1.85% | 8,000 | - | - | 8,000 | 14,994,000 | 14,994,000 | - | - | - | - |
| Agritech Limited (note 5.7.2) | Secured | November 2017 | 6M KIBOR + 1.75% | 17,950 | - | - | 17,950 | 89,666,353 | 89,666,353 | - | - | - | - |
| Agritech Limited-IV (note 5.7.3) | Secured | January 2015 | Zero Coupon | 4,094 | - | - | 4,094 | 20,470,000 | 20,470,000 | - | - | - | - |
| As at June 30, 2021 | | | | | | | | <u>125,130,353</u> | <u>125,130,353</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| As at June 30, 2020 | | | | | | | | <u>125,130,353</u> | <u>125,130,353</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

5.7.1 These term finance certificates defaulted on their payment of principal and mark-up due on July 04, 2012. Consequently, the security was classified as non-performing by MUFAP on October 18, 2012. Accordingly, accrual of mark-up on these TFCs had been suspended and mark-up due amounting Rs 1.437 million had been reversed and full provision has been made in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

5.7.2 In prior years, a restructuring agreement was signed between Agritech Limited and the Investment Agent of the term finance certificates, whereby, certain terms included in the original trust deed dated November 15, 2007 were amended, including the repayment period which was extended from November 29, 2014 to November 29, 2017. Consequently, the security was classified as non-performing by MUFAP on June 14, 2010 and accrual of income on these TFCs was suspended. Accordingly, the security had been fully provided in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

5.7.3 This represents additional certificates of Agritech Limited received by the Fund through restructuring agreement reached between lenders and Agritech Limited. Under such agreement, outstanding mark up due on May 29, 2011 and July 13, 2011 against 1st and 2nd issue respectively amounting to Rs 20.47 million was settled in the form of certificates valuing Rs 20.47 million. This investment has been fully provided since these have been received in lieu of suspended overdue mark-up to be recognised to income upon realisation.

| | 2021 | 2020 |
|--|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| 5.8 Particulars of impairment in the value of investments | | |
| Opening balance | 125,130,353 | 125,130,353 |
| Add: Provision | - | - |
| Less: Reversal of provision upon sale | - | - |
| Closing balance | <u>125,130,353</u> | <u>125,130,353</u> |

6 SECURITY DEPOSITS

| | | |
|--|------------------|------------------|
| Central Depository Company of Pakistan Limited - Trustee | 100,000 | 100,000 |
| National Clearing Company of Pakistan Limited | <u>2,750,000</u> | <u>2,750,000</u> |
| | <u>2,850,000</u> | <u>2,850,000</u> |

| 7 | Note | 2021 | 2020 |
|--|------|----------------------|------------------|
| | | ----- (Rupees) ----- | |
| Mark-up receivable on: | | | |
| - Term finance certificates | | 423,491 | 669,277 |
| - Sukuk certificates | | 800,490 | 1,584,042 |
| - Bank balances | | 257,958 | 35,050 |
| Prepayments | | 121,141 | |
| Advance tax | 7.1 | 150,962 | 150,962 |
| Security margin with National Clearing Company of Pakistan Limited | | 2,303,310 | 2,303,310 |
| | | <u>4,057,352</u> | <u>4,742,641</u> |

- 7.1** As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2021, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs. 0.151 million (2020: Rs. 0.151 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| 8 | Note | 2021 | 2020 |
|--|------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| PAYABLE TO THE ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | | | |
| Management remuneration payable | 8.1 | 241,471 | 257,700 |
| Sindh sales tax payable on management remuneration | 8.2 | 1,699,217 | 1,706,503 |
| Federal excise duty payable on management remuneration | 8.3 | 11,439,981 | 11,439,981 |
| Payable against allocated expenses | 8.4 | 233,388 | 593 |
| Payable against selling and marketing expenses | 8.5 | 246,734 | 554,351 |
| Sales load payable | | 1,514,904 | 1,514,904 |
| | | <u>15,375,695</u> | <u>15,474,032</u> |

- 8.1** The Management Company has charged remuneration at the rate of 1.25% (2020: 1.25%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2** During the year, an amount of Rs. 0.38 million (2020: Rs. 0.48 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.38 million (2020: Rs. 0.39 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 11.439 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2021 would have been higher by Rs. 3.349 per unit (June 30, 2020: Rs. 1.670 per unit).

8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the current year, the Management Company has charged such expenses to the Fund at the rate of 0.1% of the average net assets of the Fund.

8.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

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

| 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 | 2020 |
|--|-------------|----------------------|----------------------|
| | | ----- (Rupees) ----- | ----- (Rupees) ----- |
| Trustee remuneration payable | 9.1 | 12,566 | 15,466 |
| Sindh sales tax payable on trustee remuneration | 9.2 | 1,632 | 2,002 |
| | | <u>14,198</u> | <u>17,468</u> |

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at a rate of 0.075% (2020: 0.075%) of the daily net asset value of the Fund.

9.2 During the year, an amount of Rs 0.023 million (2020: Rs. 0.029 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.023 million (2020: Rs. 0.023 million) was paid to the Trustee which acts as a collecting agent.

| 10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2021 | 2020 |
|--|-------------|----------------------|----------------------|
| | | ----- (Rupees) ----- | ----- (Rupees) ----- |
| Annual fee payable to the Securities Exchange and Commission of Pakistan | 10.1 | 46,530 | 58,989 |

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| 11 ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2021 | 2020 |
|--|-------------|----------------------|----------------------|
| | | ----- (Rupees) ----- | ----- (Rupees) ----- |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 5,792,122 | 5,792,122 |
| Withholding tax payable | | 65,728 | 2,017,522 |
| Annual rating fee payable | | 91,880 | 802 |
| Auditors' remuneration payable | | 172,269 | 136,539 |
| Settlement charges payable | | 54,685 | 69,520 |
| Printing charges payable | | 5,490 | 2,031 |
| Brokerage payable | | - | 23,548 |
| Legal and professional charges | | 934 | - |
| NCCPL Payable | | 577,721 | 289,428 |
| Sales load payable | | 3,126,264 | 2,040,607 |
| | | <u>9,887,093</u> | <u>10,372,119</u> |

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were

included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Rs. 1.70 (2020: Rs.1.42) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

13 PROFIT / MARK-UP INCOME

| | 2021 | 2020 |
|--|----------------------|-------------------|
| | ----- (Rupees) ----- | |
| Profit / mark-up income on: | | |
| - Sukuk certificates and term finance certificates | 9,089,603 | 19,210,770 |
| - Market Treasury Bills | 5,290,286 | 12,020,356 |
| - Commercial paper | 591,636 | |
| - Pakistan Investment Bonds | 1,606,515 | 2,311,501 |
| - Bank balances | 1,726,282 | 7,401,810 |
| - Margin trading system | - | 23,575 |
| | <u>18,304,322</u> | <u>40,968,012</u> |

14 AUDITORS' REMUNERATION

| | | |
|---------------------------------|----------------|----------------|
| Audit fee | 122,886 | 122,886 |
| Review and other certifications | 104,681 | 104,681 |
| Out of pocket expenses | 30,666 | 30,666 |
| Sindh sales tax | 20,659 | 20,659 |
| | <u>278,892</u> | <u>278,892</u> |

15 CASH AND CASH EQUIVALENTS

| | | |
|--|-------------------|-------------------|
| Bank Balances | 79,888,476 | 29,552,283 |
| Market Treasury Bills maturing within 3 months | - | 52,302,699 |
| | <u>79,888,476</u> | <u>81,854,982</u> |

16 TAXATION

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

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

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 2.38% (June 30, 2020: 2.29%) which includes 0.19% (June 30, 2020: 0.48%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, Federal excise Duties, Annual fee to the SECP etc. This ratio is not within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

In computation of the above TER, provision against sukuk certificates of Hascol Petroleum Limited amounting to Rs. 14.12 million has been excluded from total expenses as per the Management Company's correspondance with the Central Depository Company of Pakistan Limited-Trustee.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

18.1 Unit Holder's Fund

| Note | 2021 | | | | | | | | | | |
|---|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|------------|
| | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2021 | |
| | Units | | | | | (Rupees) | | | | | |
| Associated Companies / Undertakings | | | | | | | | | | | |
| Alfalah GHP Investment Management Limited | 18.1.1 | 145 | 1,805,501 | - | 1,805,501 | 145 | 7,721 | 100,000,000 | - | 99,478,628 | 7,697 |
| Alfalah GHP Prosperity Planning Fund * | 18.1.1 | | | | | | | | | | |
| - Conservative allocation plan | | 641,243 | - | - | 108,749 | 532,494 | 34,143,689 | - | - | 6,000,000 | 28,266,645 |
| - Moderate allocation plan | | 1,478,940 | - | - | 460,539 | 1,018,401 | 78,747,787 | - | - | 25,500,000 | 54,060,289 |
| - Active allocation plan | | 629,265 | - | - | 226,505 | 402,760 | 33,505,907 | - | - | 12,500,000 | 21,379,910 |
| Key management personnel (Employees) | | | | | | | | | | | |
| Chief Financial Officer | 18.1.1 | 13 | - | - | - | 13 | 692 | - | - | - | 690 |

| | 2020 | | | | | | | | | | |
|---|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|-------------|
| | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2020 | |
| | Units | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Alfalah GHP Investment Management Limited | | 128 | - | 17 | - | 145 | 6,838 | - | 892 | - | 7,721 |
| Alfalah GHP Prosperity Planning Fund | | 4,740,739 | 541,458 | - | 2,532,749 | 2,749,448 | 252,523,379 | 29,441,491 | - | 138,300,000 | 146,397,383 |
| Key management personnel (Employees) | | | | | | | | | | | |
| Chief Financial Officer | | 12 | - | 1 | - | 13 | 586 | - | 78 | - | 692 |
| Marketing Head | | 9 | - | - | 9 | - | 461 | - | - | 425 | - |

* This unit holder also holds more than 10% of the units in the Fund as at June 30, 2021.

18.1.1 This reflects the position of related party / connected person status as at June 30, 2021.

18.2 Other transactions

| | 2021 | 2020 |
|--|-----------|-----------|
| | (Rupees) | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 2,909,662 | 3,687,617 |
| Sindh sales tax on remuneration of the Management Company | 378,256 | 479,390 |
| Allocated expenses | 232,795 | 294,934 |
| Selling and marketing expenses | 350,000 | 1,179,733 |
| Sales load | - | 1,759,174 |

| | 2021 | 2020 |
|---|----------------------|-------------|
| | ----- (Rupees) ----- | |
| Bank Alfalah Limited | | |
| Mark-up on bank balances | 801,152 | 9,648,301 |
| Bank charges | 1,276 | 11,897 |
| Sales load | 3,126,264 | - |
| Alfalah GHP Value Fund | | |
| Sukuk certificates - sold | - | 10,061,969 |
| Market Treasury Bills - sold | - | 43,865,856 |
| Alfalah GHP Money Market Fund | | |
| Market Treasury Bills - purchased | 107,959,440 | 99,425,490 |
| Market Treasury Bills - sold | 27,805,322 | 404,937,945 |
| Term finance certificates - sold | - | - |
| Alfalah GHP Sovereign Fund | | |
| Market Treasury Bills - purchased | 34,622,840 | 135,013,850 |
| Market Treasury Bills - sold | 26,963,300 | 187,772,925 |
| Alfalah GHP Cash Fund | | |
| Market Treasury Bills - purchased | 59,237,280 | 87,761,520 |
| Market Treasury Bills - sold | 11,901,672 | 37,893,240 |
| Alfalah GHP Income Fund | | |
| Market Treasury Bills - purchased | 40,927,770 | 13,403,970 |
| Market Treasury Bills - sold | 31,702,708 | - |
| Alfalah GHP Stock Fund | | |
| Market Treasury Bills - purchased | - | 22,974,976 |
| Alfalah GHP Islamic Income Fund | | |
| Sukuk certificates - purchased | 23,990,374 | 19,355,300 |
| Other related parties | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of Central Depository of Pakistan Limited - Trustee | 174,536 | 221,260 |
| Sindh sales tax on remuneration of the Trustee | 22,690 | 28,764 |
| CDS charges | - | 62,431 |
| 18.3 Other balances | | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Management remuneration payable | 241,471 | 257,700 |
| Sindh sales tax payable on management remuneration | 1,699,217 | 1,706,503 |
| Federal excise duty payable on management remuneration | 11,439,981 | 11,439,981 |
| Payable against allocated expenses | 233,388 | 593 |
| Payable against selling and marketing expenses | 246,734 | 554,351 |
| Sales load payable | 1,514,904 | 1,514,904 |
| Bank Alfalah Limited | | |
| Bank balance | 3,781,872 | 8,370,577 |
| Mark-up receivable on bank balance | 15,925 | 7,046 |
| Sales load payable | 3,126,264 | - |
| Other related parties | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee remuneration payable | 12,566 | 15,466 |
| Sindh sales tax payable on trustee remuneration | 1,632 | 2,002 |
| Security deposit | 100,000 | 100,000 |

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

| Particulars | 2021 | | |
|-------------------------------|-------------------|--------------------------------------|-------------|
| | At amortised cost | At fair value through profit or loss | Total |
| ----- (Rupees) ----- | | | |
| Financial assets | | | |
| Bank balances | 79,888,476 | - | 79,888,476 |
| Investments | - | 119,871,506 | 119,871,506 |
| Security deposits | 2,850,000 | - | 2,850,000 |
| Mark-up and other receivables | 3,785,249 | - | 3,785,249 |
| | 86,523,725 | 119,871,506 | 206,395,231 |

| Particulars | 2021 | | |
|---|--------------------------------------|-------------------|------------|
| | At fair value through profit or loss | At amortised cost | Total |
| ----- (Rupees) ----- | | | |
| Financial liabilities | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | - | 15,375,695 | 15,375,695 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 14,198 | 14,198 |
| Accrued expenses and other liabilities | - | 4,029,243 | 4,029,243 |
| | - | 19,419,136 | 19,419,136 |

| Particulars | 2020 | | |
|-------------------------------|-------------------|--------------------------------------|-------------|
| | At amortised cost | At fair value through profit or loss | Total |
| ----- (Rupees) ----- | | | |
| Financial assets | | | |
| Bank balances | 29,552,283 | - | 29,552,283 |
| Investments | - | 206,715,838 | 206,715,838 |
| Security deposits | 2,850,000 | - | 2,850,000 |
| Mark-up and other receivables | 4,591,679 | - | 4,591,679 |
| | 36,993,962 | 206,715,838 | 243,709,800 |

| Particulars | 2020 | | |
|---|--------------------------------------|-------------------|------------|
| | At fair value through profit or loss | At amortised cost | Total |
| ----- (Rupees) ----- | | | |
| Financial liabilities | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | - | 15,474,032 | 15,474,032 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 17,468 | 17,468 |
| Accrued expenses and other liabilities | - | 2,562,475 | 2,562,475 |
| | - | 18,053,975 | 18,053,975 |

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

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

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

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

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

20.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2021, is as follows:

| | 2021 | 2020 |
|---|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| Variable rate instruments (financial assets) | | |
| Bank balances | 79,888,476 | 29,552,283 |
| Term finance certificates | 29,155,458 | 53,508,033 |
| Sukuk certificates | 70,888,085 | 71,546,806 |
| | <u>179,932,019</u> | <u>154,607,122</u> |
| Fixed rate instrument | | |
| Market Treasury Bills | - | 81,660,999 |
| Commercial Paper | 19,827,963 | - |
| | <u>19,827,963</u> | <u>81,660,999</u> |

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs.1.799 million (2020: Rs.1.546 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 0.198 (2020: Rs. 0.817 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

| Particulars | As at June 30, 2021 | | | | | Total |
|---|---------------------------------|----------------------------------|---|--------------------|---|--------------------|
| | Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| | % | (Rupees) | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.50% -7.85% | 79,888,476 | - | - | - | 79,888,476 |
| Investments | 7.85% - 12.45% | 60,337,940 | 59,533,566 | - | - | 119,871,506 |
| Security deposits | | - | - | - | 2,850,000 | 2,850,000 |
| Mark-up and other receivables | | - | - | - | 3,785,249 | 3,785,249 |
| Sub total | | 140,226,416 | 59,533,566 | - | 6,635,249 | 206,395,231 |
| Financial liabilities | | | | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 15,375,695 | 15,375,695 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 14,198 | 14,198 |
| Accrued expenses and other liabilities | | - | - | - | 4,029,243 | 4,029,243 |
| Sub total | | - | - | - | 19,419,136 | 19,419,136 |
| On-balance sheet gap | | 140,226,416 | 59,533,566 | - | (12,783,887) | 186,976,095 |
| Total interest rate sensitivity gap | | 140,226,416 | 59,533,566 | - | (12,783,887) | 186,976,095 |
| Cumulative interest rate sensitivity gap | | 140,226,416 | 199,759,982 | 199,759,982 | | |

| Particulars | As at June 30, 2020 | | | | | Total |
|---|---------------------------------|----------------------------------|--|--------------------|---|--------------------|
| | Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | |
| | | Upto three months | More than three months and upto one year | More than one year | | |
| | % | (Rupees) | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.50%-8.00% | 29,552,283 | - | - | - | 29,552,283 |
| Investments | 7.05% - 13.99% | 21,227,804 | 185,488,034 | - | - | 206,715,838 |
| Security deposits | | - | - | - | 2,850,000 | 2,850,000 |
| Mark-up and other receivables | | - | - | - | 4,591,679 | 4,591,679 |
| Sub total | | 50,780,087 | 185,488,034 | - | 7,441,679 | 243,709,800 |
| Financial liabilities | | | | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 15,474,032 | 15,474,032 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 17,468 | 17,468 |
| Accrued expenses and other liabilities | | - | - | - | 2,562,475 | 2,562,475 |
| Sub Total | | - | - | - | 18,053,975 | 18,053,975 |
| On-balance sheet gap | | 50,780,087 | 185,488,034 | - | (10,612,296) | 225,655,825 |
| Total interest rate sensitivity gap | | 50,780,087 | 185,488,034 | - | (10,612,296) | 225,655,825 |
| Cumulative interest rate sensitivity gap | | 50,780,087 | 236,268,121 | 236,268,121 | | |

20.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2021.

20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

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

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|-------------------------------|--|--------------------|--|--------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure | Balance as per statement of assets and liabilities | Maximum exposure |
| (Rupees) | | | | |
| Bank balances | 79,888,476 | 79,888,476 | 29,552,283 | 29,552,283 |
| Investments | 119,871,506 | 94,671,506 | 206,715,838 | 100,054,839 |
| Security deposits | 2,850,000 | 2,850,000 | 2,850,000 | 2,850,000 |
| Mark-up and other receivables | 3,785,249 | 3,785,249 | 4,591,679 | 4,591,679 |
| | <u>206,395,231</u> | <u>181,195,231</u> | <u>243,709,800</u> | <u>137,048,801</u> |

Difference in the balance as per the "Statement of Assets and Liabilities" and maximum exposure is due to the fact that investments in government securities amounting to Rs 25.20 million (2020: Rs 106.66 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2021 and June 30, 2020, except as specified in notes 5.5 & 5.7 to these financial statements.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

Balances with banks by rating category

| Name of Bank | Rating agency | Rating (Long term/ Short) | 2021 | 2020 |
|-----------------------------------|---------------|------------------------------|-----------------------------------|----------------|
| | | | Percentage of total bank balances | |
| BankIslami Pakistan Limited | PACRA | A+ / A1 | 0.42% | 4.29% |
| Habib Bank Limited | VIS | AAA / A1+ | 0.31% | 0.05% |
| National Bank of Pakistan | PACRA | AAA / A1 | 0.02% | 0.79% |
| Bank Alfalah Limited | PACRA | AA+ / A1 | 4.73% | 28.32% |
| Allied Bank Limited | PACRA | AAA / A1 | 94.15% | 62.78% |
| Bank AL Habib Limited | PACRA | AAA / A1 | 0.01% | 0.16% |
| JS Bank Limited | PACRA | AA- / A1 | 0.01% | 0.17% |
| NRSP Microfinance Bank Limited | PACRA | A / A1 | 0.03% | 0.07% |
| Telenor Microfinance Bank Limited | PACRA | A+ / A1 | 0.01% | 0.03% |
| Zarai Taraqati Bank Limited | VIS | AAA | 0.01% | 0.84% |
| Samba Bank Limited | VIS | AA / A1 | 0.07% | 0.19% |
| Central Depository Company | N/A | N/A | 0.00% | 0.00% |
| Soneri Bank | PACRA | AA- / A1+ | 0.14% | 0.30% |
| Silk Bank | VIS | A- / A2 | 0.09% | 2.01% |
| | | | <u>100.0%</u> | <u>100.00%</u> |

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

20.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

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

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

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

| 2021 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | Total |
|---|---------------------------|--------------------------|---------------------------|-------------------------|------------------------------|--------------------|
| ----- Rupees ----- | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 79,888,476 | - | - | - | - | 79,888,476 |
| Investments | - | 19,827,963 | 23,335,365 | 17,174,612 | 59,533,566 | 119,871,506 |
| Security deposits | 2,850,000 | - | - | - | - | 2,850,000 |
| Mark-up and other receivables | 3,785,249 | - | - | - | - | 3,785,249 |
| | 86,523,725 | 19,827,963 | 23,335,365 | 17,174,612 | 59,533,566 | 206,395,231 |
| Financial liabilities | | | | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | 15,375,695 | - | - | - | - | 15,375,695 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 14,198 | - | - | - | - | 14,198 |
| Accrued expenses and other liabilities | 4,029,243 | - | - | - | - | 4,029,243 |
| | 19,419,136 | - | - | - | - | 19,419,136 |
| Net assets | 67,104,589 | 19,827,963 | 23,335,365 | 17,174,612 | 59,533,566 | 186,976,095 |
| ----- Rupees ----- | | | | | | |
| 2020 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | Total |
| Financial assets | | | | | | |
| Bank balances | 29,552,283 | - | - | - | - | 29,552,283 |
| Investments | - | - | 81,660,999 | 125,054,839 | - | 206,715,838 |
| Security deposits | 2,850,000 | - | - | - | - | 2,850,000 |
| Mark-up and other receivables | 4,591,679 | - | - | - | - | 4,591,679 |
| | 36,993,962 | - | 81,660,999 | 125,054,839 | - | 243,709,800 |
| Financial liabilities | | | | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | 15,474,032 | - | - | - | - | 15,474,032 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 17,468 | - | - | - | - | 17,468 |
| Accrued expenses and other liabilities | 2,562,475 | - | - | - | - | 2,562,475 |
| | 18,053,975 | - | - | - | - | 18,053,975 |
| Net assets | 18,939,987 | - | 81,660,999 | 125,054,839 | - | 225,655,825 |

20.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

As at June 30, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair values:

| As at June 30, 2021 | | | | |
|--|---------|-------------|-------|-------------|
| Level 1 | Level 2 | Level 3 | Total | |
| Rupees | | | | |
| Financial assets at 'fair value through profit or loss' | | | | |
| Term finance certificates | - | 29,155,458 | - | 29,155,458 |
| Sukuk certificates | - | 70,888,085 | - | 70,888,085 |
| Commercial papers | - | 19,827,963 | - | 19,827,963 |
| | - | 119,871,506 | - | 119,871,506 |
| As at June 30, 2020 | | | | |
| | Level 2 | | Total | |
| Rupees | | | | |
| Financial assets at 'fair value through profit or loss' | | | | |
| Term finance certificates | - | 53,508,033 | - | 53,508,033 |
| Sukuk certificates | - | 71,546,806 | - | 71,546,806 |
| Pakistan investment bonds | - | 81,660,999 | - | 81,660,999 |
| | - | 153,207,805 | - | 153,207,805 |

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20.5 Unit Holders' Fund risk management

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

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

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

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

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

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

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22 CORRESPONDING FIGURES

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 as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

23 GENERAL

23.1 Rounding off

Figures have been rounded off to the nearest rupee.

23.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

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

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 1077 | 894,861 | 47,502,230 | 18% |
| Associated Co./ Directors | 9 | 146 | 7,725 | 0% |
| Banks/Dfis | - | - | - | 0% |
| Insurance Co. | - | - | - | 0% |
| Retirement & Other Funds | 71 | 482,032 | 25,587,959 | 12% |
| Others | 101 | 2,039,163 | 108,245,904 | 69% |
| | 1258 | 3,416,202 | 181,343,818 | 100% |

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 258 | 752,244 | 40,060,000 | 18% |
| Associated Co./ Directors | 1 | 146 | 7,607 | 0% |
| Banks/Dfis | 0 | - | - | 0% |
| Insurance Co. | 0 | - | - | 0% |
| Retirement & Other Funds | 13 | 505,407 | 26,910,000 | 12% |
| Others | 25 | 2,835,239 | 150,960,548 | 70% |
| | 297 | 4,093,035 | 217,938,154 | 100% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|--|---------------------|
| | 30 June 2021 |
| | % |
| Bright Capital Private Limited | 54.51% |
| Continental Exchange (Pvt.) Limited | 37.81% |
| Pearl Security (Pvt) Limited | 4.59% |
| BMA Capital (Pvt) Limited | 1.15% |
| JS Global Capital Limited | 1.15% |
| ICON Securites (Pvt) Limited | 0.69% |
| | 30 June 2020 |
| | % |
| Arif Habib Limited | 7% |
| BIPL Securities | 1% |
| Bright Capital Private Limited | 5% |
| C & M Management (Pvt.) Ltd. | 6% |
| Continental Exchange (Pvt.) Limited | 55% |
| Direct Deal / No Broker | 0% |
| Invest One Markets Limited | 7% |
| JS Global Capital Limited | 4% |
| Paramount Capital (Pvt.) Limited | 5% |
| Summit Capital (Private) Limited | 6% |

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

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

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGIMF

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|-------------------------------------|-------------------------|-----------------|-----------------|-----------------|-----------------|
| Net Assets (Rupees in '000) | 181,343 | 217,938 | 364,994 | 655,599 | 1,739,721 |
| NAV per unit | 53.0835 | 53.2461 | 53.2667 | 55.8625 | 53.2500 |
| Selling price per unit | 54.8830 | 55.0511 | 55.0724 | 57.7562 | 55.0552 |
| Redemption price per unit | 53.0835 | 53.2461 | 53.2667 | 55.8625 | 53.2500 |
| Highest selling price per unit | 57.7842 | 63.5022 | 58.3182 | 57.8210 | 57.9532 |
| Highest redemption price per unit | 55.8895 | 61.4201 | 56.4060 | 55.9251 | 56.0530 |
| Lowest selling price per unit | 54.6905 | 55.0424 | 54.8429 | 55.0669 | 54.8341 |
| Lowest redemption price per unit | 52.8973 | 53.2376 | 53.0447 | 53.2613 | 53.0362 |
| Total interim distribution per unit | N/A | N/A | 3.3186 | N/A | 2.8811 |
| Interim distribution date | N/A | N/A | 30-Jun-19 | N/A | 22-Jun-17 |
| Final distribution per unit | N/A | 8.1534 | N/A | 2.61 | N/A |
| Final distribution date | N/A | 27-Jun-20 | N/A | 43,283.00 | N/A |
| Annualized returns | -0.31% | 15.26% | 6.26% | 4.90% | 5.90% |
| Income distribution | N/A | 6.23% | 6.23% | 4.91% | 5.44% |
| Weighted avg. portfolio duration | 1.99 Yrs | 1.99 Yrs | 2.755 Yrs | 4.08 Yrs | 2.65 Yrs |

Return since inception is **6.71%**

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



**Alfalah GHP
Islamic Income Fund**

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Shariah Advisor: | BankIslami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | A+(f) by PACRA |

Alfalah GHP Islamic Income Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant (Islamic) Income Scheme

Investment Objective

To minimize risk, construct a liquid portfolio of shariah approved fixed income instruments and provide competitive returns to the unit holders.

Accomplishment of Objective

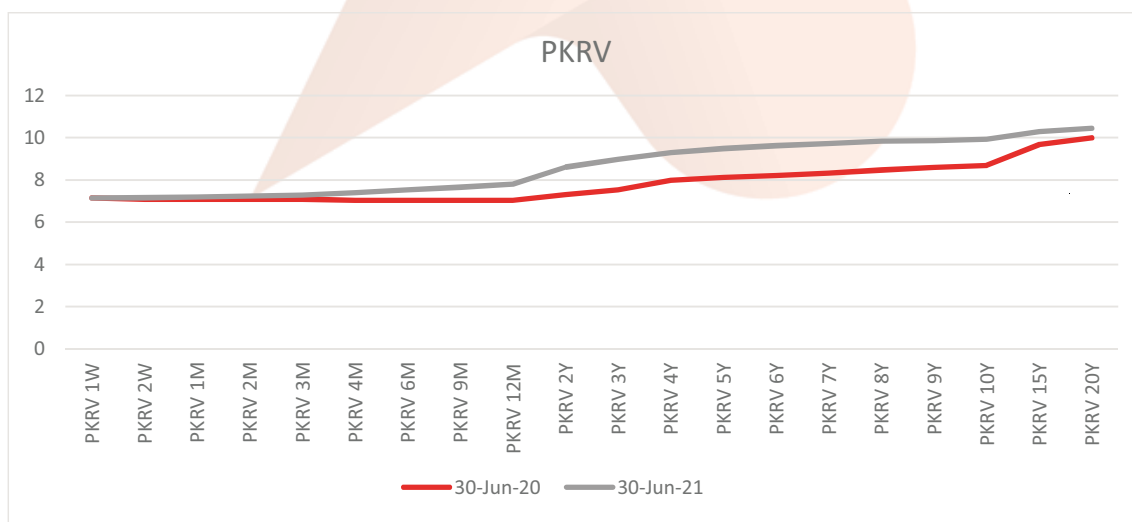
The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration shariah compliant fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

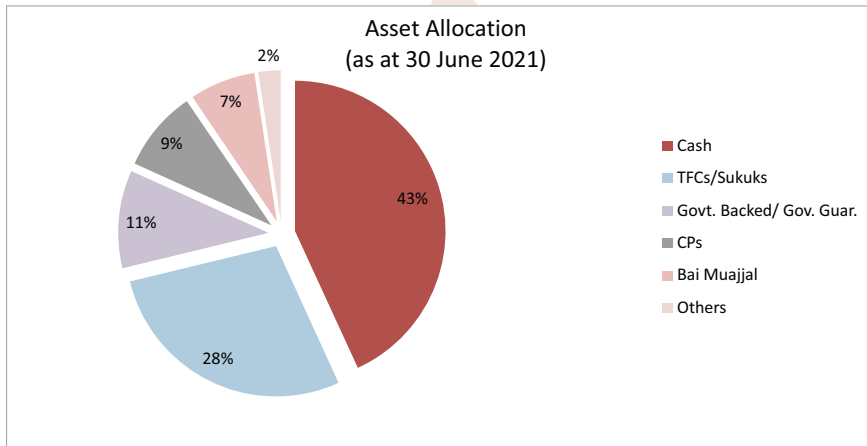
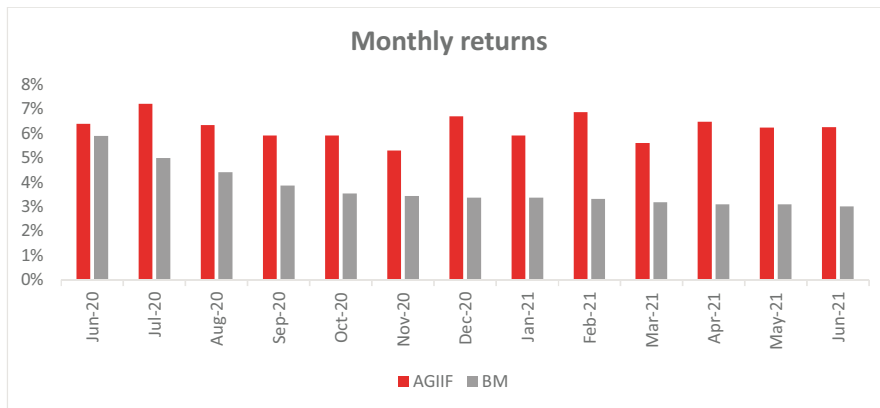
The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



Fund Performance

For the year ended June 30 2021, the fund posted a return of 6.40% against the benchmark of 3.55%.

Performance comparison with Benchmark



| Credit Quality (as % of Total Assets) | | | |
|---------------------------------------|--------|----------|-------|
| Govt. Guar. | 10.52% | A | 0.78% |
| AAA | 0.02% | A- | 0.07% |
| AA+ | 15.57% | BBB+ | 0.00% |
| AA | 13.37% | BBB | 0.00% |
| AA- | 17.36% | Below IG | 0.00% |
| A+ | 39.88% | NR/UR | 2.42% |

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

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

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

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC INCOME FUND

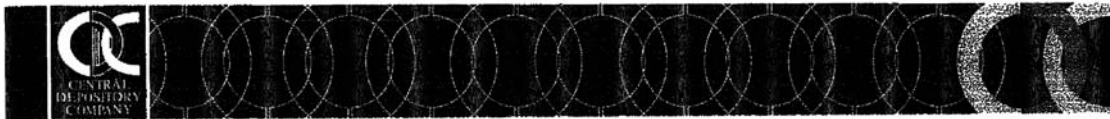
**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021





Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC INCOME FUND**

We, the Shariah Advisors of the Alfalah GHP Islamic Income Fund ('AGIIF') (formerly IGI Islamic Income Fund) managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplemental Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor, we have reviewed and given approval for investment in following avenues during the period from July 01, 2020 to June 30, 2021.

| Investment Avenue |
|--|
| <i>GoP (Government of Pakistan) Ijarah Sukuk</i> |
| <i>Approved Shariah Compliant Sukuk</i> |
| <i>Approved Islamic Commercial Papers</i> |
| <i>Approved Bai Muajjal Transactions</i> |
| <i>Term Deposit Receipts with Approved Islamic Banks</i> |

We hereby certify that all the above-mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2021, no such income is earned.

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

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalsh GHP Investment Management Ltd
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahgdp.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Income Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2021. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 30, 2021

Mr. Nabeel Malik
Chief Executive Officer



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

Opinion

We have audited the financial statements of Alfalah GHP Islamic Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|--|
| 1 | Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements) | |
| | Bank balances and investments constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 3,327.23 million and bank balances aggregated to Rs. 2,650.48 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants
Karachi
Date: September 30, 2021

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|-------------------------------|----------------------|
| | | ----- (Rupees) ----- | |
| Assets | | | |
| Bank balances | 4 | 2,650,484,213 | 4,251,196,475 |
| Investments | 5 | 3,327,225,852 | 5,376,661,819 |
| Profit receivable | 6 | 157,669,484 | 189,012,174 |
| Deposit, prepayment and other receivable | 7 | 4,308,708 | 1,715,583 |
| Total assets | | <u>6,139,688,257</u> | <u>9,818,586,051</u> |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 8 | 12,715,473 | 24,966,327 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 477,544 | 1,307,370 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 10 | 1,525,741 | 1,146,735 |
| Accrued and other liabilities | 11 | 59,459,210 | 53,421,315 |
| Dividend payable | | - | 13,114,768 |
| Total liabilities | | 74,177,968 | 93,956,515 |
| Net assets attributable to the unit holders | | <u>6,065,510,289</u> | <u>9,724,629,536</u> |
| Unit holders' fund (as per the statement attached) | | <u>6,065,510,289</u> | <u>9,724,629,536</u> |
| Contingencies and commitments | | | |
| | 12 | ----- (Number of units) ----- | |
| Number of units in issue | | <u>59,375,394</u> | <u>95,311,687</u> |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | <u>102.1553</u> | <u>102.0298</u> |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|------|----------------------|--------------------|
| | | ----- (Rupees) ----- | |
| Income | | | |
| Profit earned | 13 | 553,885,227 | 691,565,872 |
| Gain / (loss) on sale of investments - net | | 9,505,615 | (13,089,309) |
| Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | 5.7 | 13,839,555 | 25,393,034 |
| Total income | | <u>577,230,397</u> | <u>703,869,597</u> |
| Expenses | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 8.1 | 57,117,121 | 67,947,595 |
| Sindh sales tax on remuneration of the Management Company | 8.2 | 7,425,226 | 8,833,492 |
| Allocated expenses | 8.4 | 7,628,641 | 5,715,228 |
| Selling and marketing expenses | 8.5 | 11,442,955 | 5,464,163 |
| Remuneration of Central Depository Company of Pakistan - Trustee | 9.1 | 5,721,622 | 4,286,589 |
| Sindh sales tax on remuneration of the Trustee | 9.2 | 743,811 | 557,254 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10.1 | 1,525,766 | 1,146,735 |
| Brokerage expense | | 565,591 | 472,524 |
| Settlement and bank charges | | 92,239 | 205,926 |
| Auditors' remuneration | 14 | 298,201 | 298,231 |
| Annual listing fee | | 21,936 | 26,612 |
| Annual rating fee | | 220,500 | 165,075 |
| Printing charges | | 29,951 | 30,012 |
| Shariah advisory fee | | 420,074 | 133,953 |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 9,679,535 | 12,099,591 |
| Total expenses | | <u>102,933,169</u> | <u>107,382,980</u> |
| Net income for the year before taxation | | <u>474,297,228</u> | <u>596,486,617</u> |
| Taxation | 16 | - | - |
| Net income for the year after taxation | | <u>474,297,228</u> | <u>596,486,617</u> |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 474,297,228 | 596,486,617 |
| Income already paid on units redeemed | | (122,502,369) | (236,944,575) |
| | | <u>351,794,859</u> | <u>359,542,042</u> |
| Accounting income available for distribution | | | |
| - Relating to capital gain | | 2,334,505 | 6,711,550 |
| - Excluding capital gain | | 349,460,354 | 352,830,492 |
| | | <u>351,794,859</u> | <u>359,542,042</u> |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|--|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| Net income for the year after taxation | 474,297,228 | 596,486,617 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>474,297,228</u> | <u>596,486,617</u> |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Capital Value | Undistributed income | Total | Capital Value | Undistributed income | Total |
| | ----- (Rupees) ----- | | | ----- (Rupees) ----- | | |
| Net assets at the beginning of the year | 9,662,907,417 | 61,722,119 | 9,724,629,536 | 4,559,919,547 | 44,407,348 | 4,604,326,895 |
| Issuance of 314,513,606 units (2020: 255,716,027 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 32,089,760,318 | - | 32,089,760,318 | 26,057,895,996 | - | 26,057,895,996 |
| - Element of income | 115,791,787 | - | 115,791,787 | 553,993,853 | - | 553,993,853 |
| Total proceeds on issuance of units | 32,205,552,105 | - | 32,205,552,105 | 26,611,889,849 | - | 26,611,889,849 |
| Redemption of 350,449,899 units (2020: 205,588,348 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 35,756,333,105 | - | 35,756,333,105 | 20,949,800,646 | - | 20,949,800,646 |
| - Element of loss | 12,147,631 | 122,502,369 | 134,650,000 | 278,092,457 | 236,944,575 | 515,037,032 |
| Total payments on redemption of units | 35,768,480,736 | 122,502,369 | 35,890,983,105 | 21,227,893,103 | 236,944,575 | 21,464,837,678 |
| Total comprehensive income for the year | - | 474,297,228 | 474,297,228 | - | 596,486,617 | 596,486,617 |
| Distributions made (refer note 25) | (102,972,155) | (345,013,320) | (447,985,475) | (281,008,876) | (342,227,271) | (623,236,147) |
| Net assets at the end of the year | 5,997,006,631 | 68,503,658 | 6,065,510,289 | 9,662,907,417 | 61,722,119 | 9,724,629,536 |
| | | (Rupees) | | | (Rupees) | |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 36,329,085 | | | 57,370,265 | |
| - Unrealised income / (loss) | | 25,393,034 | | | (12,962,917) | |
| | | 61,722,119 | | | 44,407,348 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | 2,334,505 | | | 6,711,550 | |
| - Excluding capital gains | | 349,460,354 | | | 352,830,492 | |
| | | 351,794,859 | | | 359,542,042 | |
| Distributions made | | (345,013,320) | | | (342,227,271) | |
| Undistributed income carried forward | | 68,503,658 | | | 61,722,119 | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 54,664,103 | | | 36,329,085 | |
| - Unrealised gain | | 13,839,555 | | | 25,393,034 | |
| | | 68,503,658 | | | 61,722,119 | |
| | | (Rupees) | | | (Rupees) | |
| Net asset value per unit at the beginning of the year | | 102.0298 | | | 101.9017 | |
| Net asset value per unit at the end of the year | | 102.1553 | | | 102.0298 | |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|-----------------------------|-----------------------------|
| | | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income for the year before taxation | | 474,297,228 | 596,486,617 |
| Adjustments for: | | | |
| Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | | (13,839,555) | (25,393,034) |
| Provision for Sindh Workers' Welfare Fund | | 9,679,535 | 12,099,591 |
| | | <u>470,137,208</u> | <u>583,193,174</u> |
| Decrease / (increase) in assets | | | |
| Investments - net | | 2,063,275,522 | (3,384,380,338) |
| Deposit, prepayment and other receivable | | (2,593,125) | 30,886 |
| Profit receivable | | 31,342,690 | (97,692,107) |
| | | <u>2,092,025,087</u> | <u>(3,482,041,559)</u> |
| (Decrease) / increase in liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | (12,250,854) | 11,236,631 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | (829,826) | 805,493 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | 379,006 | (2,209,486) |
| Accrued and other liabilities | | (3,641,640) | 49,101,035 |
| | | <u>(16,343,314)</u> | <u>58,933,673</u> |
| Net cash flows generated from / (used in) operating activities | | <u>2,545,818,981</u> | <u>(2,839,914,712)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | (358,128,088) | (355,342,039) |
| Amounts received against issuance of units - net of refund of capital | | 32,102,579,950 | 26,330,880,973 |
| Payments made against redemption of units | | (35,890,983,105) | (21,464,837,678) |
| Net cash flows (used in) / generated from financing activities | | <u>(4,146,531,243)</u> | <u>4,510,701,256</u> |
| Net (decrease) / increase in cash and cash equivalents during the year | | <u>(1,600,712,262)</u> | <u>1,670,786,544</u> |
| Cash and cash equivalents at beginning of the year | | 4,251,196,475 | 2,580,409,931 |
| Cash and cash equivalents at end of the year | 17 | <u><u>2,650,484,213</u></u> | <u><u>4,251,196,475</u></u> |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Income Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 3, 2008 between IGI Funds Limited (Former Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved third Supplemental Trust Deed, under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), vide its letter No. SCD/AMCW/AGIIF/240/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Income Fund.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'Shariah Compliant Islamic Income Scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificates of investment, Musharika and Morabaha arrangements and debt securities. The investment objectives and policy are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021, and stability rating of AA-(f) to the Fund in its credit rating report dated April 8, 2021.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of financial assets (notes 3.3.1 and 5)
- ii. Impairment of financial assets (note 3.3.2)
- iii. Taxation (notes 3.7 and 16)
- iv. Provision for Sindh Workers' Welfare Fund (note 11.1)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

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

3.3.2 Impairment

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

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

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

3.3.2.1 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

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

Deferred

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

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

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

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

3.11 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the "Statement of Assets and Liabilities" is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

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

3.13 Expenses

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

3.14 Earnings per unit

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

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

3.15 Foreign currency translation

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

| | Note | 2021 | 2020 |
|------------------------|------|---------------|---------------|
| | | (Rupees) | |
| 4 BANK BALANCES | | | |
| In savings accounts | 4.1 | 2,650,484,213 | 4,251,196,475 |

4.1 These accounts carry profit rates ranging between 2.11% to 7.09% (2020: 7.35% to 10.25%) per annum. These include bank balance of Rs. 3.212 million (2020: Rs. 34.326 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 2.11% (2020: 6.50%) per annum.

| | Note | 2021 | 2020 |
|---|------|----------------------|----------------------|
| | | (Rupees) | |
| 5 INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| Sukuk certificates | 5.1 | 2,360,103,121 | 2,953,911,416 |
| Term deposit receipts | 5.2 | - | - |
| Commercial papers | 5.3 | 550,434,259 | 316,430,849 |
| GoP (Government of Pakistan) Ijara Sukuks | 5.4 | 7,040,200 | 1,200,733,250 |
| Short term sukuk certificates | 5.5 | - | - |
| Bai Muajjal receivable | 5.6 | 409,648,272 | 905,586,304 |
| | | <u>3,327,225,852</u> | <u>5,376,661,819</u> |

5.1 Sukuk certificates

| Name of the investee company | Profit payments / principal redemption | Profit rate | Maturity date | As at July 1, 2020 | Purchased during the year | Matured / sold during the year | As at June 30, 2021 | Balances as at June 30, 2021 | | | Market value as a percentage of | | Investment as percentage of issue size |
|--|--|------------------------|--------------------|--------------------------|---------------------------|--------------------------------|---------------------|------------------------------|----------------------|-------------------|---------------------------------|-------------------|--|
| | | | | | | | | Carrying value | Market value | Unrealised gain | Net Assets | Total Investments | |
| | | | | (Number of certificates) | | | (Rupees) | | | (%) | | | |
| OIL AND GAS MARKETING COMPANIES | | | | | | | | | | | | | |
| Hascol Petroleum Limited (D, VIS) (Face value Rs. 1,000) | Quarterly | 3 Months KIBOR + 1.50% | January 6, 2022 | 21,114 | - | 21,114 | - | - | - | - | - | - | - |
| COMMERCIAL BANKS | | | | | | | | | | | | | |
| Meezan Bank Limited (AA+, VIS) (Face value Rs. 1,000,000) | Semi-annually / bullet payment at maturity | 6 Months KIBOR + 0.5% | September 22, 2026 | 231 | 25 | - | 256 | 262,512,500 | 265,119,141 | 2,606,641 | 4.37% | 7.97% | 3.79% |
| Meezan Bank Limited (AA+, VIS) (Face value Rs. 1,000,000) | Semi-annually / bullet payment at maturity | 6 Months KIBOR + 0.90% | January 09, 2030 | 200 | 25 | 24 | 201 | 204,141,560 | 208,537,500 | 4,395,940 | 3.44% | 6.27% | 5.21% |
| Dubai Islamic Bank Pakistan Limited (AA-, VIS) (Face value Rs. 1,000,000) | Semi-annually / bullet payment at maturity | 6 Months KIBOR + 0.50% | July 14, 2027 | 311 | 916 | 911 | 316 | 324,297,818 | 324,837,572 | 539,754 | 5.36% | 9.76% | 8.12% |
| INVESTMENT BANKS / INVESTMENT COMPANIES / SECURITIES | | | | | | | | | | | | | |
| Dawood Hercules Corporation Limited (AA, PACRA) (Face value Rs. 60,000) | Quarterly | 3 Months KIBOR + 1.00% | November 16, 2022 | 5,073 | 140 | 5,213 | - | - | - | - | - | - | - |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | | | | |
| The Hub Power Company Limited (AA+, PACRA) (Face value Rs. 100,000) | Quarterly | 3 Months KIBOR + 1.9% | August 22, 2023 | 4,415 | 260 | 200 | 4,475 | 457,109,214 | 456,425,196 | (684,018) | 7.52% | 13.72% | 6.52% |
| Hub Power Holdings Limited (A1+, PACRA) (Face value Rs. 100,000) | Semi-annually | 6 Month KIBOR + 2.5% | November 12, 2025 | - | 235 | - | 235 | 19,377,752 | 19,377,752 | - | 0.32% | 0.58% | 0.43% |
| Engro Powergen Thar (Private) Limited (AA-, PACRA) (Face value Rs. 5,000) | Quarterly | 3 Months KIBOR + 1.10% | August 02, 2024 | 9,800 | 12,000 | 12,200 | 9,600 | 48,144,000 | 48,000,000 | (144,000) | 0.79% | 1.44% | 1.60% |
| Pakistan Energy Sukuk II (AAA, PACRA) (Face value Rs. 5,000)* | Semi-annually | 6 Months KIBOR - 0.1% | June 17, 2022 | 142,000 | - | 15,000 | 127,000 | 635,000,000 | 640,080,000 | 5,080,000 | 10.55% | 19.24% | 0.32% |
| ENGINEERING | | | | | | | | | | | | | |
| Mughal Iron & Steel Industries Limited (A+, PACRA) (Face value Rs. 1,000,000) | Quarterly | 3 Months KIBOR + 1.3% | March 30, 2025 | - | 250 | 25 | 225 | 225,000,000 | 225,787,500 | 787,500 | 3.72% | 6.79% | 7.53% |
| MISCELLANEOUS | | | | | | | | | | | | | |
| International Brands Limited (A-2, VIS) (Face value Rs. 41,022) | Quarterly / Monthly | 3 Months KIBOR + 0.50% | May 5, 2022 | 4,930 | 220 | 950 | 4,200 | 170,725,922 | 171,938,460 | 1,212,538 | 2.83% | 5.17% | 6.08% |
| Total as at June 30, 2021 | | | | | | | | <u>2,346,308,766</u> | <u>2,360,103,121</u> | <u>13,794,355</u> | <u>38.90%</u> | <u>70.94%</u> | |
| Total as at June 30, 2020 | | | | | | | | <u>2,931,751,632</u> | <u>2,953,911,416</u> | <u>22,159,784</u> | <u>30.38%</u> | <u>54.94%</u> | |

* These investments have been carried at cost as they were not valued by MUFAP as at June 30, 2021.

5.2 Term deposit receipts

| Name of the Bank | Maturity date | Profit rate | Face value | | | | Market value as a percentage of | |
|----------------------------------|-----------------|-------------|----------------------|---------------------------|-------------------------|---------------------|---------------------------------|-------------------|
| | | | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Net Assets | Total Investments |
| | | | ----- (Rupees) ----- | | | | ----- (%) ----- | |
| United Bank Limited | August 24, 2020 | 6.25% | - | 900,000,000 | 900,000,000 | - | - | - |
| Total as at June 30, 2021 | | | - | 900,000,000 | 900,000,000 | - | - | - |
| Total as at June 30, 2020 | | | 360,000,000 | 900,000,000 | 1,260,000,000 | - | - | - |

5.3 Commercial papers

(face value of Rs. 1,000,000/- each).

| Name of the investee company | Profit rate | As at July 1, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Balance as at June 30, 2021 | | Market value as a percentage of | |
|----------------------------------|-----------------------|--------------------------------------|---------------------------|-------------------------|---------------------|-----------------------------|--------------|---------------------------------|-------------------|
| | | | | | | Carrying Value | Market Value | Net Assets | Total Investments |
| | | ----- (Number of Certificates) ----- | | | | ----- (Rupees) ----- | | ----- (%) ----- | |
| K-Electric Limited (ICP-7) | 6 month Kibor + 0.90% | 150 | 1,350 | 1,500 | - | - | - | - | - |
| K-Electric Limited (ICP-5) | 6 month Kibor + 0.90% | 173 | - | 173 | - | - | - | - | - |
| K-Electric Limited (ICP-13) | 6 month Kibor + 0.10% | - | 7,340 | 7,340 | - | - | - | - | - |
| K-Electric Limited (ICP-14) | 6 month Kibor + 0.10% | - | 295 | - | 295 | 291,843,548 | 291,843,548 | 4.81% | 8.77% |
| K-Electric Limited (ICP-17) | 6 month Kibor + 0.10% | - | 25 | - | 25 | 24,457,715 | 24,457,715 | 0.40% | 0.74% |
| K-Electric Limited (ICP-18) | 6 month Kibor + 0.10% | - | 240 | - | 240 | 234,132,997 | 234,132,997 | 3.86% | 7.04% |
| Total as at June 30, 2021 | | | | | | 550,434,259 | 550,434,259 | 9.07% | 16.55% |
| Total as at June 30, 2020 | | | | | | 316,430,849 | 316,430,849 | 3.25% | 5.88% |

5.4 GoP Ijara Sukuku

(face value of Rs. 100,000/- each).

| Name of the investee company | Yield per annum | Issue date | Maturity date | As at July 01, 2020 | Purchased during the year | Matured / sold during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain | Market value as a percentage of | |
|----------------------------------|-----------------|------------|---------------|--------------------------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|-----------------|---------------------------------|-------------------|
| | | | | | | | | | | | Net Assets | Total Investments |
| | | | | ----- (Number of certificates) ----- | | | | ----- (Rupees) ----- | | | ----- (%) ----- | |
| GoP Ijara Sukuk (5 years) | 7.65% | 29-May-20 | 29-May-25 | 11,975 | 44,815 | 56,750 | 40 | 4,008,800 | 4,025,200 | 16,400 | 0.07% | 0.12% |
| GoP Ijara Sukuk (5 years) | 6.27% | 29-Jul-20 | 29-Jul-25 | - | 14,598 | 14,568 | 30 | 2,986,200 | 3,015,000 | 28,800 | 0.05% | 0.09% |
| Total as at June 30, 2021 | | | | | | | | 6,995,000 | 7,040,200 | 45,200 | 0.12% | 0.21% |
| Total as at June 30, 2020 | | | | | | | | 1,197,500,000 | 1,200,733,250 | 3,233,250 | 12.35% | 22.33% |

5.5 Short term sukuk certificates

| Name of the investee company | Profit rate | Date of Maturity | As at July 01, 2020 | Purchased during the year | Matured during the year | As at June 30, 2021 | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|---|-----------------------|-------------------|--------------------------------------|---------------------------|-------------------------|---------------------|-----------------------------|--------------|--------------------------|---------------------------------|-------------------|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments |
| | | | ----- (Number of certificates) ----- | | | | ----- (Rupees) ----- | | | ----- (%) ----- | |
| The Hub Power Company Limited (AA+, PACRA) (Face value Rs. 100,000) | 6 Months Kibor + 1.5% | November 19, 2020 | - | 46,350 | 46,350 | - | - | - | - | - | - |
| The Hub Power Company Limited (A1+, PACRA) (Face value Rs. 100,000) | 6 Months Kibor + 1.3% | May 17, 2021 | - | 170 | 170 | - | - | - | - | - | - |
| Total as at June 30, 2021 | | | - | 46,520 | 46,520 | - | - | - | - | - | - |
| Total as at June 30, 2020 | | | - | - | - | - | - | - | - | - | - |

5.6 Bai Muajjal receivable

| Name of the counterparty | Maturity date | Profit rate | Total Transaction Price | Deferred Income | Accrued Profit | Carrying value | Market value as a percentage of | |
|---------------------------------------|--------------------|-------------|-------------------------|-------------------|-------------------|--------------------|---------------------------------|-------------------|
| | | | | | | | Net Assets | Total Investments |
| | | % | (Rupees) | | | | ----- (%) ----- | |
| Pak Oman Investment Company Limited | September 24, 2020 | 7.65% | 921,231,534 | 15,645,230 | 15,645,230 | - | - | - |
| Pak China Investment Company Limited | October 27, 2020 | 6.65% | 935,275,014 | 14,092,577 | 14,092,577 | - | - | - |
| Pak China Investment Company Limited | November 24, 2020 | 6.65% | 623,280,523 | 10,274,981 | 10,274,981 | - | - | - |
| Pak China Investment Company Limited | November 25, 2020 | 6.65% | 415,524,210 | 6,850,651 | 6,850,651 | - | - | - |
| Pak China Investment Company Limited | December 24, 2020 | 6.85% | 574,686,796 | 9,545,469 | 9,545,469 | - | - | - |
| Pak China Investment Company Limited | December 28, 2020 | 6.85% | 496,623,985 | 8,340,511 | 8,340,511 | - | - | - |
| Pak Oman Investment Company Limited | April 8, 2021 | 6.90% | 359,505,917 | 6,014,202 | 6,014,202 | - | - | - |
| Pak Brunei Investment Company Limited | June 28, 2021 | 7.11% | 60,805,344 | 933,024 | 933,024 | - | - | - |
| Pak Brunei Investment Company Limited | June 28, 2021 | 7.11% | 60,805,617 | 898,557 | 898,557 | - | - | - |
| Pak Brunei Investment Company Limited | June 28, 2021 | 7.11% | 20,268,586 | 295,686 | 295,686 | - | - | - |
| Pak Libya Holding Company Limited | September 30, 2021 | 7.30% | 206,296,843 | 3,727,280 | 40,514 | 202,610,077 | 3.34% | 6.09% |
| Pak Libya Holding Company Limited | September 30, 2021 | 7.30% | 210,805,537 | 3,808,741 | 41,399 | 207,038,195 | 3.41% | 6.22% |
| Total as at June 30, 2021 | | | 4,885,109,906 | 80,426,909 | 72,972,801 | 409,648,272 | 6.75% | 12.31% |
| Total as at June 30, 2020 | | | 921,231,534 | 17,130,850 | 1,485,620 | 905,586,304 | 9.31% | 16.84% |

5.6.1 These Bai Muajjal transactions are carried out against GoP Ijara Sukuks which were issued on May 29, 2020 and July 29, 2020.

| 5.7 Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | Note | 2021 | 2020 |
|---|------|----------------------|--------------------|
| | | ----- (Rupees) ----- | |
| Market value of investments | | 3,327,225,852 | 5,376,661,819 |
| Less: Carrying value of investments | | (3,313,386,297) | (5,351,268,785) |
| | | <u>13,839,555</u> | <u>25,393,034</u> |
| 6 PROFIT RECEIVABLE | | | |
| Profit receivable on: | | | |
| - Bank balances | | 14,137,522 | 37,669,503 |
| - Sukuk certificates | | 134,611,015 | 132,923,305 |
| - GoP Ijara Sukuks | | 8,839,031 | 18,419,366 |
| - Term deposit receipts | | 81,916 | - |
| | | <u>157,669,484</u> | <u>189,012,174</u> |
| 7 DEPOSIT, PREPAYMENT AND OTHER RECEIVABLE | | | |
| Advances and deposits: | | | |
| - Security deposit with Central Depository Company of Pakistan Limited - Trustee | | 100,000 | 100,000 |
| Prepayment: | | | |
| - Annual listing fee | | 5,941 | 508 |
| Advance tax | 7.1 | 4,202,767 | 1,615,075 |
| | | <u>4,308,708</u> | <u>1,715,583</u> |

7.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2021, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on bank deposits amounts to Rs. 4.203 million (2020: Rs. 1.615 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule

to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on debt instruments has been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| 8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | Note | 2021 | 2020 |
|--|-------------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Management remuneration payable | 8.1 | 3,895,888 | 13,824,674 |
| Sindh sales tax payable on management remuneration | 8.2 | 623,235 | 1,913,973 |
| Federal excise duty on management remuneration | 8.3 | 779,745 | 779,745 |
| Payable against allocated expenses | 8.4 | 2,953,039 | 3,479,773 |
| Selling and marketing expenses | 8.5 | 4,429,553 | 4,939,638 |
| Sales load payable to management company | | 34,013 | 28,524 |
| | | <u>12,715,473</u> | <u>24,966,327</u> |

8.1 During the year, the Management Company has charged remuneration at the rate of 10% (2020: 10%) of the gross earnings of the Fund calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the offering document, provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Fund. Remuneration was charged on similar basis during the year ended June 30, 2020.

8.2 During the year, an amount of Rs. 7.425 million (2020: Rs. 8.833 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 8.716 million (2020: Rs. 7.57 million) has been paid to the Management Company which acts as a collecting agent.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.780 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.01 (2020: Re 0.01) per unit.

8.4 In accordance with regulation 60 of the NBFC Regulation, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the year, the Management Company has charged such expenses to the Fund at the rate of 0.1% (2020: 0.1%) of the average net assets of the Fund.

8.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

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

| 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 | 2020 |
|--|-------------|----------------------|------------------|
| | | ----- (Rupees) ----- | |
| Trustee remuneration payable | 9.1 | 424,358 | 1,158,713 |
| Sindh sales tax payable on trustee remuneration | 9.2 | 53,186 | 148,657 |
| | | <u>477,544</u> | <u>1,307,370</u> |

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily net asset value of the Fund. The remuneration is payable to the trustee at the rate of 0.075% (2020: 0.075%) per annum of the daily net assets of the Fund.

9.2 During the year, an amount of Rs. 0.744 million (2020: Rs. 0.557 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.839 million (2020: Rs. 0.468 million) was paid to the Trustee which acts as a collecting agent.

| 10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2021 | 2020 |
|--|-------------|----------------------|------------------|
| | | ----- (Rupees) ----- | |
| Annual fee payable | 10.1 | <u>1,525,741</u> | <u>1,146,735</u> |

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

The SECP vide SRO no. 685 (1) / 2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% of net assets during the year.

| 11 ACCRUED AND OTHER LIABILITIES | Note | 2021 | 2020 |
|--|-------------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Provision for Sindh Workers Welfare Fund | 11.1 | 35,392,546 | 25,713,011 |
| Withholding tax and capital gain tax payable | | 17,822,859 | 14,937,357 |
| Sales load payable | | 3,097,847 | 10,567,059 |
| Brokerage charges | | 1,196,481 | 793,815 |
| Auditors' remuneration | | 577,846 | 418,317 |
| Annual rating fee | | 347,316 | 347,291 |
| Shariah advisory fee | | 600,184 | 500,110 |
| Printing charges | | 174,289 | 144,355 |
| Settlement charges | | 249,842 | - |
| | | <u>59,459,210</u> | <u>53,421,315</u> |

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Re 0.60 (2020: Re 0.27) per unit.

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

| 13 PROFIT EARNED | 2021 | 2020 |
|-------------------------|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| Profit on: | | |
| - GoP ijara sukuks | 70,647,682 | 12,522,906 |
| - Sukuk certificates | 217,663,631 | 301,557,644 |
| - Commercial papers | 31,644,290 | 18,725,851 |
| - Bank balances | 155,996,305 | 342,055,413 |
| - Term deposit receipts | 14,195,358 | 12,777,756 |
| - Bai Muajjal | 63,737,961 | 3,926,302 |
| | <u>553,885,227</u> | <u>691,565,872</u> |

| | 2021 | 2020 |
|----------------------------------|----------------------|----------------|
| | ----- (Rupees) ----- | |
| 14 AUDITORS' REMUNERATION | | |
| Audit fee | 161,255 | 161,255 |
| Review and other certifications | 84,658 | 84,658 |
| Out of pocket expenses | 32,615 | 30,186 |
| Sindh sales tax | 19,673 | 22,132 |
| | <u>298,201</u> | <u>298,231</u> |

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 1.35% which includes 0.25% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

16 TAXATION

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

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

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

| | Note | 2021 | 2020 |
|-------------------------------------|------|----------------------|----------------------|
| | | ----- (Rupees) ----- | |
| 17 CASH AND CASH EQUIVALENTS | | | |
| Bank balances | 4 | <u>2,650,484,213</u> | <u>4,251,196,475</u> |

18 NON SHARIAH COMPLIANT INCOME

According to the instructions of the Shariah Advisor, if any income is earned by the Fund from the investments whereby a portion of income of such investees has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2021, no such income is earned.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

19.1 Unit Holders' Fund

| Note | 2021 | | | | | | | | | | |
|--|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|-------------|
| | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2021 | |
| | (Units) | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Alfalsh GHP Investment Management Limited | 19.1.1 | 64,906 | - | 1,728 | 66,634 | - | 6,622,346 | - | 176,280 | 6,821,822 | - |
| Bank Alfalah Limited | 19.1.1 | - | 4,898,618 | - | 4,898,618 | - | - | 500,000,000 | - | 501,075,247 | - |
| Alfalsh GHP Islamic Prosperity Planning Fund | 19.1.1 | 4,940,262 | 1,194,147 | 291,575 | 2,921,615 | 3,504,369 | 504,053,944 | 122,000,000 | 29,749,254 | 298,900,000 | 357,989,867 |
| Key Management Personnel | | | | | | | | | | | |
| Chief Executive Officer | 19.1.1 | 7,013 | - | 316 | 7,329 | - | 715,535 | - | 32,152 | - | - |
| Fund Manager | 19.1.1 | 11,191 | 4,895 | 327 | 13,691 | 2,722 | 1,141,815 | 502,410 | 33,319 | 1,400,000 | 278,067 |
| Unit holder holding 10% or more | | | | | | | | | | | |
| Artistic Milliners (Private) Limited | 19.11 | 34,346,826 | 5,108 | 16 | 29,385,346 | 4,966,604 | 3,504,399,787 | 522,722 | 1,590 | 3,000,000,000 | 507,364,922 |

| Note | 2020 | | | | | | | | | | |
|--|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|-------------|
| | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2020 | |
| | (Units) | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Alfalsh GHP Investment Management Limited | | 59,193 | - | 5,713 | - | 64,906 | 6,031,867 | - | 582,302 | - | 6,622,346 |
| Alfalsh GHP Islamic Prosperity Planning Fund | | 18,244,652 | 22,345,489 | 684,106 | 36,333,985 | 4,940,262 | 1,859,161,055 | 2,320,456,879 | 69,711,545 | 3,766,463,845 | 504,053,944 |
| Key Management Personnel | | | | | | | | | | | |
| Chief Investment Officer | | 6,424 | - | 589 | - | 7,013 | 654,617 | - | 60,022 | - | 715,535 |
| Fund Manager | | - | 22,698 | 570 | 12,077 | 11,191 | - | 2,349,357 | 58,126 | 1,252,940 | 1,141,815 |
| Unit holder holding 10% or more units | | | | | | | | | | | |

19.1.1 This reflects the position of related party / connected person status as at June 30, 2021.

19.2 Other transactions

| | 2021 | 2020 |
|---|-------------|------------|
| | (Rupees) | |
| Associated companies / undertakings | | |
| Alfalsh GHP Investment Management Limited - Management Company | | |
| Remuneration of the Management Company | 57,117,121 | 67,947,595 |
| Sindh sales tax on remuneration of the Management Company | 7,425,226 | 8,833,492 |
| Allocated expenses | 7,628,641 | 5,715,228 |
| Selling and marketing expenses | 11,442,955 | 5,464,163 |
| Sales load | 214,667 | 1,122,223 |
| Bank Alfalah Limited | | |
| Profit on bank balances | 1,789,440 | 1,668,623 |
| Bank charges | - | 25 |
| Sales load | 10,165,546 | 9,473,360 |
| Alfalsh GHP Islamic Rozana Amdani | | |
| Sukuk certificates - sold | 559,000,000 | - |

| | 2021 | 2020 |
|---|----------------------|-------------|
| | ----- (Rupees) ----- | |
| Alfalah GHP Value Fund | | |
| Sukuk certificates - purchased | - | 140,563,500 |
| Sukuk certificates - sold | - | 20,000,000 |
| Alfalah GHP Income Multiplier Fund | | |
| Sukuk certificates - purchased | - | 18,696,000 |
| Sukuk certificates - sold | 23,990,374 | - |
| Alfalah GHP Money Market Fund | | |
| Sukuk certificates - sold | - | 395,000,000 |
| Alfalah GHP Islamic Value Fund | | |
| Sukuk certificates - purchased | - | 2,467,500 |
| Sukuk certificates - sold | - | 5,922,000 |
| Alfalah GHP Income Fund | | |
| Sukuk certificates - purchased | 30,876,500 | 39,880,000 |
| Alfalah GHP Sovereign Fund | | |
| GOP Ijara sukuk certificates - purchased | 89,075,000 | 119,640,000 |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of the Trustee | 5,721,622 | 4,286,589 |
| Sindh sales tax on remuneration of the Trustee | 743,811 | 557,254 |
| 19.3 Other balances | | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Management remuneration payable | 3,895,888 | 13,824,674 |
| Sindh sales tax payable on management remuneration | 623,235 | 1,913,973 |
| Federal excise duty on management remuneration | 779,745 | 779,745 |
| Payable against allocated expenses | 2,953,039 | 3,479,773 |
| Selling and marketing expenses | 4,429,553 | 4,939,638 |
| Sales load payable to management company | 34,013 | 28,524 |
| Bank Alfalah Limited | | |
| Bank balance | 3,212,407 | 34,325,518 |
| Profit receivable | 783,709 | 703,927 |
| Sale load payable | 3,097,847 | 10,567,059 |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee remuneration payable | 424,358 | 1,158,713 |
| Sindh sales tax payable on trustee remuneration | 53,186 | 148,657 |
| Security deposit | 100,000 | 100,000 |

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021, all the financial assets carried on the statement of assets and liabilities are categorised either as financial asset measured 'at amortised cost' or financial assets 'at fair value through profit or loss'. All the financial liabilities carried on the statement of assets and liabilities are categorized as financial liabilities measured at amortised cost.

| Particulars | 2021 | | |
|---|----------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial Assets | | | |
| Bank balances | 2,650,484,213 | - | 2,650,484,213 |
| Investments | - | 3,327,225,852 | 3,327,225,852 |
| Profit receivable | 157,669,484 | - | 157,669,484 |
| Deposit | 100,000 | - | 100,000 |
| | <u>2,808,253,697</u> | <u>3,327,225,852</u> | <u>6,135,479,549</u> |
| Financial Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 12,715,473 | - | 12,715,473 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 477,544 | - | 477,544 |
| Accrued and other liabilities | 6,243,805 | - | 6,243,805 |
| Dividend payable | - | - | - |
| | <u>19,436,822</u> | <u>-</u> | <u>19,436,822</u> |
| | | | |
| Particulars | 2020 | | |
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial Assets | | | |
| Bank balances | 4,251,196,475 | - | 4,251,196,475 |
| Investments | - | 5,376,661,819 | 5,376,661,819 |
| Profit receivable | 189,012,174 | - | 189,012,174 |
| Deposit | 100,000 | - | 100,000 |
| | <u>4,440,308,649</u> | <u>5,376,661,819</u> | <u>9,816,970,468</u> |
| Financial Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 24,966,327 | - | 24,966,327 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 1,307,370 | - | 1,307,370 |
| Accrued and other liabilities | 12,770,947 | - | 12,770,947 |
| Dividend payable | 13,114,768 | - | 13,114,768 |
| | <u>52,159,412</u> | <u>-</u> | <u>52,159,412</u> |

21 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

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

21.1 Market risk

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

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

Market risk comprises of three types of risk: currency risk, yield / profit rate risk and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence, is not exposed to such risk.

21.1.2 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2021, is as follows:

| | Note | 2021 | 2020 |
|---|------|----------------------|----------------------|
| ----- (Rupees) ----- | | | |
| Variable rate instruments (financial assets) | | | |
| Bank balances | | 2,650,484,213 | 4,251,196,475 |
| Sukuk certificates | | 2,360,103,121 | 2,953,911,416 |
| Commercial papers | | 550,434,259 | 316,430,849 |
| | | <u>5,561,021,593</u> | <u>7,521,538,740</u> |
| Fixed rate instruments (financial assets) | | | |
| Bai Muajjal receivable | | 409,648,272 | 905,586,304 |
| GoP Ijara Sukuks | | 7,040,200 | 1,200,733,250 |
| | | <u>416,688,472</u> | <u>2,106,319,554</u> |

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 55.61 million (2020: Rs. 75.22 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 4.17 million (2020: Rs. 21.06 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

| Particulars | Effective yield / profit rate | 2021 | | | | Not exposed to yield / profit rate risk | Total |
|---|-------------------------------|--------------------------------|--|----------------------|--------------------|---|-------|
| | | Exposed to yield / profit risk | | | | | |
| | | Upto three months | More than three months and upto one year | More than one year | | | |
| (Rupees) | | | | | | | |
| On-balance sheet financial instruments | | | | | | | |
| Financial assets | | | | | | | |
| Bank balances | 5.50% - 7.09% | 2,650,484,213 | - | - | - | 2,650,484,213 | |
| Investments | 6.27% - 9.36% | 902,151,156 | 2,008,386,223 | - | 416,688,472 | 3,327,225,852 | |
| Profit receivable | | - | - | - | 157,669,484 | 157,669,484 | |
| Deposit | | - | - | - | 100,000 | 100,000 | |
| Sub total | | <u>3,552,635,369</u> | <u>2,008,386,223</u> | <u>-</u> | <u>574,457,956</u> | <u>6,135,479,549</u> | |
| Financial liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 12,715,473 | 12,715,473 | |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 477,544 | 477,544 | |
| Accrued and other liabilities | | - | - | - | 6,243,805 | 6,243,805 | |
| Dividend payable | | - | - | - | - | - | |
| Sub total | | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,436,822</u> | <u>19,436,822</u> | |
| On-balance sheet gap | | <u>3,552,635,369</u> | <u>2,008,386,223</u> | <u>-</u> | <u>555,021,134</u> | <u>6,116,042,727</u> | |
| Total profit rate sensitivity gap | | <u>3,552,635,369</u> | <u>2,008,386,223</u> | <u>-</u> | <u>555,021,134</u> | <u>6,116,042,727</u> | |
| Cumulative profit rate sensitivity gap | | <u>3,552,635,369</u> | <u>5,561,021,592</u> | <u>5,561,021,592</u> | | | |

| Effective yield / profit rate | 2020 | | | | Total |
|-------------------------------|--------------------------------|--|--------------------|---|-------|
| | Exposed to yield / profit risk | | | Not exposed to yield / profit rate risk | |
| | Upto three months | More than three months and upto one year | More than one year | | |

(Rupees)

On-balance sheet financial instruments

Financial assets

| | | | | | | |
|-------------------|----------------|----------------------|--------------------|----------|--------------------|----------------------|
| Bank balances | 6.50% - 10.25% | 4,251,196,475 | - | - | - | 4,251,196,475 |
| Investments | 7.65% - 13.35% | 5,027,798,506 | 348,863,313 | - | - | 5,376,661,819 |
| Profit receivable | | - | - | - | 189,012,174 | 189,012,174 |
| Deposit | | - | - | - | 100,000 | 100,000 |
| Sub total | | 9,278,994,981 | 348,863,313 | - | 189,112,174 | 9,816,970,468 |

Financial liabilities

| | | | | | | |
|---|--|----------|----------|----------|-------------------|-------------------|
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 24,966,327 | 24,966,327 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 1,307,370 | 1,307,370 |
| Accrued and other liabilities | | - | - | - | 12,770,947 | 12,770,947 |
| Dividend payable | | - | - | - | 13,114,768 | 13,114,768 |
| Sub total | | - | - | - | 52,159,412 | 52,159,412 |

On-balance sheet gap

9,278,994,981 348,863,313 - 136,952,762 9,764,811,056

Total profit rate sensitivity gap

9,278,994,981 348,863,313 - 136,952,762 9,764,811,056

Cumulative profit rate sensitivity gap

9,278,994,981 9,627,858,294 9,627,858,294

21.1.3 Price risk

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

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

21.2 Credit risk

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

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

21.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|-------------------|--|----------------------|--|----------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure | Balance as per statement of assets and liabilities | Maximum exposure |
| Bank balances | 2,650,484,213 | 2,650,484,213 | 4,251,196,475 | 4,251,196,475 |
| Investments | 3,327,225,852 | 2,680,105,652 | 5,376,661,819 | 4,175,928,569 |
| Profit receivable | 157,669,484 | 148,830,453 | 189,012,174 | 170,592,808 |
| Deposit | 100,000 | 100,000 | 100,000 | 100,000 |
| | 6,135,479,549 | 5,479,520,318 | 9,816,970,468 | 8,597,817,852 |

(Rupees)

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities including profit receivable of Rs. 655.96 million (2020: Rs 1,219 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2021 and June 30, 2020.

21.2.2 Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Bank name | Rating agency | Rating (Short Term / Long Term) | 2021 | 2020 |
|---|---------------|---------------------------------------|--------------------------------------|----------------|
| | | | Percentage of total bank balances | |
| Soneri Bank Limited | PACRA | A1+ / AA- | 12.57% | 17.64% |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 0.12% | 0.81% |
| Silk Bank Limited | VIS | A-2 / A- | 0.17% | 0.10% |
| MCB Bank Limited | PACRA | A1+ / AAA | 0.01% | 0.46% |
| Habib Bank Limited | VIS | A-1+ / AAA | 0.00% | 0.00% |
| Dubai Islamic Bank Limited | VIS | A-1+ / AA | 3.20% | 44.19% |
| Bank Islami Pakistan Limited | PACRA | A1 / A+ | 83.86% | 13.78% |
| National Bank of Pakistan | PACRA | A1+ / AAA | 0.03% | 0.06% |
| Allied Bank Limited | PACRA | A1+ / AAA | 0.00% | 22.96% |
| Meezan Bank Limited | VIS | A-1+ / AAA | 0.02% | - |
| Habib Metropolitan Bank | PACRA | A1+ / AA+ | 0.02% | - |
| Central Depository Company of Pakistan Limited | N/A | N/A | 0.00% | 0.00% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

21.2.3 Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2021.

Investments

The Fund held investments in sukuk certificates, commercial papers, term deposit receipts and bai muajjal receivable with entities having following credit ratings:

| Entity name | Rating agency | Rating (Short Term / Long Term) | 2021 | 2020 |
|--|---------------|---------------------------------------|---------------------------|---------------|
| | | | Percentage of investments | |
| Meezan Bank Limited | VIS | A-1+ / AAA | 14.24% | 8.18% |
| Engro Powergen Thar (Private) Limited | PACRA | A1 / AA- | 1.44% | 0.90% |
| International Brands Limited | VIS | A-2 / A | 5.17% | 6.49% |
| Dawood Hercules Corporation Limited | PACRA | A1+ / AA | - | 6.67% |
| Dubai Islamic Bank Pakistan Limited | VIS | A-1+ / AA | 9.76% | 5.94% |
| Hub Power Company Limited | PACRA | A1+ / AA+ | 14.30% | 12.89% |
| Mughal Iron & Steel Industries Limited | VIS | A-2 / A | 6.79% | 0.00% |
| K-Electric Limited | PACRA | A1+ / AA | 16.54% | 5.89% |
| Pak Libya Holding Company Limited | PACRA | A1+ / AA- | 12.31% | 0.00% |
| Pak Oman Investment Company Limited | VIS | A-1+ / AA+ | - | 16.84% |
| Hascol Petroleum Limited | VIS | C / CC | - | 0.68% |
| | | | <u>80.55%</u> | <u>64.48%</u> |

This excludes investments made by the Fund in Government securities namely Pakistan Energy Sukuk II and GoP Ijara Sukuks.

Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2021.

21.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

21.3 Liquidity risk

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

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

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

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

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

| 2021 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years or more | With no fixed maturity | Total |
|---|---------------------------|--------------------------|---------------------------|---------------------------------|-----------------------------------|----------------------|
| (Rupees) | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 2,650,484,213 | - | - | - | - | 2,650,484,213 |
| Investments | - | 960,082,531 | 812,018,460 | 1,555,124,861 | - | 3,327,225,852 |
| Profit receivable | 14,219,438 | - | 143,450,046 | - | - | 157,669,484 |
| Deposit | - | - | - | - | 100,000 | 100,000 |
| | 2,664,703,651 | 960,082,531 | 955,468,506 | 1,555,124,861 | 100,000 | 6,135,479,549 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 12,715,473 | - | - | - | - | 12,715,473 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 477,544 | - | - | - | - | 477,544 |
| Accrued and other liabilities | 6,243,805 | - | - | - | - | 6,243,805 |
| Dividend payable | - | - | - | - | - | - |
| | 19,436,822 | - | - | - | - | 19,436,822 |
| Net Financial assets | 2,645,266,829 | 960,082,531 | 955,468,506 | 1,555,124,861 | 100,000 | 6,116,042,727 |
| (Rupees) | | | | | | |
| 2020 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years or more | With no fixed maturity | Total |
| (Rupees) | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 4,251,196,475 | - | - | - | - | 4,251,196,475 |
| Investments | - | 1,222,017,153 | - | 4,154,644,666 | - | 5,376,661,819 |
| Profit receivable | 37,669,503 | - | 151,342,671 | - | - | 189,012,174 |
| Deposit | - | - | - | - | 100,000 | 100,000 |
| | 4,288,865,978 | 1,222,017,153 | 151,342,671 | 4,154,644,666 | 100,000 | 9,816,970,468 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 24,966,327 | - | - | - | - | 24,966,327 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 1,307,370 | - | - | - | - | 1,307,370 |
| Accrued and other liabilities | 12,770,947 | - | - | - | - | 12,770,947 |
| Dividend payable | 13,114,768 | - | - | - | - | 13,114,768 |
| | 52,159,412 | - | - | - | - | 52,159,412 |
| Net Financial assets | 4,236,706,566 | 1,222,017,153 | 151,342,671 | 4,154,644,666 | 100,000 | 9,764,811,056 |

21.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

| | 2021 | | | |
|---|-------------|----------------------|---------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | (Rupees) | | | |
| At fair value through profit or loss | | | | |
| Sukuk certificates | - | 2,360,103,121 | - | 2,360,103,121 |
| Commercial papers** | - | 550,434,259 | - | 550,434,259 |
| GoP (Government of Pakistan) Ijara Sukuks | - | 7,040,200 | - | 7,040,200 |
| Bai Muajjal receivable** | - | 409,648,272 | - | 409,648,272 |
| | - | <u>3,327,225,852</u> | - | <u>3,327,225,852</u> |
| | | | | |
| | 2020 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | (Rupees) | | | |
| At fair value through profit or loss | | | | |
| Sukuk certificates | - | 2,953,911,416 | - | 2,953,911,416 |
| Commercial papers** | - | 316,430,849 | - | 316,430,849 |
| GoP (Government of Pakistan) Ijara Sukuks | - | 1,200,733,250 | - | 1,200,733,250 |
| Bai Muajjal receivable** | - | 905,586,304 | - | 905,586,304 |
| | - | <u>5,376,661,819</u> | - | <u>5,376,661,819</u> |

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

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

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21.5 Unit holder's fund management

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

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

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

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

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

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

22 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23 CORRESPONDING FIGURES

Corresponding figures have been rearranged, reclassified or additionally incorporated in the financial statements, wherever necessary, to facilitate comparison and to conform with the changes in presentation. No significant rearrangements or reclassifications were made in these financial statements.

24 GENERAL

24.1 Rounding off

Figures are rounded off to the nearest rupee.

24.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

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

25 DISTRIBUTIONS MADE

| Particulars | Date of distribution | Per unit distribution | Capital value | Undistributed income |
|--|----------------------|-----------------------|--------------------|----------------------|
| 1st interim distribution for the year ended June 30, 2021 | 29-Jul-20 | 0.5686 | 14,467,715 | 42,231,806 |
| 2nd interim distribution for the year ended June 30, 2021 | 1-Sep-20 | 0.6052 | 13,377,976 | 45,140,252 |
| 3rd interim distribution for the year ended June 30, 2021 | 30-Sep-20 | 0.4775 | 10,859,492 | 35,274,292 |
| 4th interim distribution for the year ended June 30, 2021 | 28-Oct-20 | 0.4672 | 6,630,539 | 34,071,846 |
| 5th interim distribution for the year ended June 30, 2021 | 28-Nov-20 | 0.5375 | 9,196,817 | 28,449,745 |
| 6th interim distribution for the year ended June 30, 2021 | 29-Dec-20 | 0.5044 | 8,633,353 | 23,084,118 |
| 7th interim distribution for the year ended June 30, 2021 | 28-Jan-21 | 0.4842 | 2,431,821 | 25,725,916 |
| 8th interim distribution for the year ended June 30, 2021 | 25-Feb-21 | 0.5459 | 8,154,793 | 23,577,710 |
| 9th interim distribution for the year ended June 30, 2021 | 27-Mar-21 | 0.4654 | 7,116,732 | 20,044,570 |
| 10th interim distribution for the year ended June 30, 2021 | 30-Apr-21 | 0.6118 | 8,747,375 | 25,546,225 |
| 11th interim distribution for the year ended June 30, 2021 | 28-May-21 | 0.4873 | 6,533,075 | 21,643,466 |
| 12th interim distribution for the year ended June 30, 2021 | 26-Jun-21 | 0.4686 | 6,822,467 | 20,223,374 |
| For the year ended June 30, 2021 | | | 102,972,155 | 345,013,320 |

| Particulars | Date of distribution | Per unit distribution | Capital value | Undistributed income |
|---|----------------------|-----------------------|--------------------|----------------------|
| 1st interim distribution for the year ended June 30, 2020 | 26-Sep-19 | 2.8076 | 42,610,523 | 83,099,394 |
| 2nd interim distribution for the year ended June 30, 2020 | 27-Feb-20 | 5.3556 | 157,219,905 | 112,422,891 |
| 3rd interim distribution for the year ended June 30, 2020 | 4-May-20 | 2.0736 | 60,383,341 | 79,575,688 |
| 4th interim distribution for the year ended June 30, 2020 | 29-May-20 | 0.5331 | 13,720,247 | 32,934,067 |
| 5th interim distribution for the year ended June 30, 2020 | 24-Jun-20 | 0.4469 | 7,074,860 | 34,195,231 |
| For the year ended June 30, 2020 | | | <u>281,008,876</u> | <u>342,227,271</u> |

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **30 August, 2021**.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|--------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 2772 | 39,167,195 | 4,001,135,579 | 66% |
| Insurance Co. | 18 | 1,137,754 | 116,227,579 | 2% |
| Retirement & Other Funds | 35 | 3,136,680 | 320,428,519 | 5% |
| Others | 85 | 15,933,766 | 1,627,718,612 | 27% |
| | 2910 | 59,375,394 | 6,065,510,289 | 100% |

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 1029 | 32,479,837 | 3,313,909,487 | 34% |
| Associated Co./ Directors | 3 | 65,181 | 6,650,000 | 0% |
| Insurance Co. | 7 | 6,002,270 | 612,410,000 | 6% |
| Retirement & Other Funds | 13 | 2,873,905 | 293,220,000 | 3% |
| Others | 32 | 53,890,494 | 5,498,440,049 | 57% |
| | 1084 | 95,311,687 | 9,724,629,536 | 100% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|-------------------------------------|---------------------|
| | 30 June 2021 |
| | % |
| Bright Capital (Pvt.) Limited | 39.08% |
| JS Global Capital (Pvt) Limited | 16.77% |
| Next Capital Limited | 13.22% |
| C & M Capital | 11.09% |
| Paramount Capital Limited | 8.56% |
| Vector Capital (Pvt) Limited | 4.96% |
| Invest One Markets Limited | 3.07% |
| Continental Exchange (Pvt.) Limited | 1.52% |
| Magenta Capital (Pvt.) Limited | 0.88% |
| Arif Habib Limited | 0.70% |
| | 30 June 2020 |
| | % |
| NEXT CAPITAL LIMITED | 59.14% |
| BIPL SECURITIES LIMITED | 20.40% |
| INVEST ONE MARKET LIMITED | 10.34% |
| VECTOR SECURITIES LIMITED | 10.11% |

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

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

**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 - AGISIF

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|------------------------------------|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | ----- (Rupees in '000) ----- | | | | |
| Net Assets | 7,628,686 | 9,724,629 | 4,604,327 | 4,435,965 | 2,775,156 |
| NAV per unit | 102.1553 | 102.0298 | 101.9017 | 105.5066 | 101.2353 |
| Selling price per unit | 103.3097 | 103.1827 | 103.0532 | 106.6988 | 102.3793 |
| Redemption price per unit | 102.1553 | 102.0298 | 101.9017 | 105.5066 | 101.2353 |
| Highest selling price per unit | 103.8015 | 108.4693 | 107.5010 | 106.6988 | 106.9915 |
| Highest redemption price per unit | 102.6416 | 107.2573 | 106.2998 | 105.5066 | 105.7960 |
| Lowest selling price per unit | 103.1530 | 103.0741 | 102.9520 | 102.3363 | 101.9137 |
| Lowest redemption price per unit | 102.0004 | 101.9224 | 101.3135 | 101.1928 | 100.7749 |
| 1st interim distribution per unit | 0.05686 | 2.8076 | 4.5581 | Nil | 4.7495 |
| Interim distribution date | 29-Jul-20 | 26-Sep-19 | 29-Mar-19 | N/A | 22-Jun-17 |
| 2nd interim distribution per unit | 0.6052 | 5.3556 | 1.4397 | Nil | Nil |
| Interim distribution date | 1-Sep-20 | 27-Feb-20 | 29-May-19 | N/A | N/A |
| 3rd interim distribution per unit | 0.4775 | 2.0736 | Nil | Nil | Nil |
| Interim distribution date | 30-Sep-20 | 5-May-20 | N/A | N/A | N/A |
| 4th interim distribution per unit | 0.4672 | 0.5331 | Nil | Nil | Nil |
| Interim distribution date | 28-Oct-20 | 29-May-20 | N/A | N/A | N/A |
| 5th interim distribution per unit | 0.5375 | Nil | Nil | Nil | Nil |
| Interim distribution date | 28-Nov-20 | N/A | N/A | N/A | N/A |
| 6th interim distribution per unit | 0.5044 | Nil | Nil | Nil | Nil |
| Interim distribution date | 29-Dec-20 | N/A | N/A | N/A | N/A |
| 7th interim distribution per unit | 0.4842 | Nil | Nil | Nil | Nil |
| Interim distribution date | 28-Jan-21 | N/A | N/A | N/A | N/A |
| 8th interim distribution per unit | 0.5459 | Nil | Nil | Nil | Nil |
| Interim distribution date | 25-Feb-21 | N/A | N/A | N/A | N/A |
| 9th interim distribution per unit | 0.4654 | Nil | Nil | Nil | Nil |
| Interim distribution date | 27-Mar-21 | N/A | N/A | N/A | N/A |
| 10th interim distribution per unit | 0.6118 | Nil | Nil | Nil | Nil |
| Interim distribution date | 30-Apr-21 | N/A | N/A | N/A | N/A |
| 11th interim distribution per unit | 0.4873 | Nil | Nil | Nil | Nil |
| Interim distribution date | 28-May-21 | N/A | N/A | N/A | N/A |
| Final distribution per unit | 0.4686 | 0.4669 | 0.911 | 4.2713 | Nil |
| Final distribution date | 26-Jun-21 | 24-Jun-20 | 30-Jun-19 | 2-Jul-18 | N/A |
| Annualized returns | 6.40% | 11.56% | 7.60% | 4.22% | 5.35% |
| Income distribution | 5.60% | 11.03% | 6.55% | 4.22% | 4.72% |
| Weighted avg. portfolio duration | 2.06Yrs | 0.56Yrs | 1.48Yrs | 2.02Yrs | 2.33Yrs |

Return since inception is 7.36%

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



Alfalah
GHP Alpha Fund

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |

Alfalah GHP Alpha Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

The investment objective of Alfalah GHP Alpha Fund (AGAF) is seeking long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

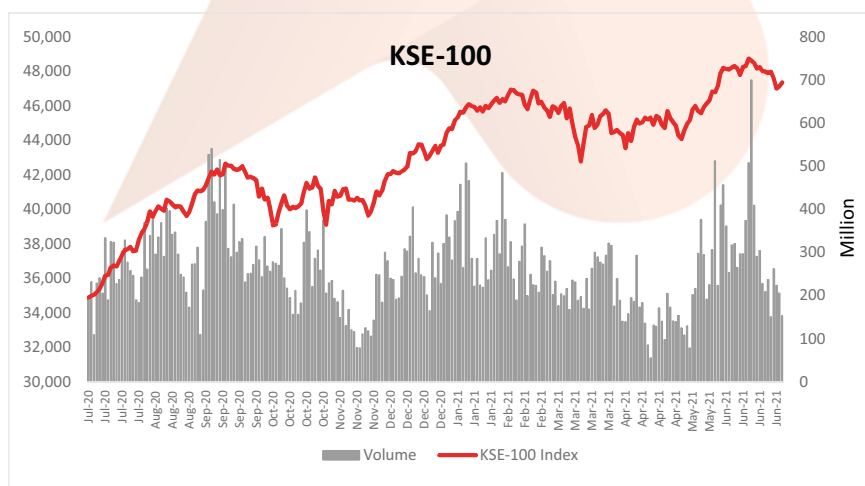
Equity Market Review

During FY21, the benchmark index posted a mammoth return of 37.6% (highest in last seven years) on account of strong rebound in economy. During the year, the index peaked at 48,726 level in mid Jun'21 but in latter part of the month profit taking was witnessed due to which the index closed at 47,356 points. Average trading volume of all-share index also improved by 165%YoY to 519.6 million shares. Market capitalization of Technology, Refineries and Engineering sectors escalated by 182%, 172% and 136% respectively compared to last year close.

Multiple positives staged the comeback of local bourse from close of last year which included; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) decline in local Covid-19 cases.

The gradual reopening of economy post 1st wave of COVID-19 reflected in large scale manufacturing which grew by 14.57%YoY during 11MFY21. The healthy signs were evident in demand side indicators as sales continue to grow for cement, automobile and petroleum product's sales. As a result, corporate earnings registered robust growth in FY21.

Going forward, ever improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.

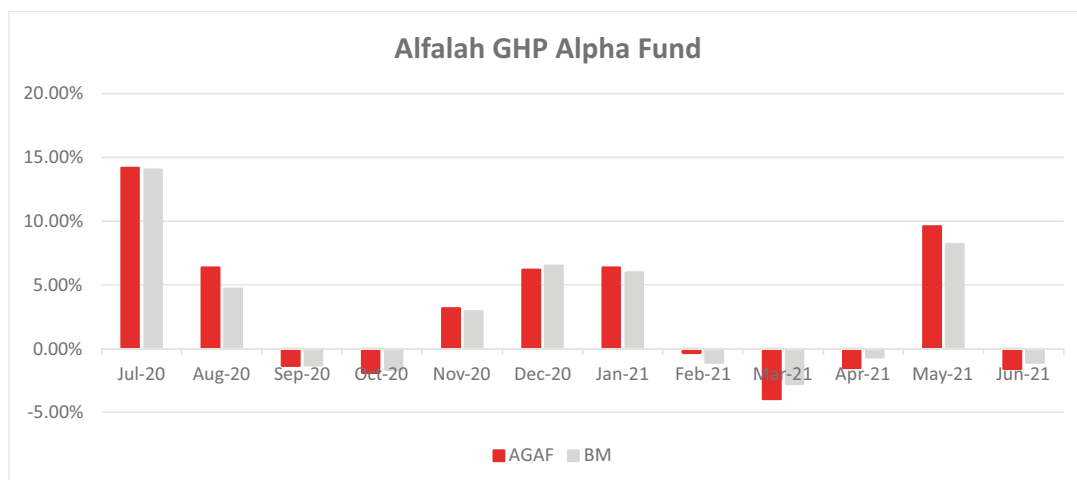


Fund Performance

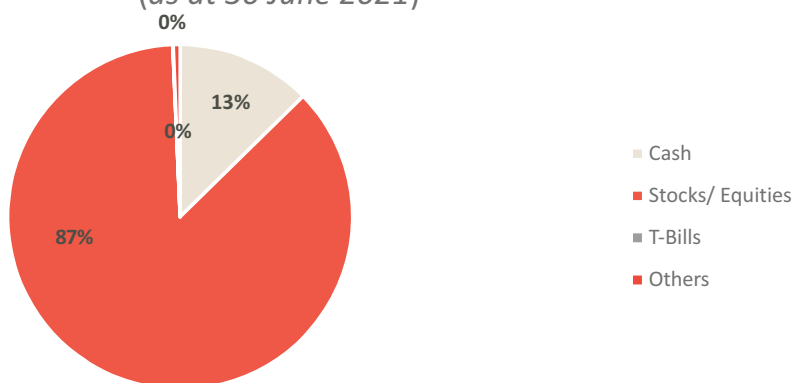
During FY21, AGAF earned a return of 39.27% versus the benchmark (KSE-100) return of 37.58% during the same period.

The fund also paid a dividend of PKR14.92/unit.

The fund maintained average equity exposure more than 90% through the period. The fund remained invested in index heavy sectors (Banking and E&P) as they presented attractive valuation.



Asset Allocation (as at 30 June 2021)



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

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

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

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ALPHA FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Alpha Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021



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

Opinion

We have audited the financial statements of Alfalah GHP Alpha Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|---|
| 1 | Net Asset Value (NAV) (Refer notes 5 to the financial statements) | |
| | Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2021 amounted to Rs. 983.73 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. |

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants
Karachi
Date: September 30, 2021

ALFALAH GHP ALPHA FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|-----------------------------|--------------------|
| | | ----- (Rupees) ----- | |
| Assets | | | |
| Bank balances | 4 | 34,498,244 | 42,909,170 |
| Investments | 5 | 983,732,867 | 864,366,899 |
| Dividend and mark-up receivable | 6 | 702,667 | 1,244,391 |
| Advances and deposits | 7 | 5,609,411 | 2,752,734 |
| Receivable against sale of investments | | 5,185,530 | - |
| Total assets | | <u>1,029,728,719</u> | <u>911,273,194</u> |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 8 | 17,358,340 | 16,110,602 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 182,812 | 151,382 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 10 | 203,280 | 192,371 |
| Payable against purchase of investments | | - | 3,381,415 |
| Accrued and other liabilities | 11 | 24,823,895 | 16,754,066 |
| Total liabilities | | <u>42,568,327</u> | <u>36,589,836</u> |
| Net assets attributable to the unit holders | | <u>987,160,392</u> | <u>874,683,358</u> |
| Unit holders' fund (as per the statement attached) | | <u>987,160,392</u> | <u>874,683,358</u> |
| Contingencies and commitments | | | |
| | 12 | | |
| | | ----- Number of units ----- | |
| Number of units in issue | | <u>16,495,326</u> | <u>16,334,940</u> |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | <u>59.8449</u> | <u>53.5468</u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|------|----------------------|---------------------|
| | | ----- (Rupees) ----- | |
| Income | | | |
| Profit income | 13 | 2,801,395 | 8,966,954 |
| Dividend income | | 49,051,555 | 51,933,092 |
| Gain / (loss) on sale of investments - net | | 225,964,987 | (21,996,191) |
| Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | 5.3 | 74,899,057 | (46,061,682) |
| Total income / (loss) | | <u>352,716,994</u> | <u>(7,157,827)</u> |
| Expenses | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 8.1 | 17,787,036 | 16,832,910 |
| Performance fee of Alfalah GHP Investment Management Limited - Management Company | 8.2 | 2,605,109 | 2,498,252 |
| Sindh sales tax on remuneration of the Management Company | 8.3 | 2,312,315 | 2,188,276 |
| Sindh sales tax on performance fee of the Management Company | 8.3 | 338,664 | 324,772 |
| Allocated expenses | 8.5 | 1,016,346 | 1,107,520 |
| Selling and marketing expenses | 8.6 | 9,768,248 | 7,490,166 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 9.1 | 1,985,879 | 1,885,618 |
| Sindh sales tax on remuneration of the Trustee | 9.2 | 258,164 | 245,136 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10 | 203,280 | 192,371 |
| Brokerage expenses | | 6,606,096 | 4,427,825 |
| Bank and settlement charges | | 773,263 | 622,222 |
| Auditors' remuneration | 14 | 755,550 | 755,535 |
| CDS charges | | 216,000 | 216,000 |
| Printing charges | | 30,000 | 30,000 |
| Fees and subscriptions | | 27,500 | 26,855 |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 6,160,671 | - |
| Total expenses | | <u>50,844,121</u> | <u>38,843,458</u> |
| Net income / (loss) for the year before taxation | | <u>301,872,873</u> | <u>(46,001,285)</u> |
| Taxation | 15 | - | - |
| Net income / (loss) for the year after taxation | | <u>301,872,873</u> | <u>(46,001,285)</u> |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 301,872,873 | - |
| Income already paid on units redeemed | | (76,503,351) | - |
| | | <u>225,369,522</u> | <u>-</u> |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | 225,369,522 | - |
| - Excluding capital gains | | - | - |
| | | <u>225,369,522</u> | <u>-</u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

| | <u>2021</u> | <u>2020</u> |
|---|----------------------|---------------------|
| | ----- (Rupees) ----- | |
| Net income / (loss) for the year after taxation | 301,872,873 | (46,001,285) |
| Other comprehensive income for the year | - | - |
| Total comprehensive income / (loss) for the year | <u>301,872,873</u> | <u>(46,001,285)</u> |

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | | |
|---|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|--|
| | Capital value | Accumulated loss | Total | Capital value | Accumulated loss | Total | |
| | Rupees | | | Rupees | | | |
| Net assets at the beginning of the year | 1,154,695,141 | (280,011,783) | 874,683,358 | 1,262,652,657 | (234,010,498) | 1,028,642,159 | |
| Issuance of 22,224,937 units (2020: 11,434,236 units) | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 1,190,074,257 | - | 1,190,074,257 | 633,685,339 | - | 633,685,339 | |
| - Element of income | 97,376,285 | - | 97,376,285 | 31,623,081 | - | 31,623,081 | |
| Total proceeds on issuance of units | 1,287,450,542 | - | 1,287,450,542 | 665,308,420 | - | 665,308,420 | |
| Redemption of 22,064,551 units (2020: 13,660,159 units) | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 1,181,486,099 | - | 1,181,486,099 | 757,045,987 | - | 757,045,987 | |
| - Element of loss | 20,920,540 | 76,503,351 | 97,423,891 | 16,219,949 | - | 16,219,949 | |
| Total payments on redemption of units | 1,202,406,639 | 76,503,351 | 1,278,909,990 | 773,265,936 | - | 773,265,936 | |
| Total comprehensive income / (loss) for the year | - | 301,872,873 | 301,872,873 | - | (46,001,285) | (46,001,285) | |
| Final distribution for the year ended June 30, 2021 @ Rs 14.92 per unit declared on June 29, 2021 | (42,847,324) | (155,089,067) | (197,936,391) | - | - | - | |
| Net assets at the end of the year | 1,196,891,720 | (209,731,328) | 987,160,392 | 1,154,695,141 | (280,011,783) | 874,683,358 | |
| | (Rupees) | | | (Rupees) | | | |
| Accumulated loss brought forward | | | | | | | |
| - Realised loss | | (233,950,101) | | | (97,148,287) | | |
| - Unrealised loss | | (46,061,682) | | | (136,862,211) | | |
| | | <u>(280,011,783)</u> | | | <u>(234,010,498)</u> | | |
| Accounting income available for distribution | | | | | | | |
| - Relating to capital gains | | 225,369,522 | | | - | | |
| - Excluding capital gains | | - | | | - | | |
| | | <u>225,369,522</u> | | | <u>-</u> | | |
| Net loss for the year after taxation | | - | | | (46,001,285) | | |
| Distribution during the year | | (155,089,067) | | | - | | |
| Accumulated loss carried forward | | <u>(209,731,328)</u> | | | <u>(280,011,783)</u> | | |
| Accumulated loss carried forward | | | | | | | |
| - Realised loss | | (284,630,385) | | | (233,950,101) | | |
| - Unrealised income / (loss) | | 74,899,057 | | | (46,061,682) | | |
| | | <u>(209,731,328)</u> | | | <u>(280,011,783)</u> | | |
| | | (Rupees) | | | (Rupees) | | |
| Net asset value per unit at the beginning of the year | | <u>53.5468</u> | | | <u>55.4200</u> | | |
| Net asset value per unit at the end of the year | | <u>59.8449</u> | | | <u>53.5468</u> | | |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|------|--------------------------|--------------------------|
| | | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income / (loss) for the year before taxation | | 301,872,873 | (46,001,285) |
| Adjustments for: | | | |
| Unrealised (gain) / loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | 5.3 | (74,899,057) | 46,061,682 |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 6,160,671 | - |
| | | <u>233,134,487</u> | <u>60,397</u> |
| (Increase) / decrease in assets | | | |
| Investments - net | | (44,466,911) | 25,264,469 |
| Advances and deposits | | (2,856,677) | 5,012 |
| Dividend and mark-up receivable | | 541,724 | 235,736 |
| Receivable against sale of investments | | (5,185,530) | 71,321,527 |
| | | <u>(51,967,394)</u> | <u>96,826,744</u> |
| Increase / (decrease) in liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | 1,247,738 | 3,108,854 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 31,430 | (47,941) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | 10,909 | (1,263,207) |
| Payable against purchase of investments | | (3,381,415) | 3,381,415 |
| Accrued and other liabilities | | 1,909,158 | (112,579) |
| | | <u>(182,180)</u> | <u>5,066,542</u> |
| Net cash generated from operating activities | | <u>180,984,913</u> | <u>101,953,683</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Amounts received against issuance of units - net of refund of capital | | 1,244,603,218 | 665,308,420 |
| Payments made against redemption of units | | (1,278,909,990) | (773,265,936) |
| Dividend paid | | (155,089,067) | - |
| Net cash used in financing activities | | <u>(189,395,839)</u> | <u>(107,957,516)</u> |
| Net decrease in cash and cash equivalents during the year | | <u>(8,410,926)</u> | <u>(6,003,833)</u> |
| Cash and cash equivalents at the beginning of the year | | 42,909,170 | 48,913,003 |
| Cash and cash equivalents at end of the year | 4 | <u><u>34,498,244</u></u> | <u><u>42,909,170</u></u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Alpha Fund (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on December 27, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules), on February 29, 2008. The SECP approved the first Supplemental Trust Deed under the NBFC Rules, vide its letter No. NBFC/RS/AGIML/AGAF/176/2010 dated February 26, 2010 to modify and restate the previous trust Deed to effectuate renaming of the Fund to Alfalah GHP Alpha Fund.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as an 'equity scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities. The Fund invests in equity securities and profit bearing accounts. The investment policy is explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021.
- 1.6** The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- Classification and valuation of investments (notes 3.3.1 and 5)
- Provision for Sindh Workers' Welfare Fund (note 11.1)
- Taxation (notes 3.7 and 15)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.1.2 Equity instruments

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

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

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement.

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

3.3.2 Impairment

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

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

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

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

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

Deferred

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

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

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

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gain or losses in the value of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on bank balances is recognised on an accrual basis.
- Income on Government securities is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

4 BANK BALANCES

| | Note | 2021 | 2020 |
|-------------------------|------|-------------------|-------------------|
| ----- (Rupees) ----- | | | |
| Balances with banks in: | | | |
| Savings account | 4.1 | 34,409,663 | 42,889,170 |
| Current accounts | 4.2 | 88,581 | 20,000 |
| | | <u>34,498,244</u> | <u>42,909,170</u> |

4.1 These accounts carry profit rates ranging between 5.50% to 7.70% (2020: 6.50% to 14.35%) per annum. These include bank balance of Rs. 32.901 million (2020: Rs. 40.332 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 7.70% (2020: 6.50%) per annum.

4.2 This includes bank balance of Rs. 0.069 million (2020: Nil) maintained with Bank Alfalah Limited, a related party.

5 INVESTMENTS

| | Note | 2021 | 2020 |
|---|------|--------------------|--------------------|
| ----- (Rupees) ----- | | | |
| At fair value through profit or loss | | | |
| Listed equity securities | 5.1 | 983,732,867 | 864,366,899 |
| Market Treasury Bills | 5.2 | | |
| | | <u>983,732,867</u> | <u>864,366,899</u> |

5.1 Listed equity securities

Fully paid up ordinary shares with a face value of Rs. 10/- each unless stated otherwise.

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the year | Bonus / Right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market Value as a percentage of | | Holding as a percentage of paid-up capital of the investee company |
|-----------------------------------|-------|---------------------|---------------------------|---|----------------------|----------------------|---------------------|--------------------|--------------------------|---------------------------------|-------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments | |
| | | | | | | ----- (Rupees) ----- | | | ----- (%) ----- | | | |
| COMMERCIAL BANKS | | | | | | | | | | | | |
| Bank Alfalah Limited | | 495,250 | 283,500 | - | 778,700 | 50 | 1,713 | 1,609 | (104) | 0.00% | 0.00% | 0.00% |
| Bank Al Habib Limited | | 308,498 | 356,848 | - | 247,100 | 418,246 | 26,874,012 | 29,327,410 | 2,453,398 | 2.97% | 2.98% | 0.26% |
| The Bank of Punjab | | 2,670,000 | 1,785,000 | - | 2,595,000 | 1,860,000 | 16,553,784 | 15,624,000 | (929,784) | 1.58% | 1.59% | 0.06% |
| Faysal Bank Limited | 5.1.1 | 170,250 | 900,500 | - | 350,000 | 720,750 | 13,547,691 | 12,231,128 | (1,316,563) | 1.24% | 1.24% | 0.08% |
| Habib Bank Limited | | 470,400 | 493,500 | - | 544,000 | 419,900 | 49,261,056 | 51,383,163 | 2,122,107 | 5.21% | 5.22% | 0.35% |
| Habib Metropolitan Bank Limited | | - | 307,500 | - | 66,000 | 241,500 | 9,619,520 | 9,804,900 | 185,380 | 0.99% | 1.00% | 0.09% |
| MCB Bank Limited | | 263,600 | 162,504 | - | 239,600 | 186,504 | 31,776,962 | 29,808,934 | (1,968,028) | 3.02% | 3.03% | 0.25% |
| Meezan Bank Limited | | 65,320 | 382,318 | 8,732 | 255,000 | 201,370 | 20,427,082 | 23,240,112 | 2,813,030 | 2.35% | 2.36% | 0.16% |
| National Bank of Pakistan | | 191,000 | 662,000 | - | 661,000 | 192,000 | 6,719,082 | 7,021,440 | 302,358 | 0.71% | 0.71% | 0.03% |
| United Bank Limited | | 433,000 | 607,199 | - | 599,500 | 440,699 | 51,335,292 | 53,853,418 | 2,518,126 | 5.46% | 5.47% | 0.44% |
| Allied Bank Limited | | 99,400 | - | - | 99,400 | - | - | - | - | - | - | - |
| | | | | | | | 226,116,194 | 232,296,114 | 6,179,920 | 23.53% | 23.60% | |
| INSURANCE | | | | | | | | | | | | |
| Adamjee Insurance Company Limited | | - | 664,500 | - | 221,000 | 443,500 | 18,082,059 | 18,391,945 | 309,886 | 1.86% | 1.87% | 0.53% |
| | | | | | | | 18,082,059 | 18,391,945 | 309,886 | 1.86% | 1.87% | |
| TEXTILE COMPOSITE | | | | | | | | | | | | |
| Gul Ahmed Textile Mills Limited | 5.1.1 | 385,222 | 568,500 | 59,644 | 722,500 | 290,866 | 9,710,379 | 14,755,632 | 5,045,253 | 1.49% | 1.50% | 0.29% |
| Interloop Limited | | 140,000 | 288,000 | - | 224,000 | 204,000 | 12,653,670 | 14,286,120 | 1,632,450 | 1.45% | 1.45% | 0.16% |
| Kohinoor Textile Mills Limited | | 206,500 | 322,500 | - | 359,000 | 170,000 | 8,815,386 | 12,784,000 | 3,968,614 | 1.30% | 1.30% | 0.43% |
| Nishat Mills Limited | | 168,300 | 330,500 | - | 302,500 | 196,300 | 19,840,980 | 18,314,790 | (1,526,190) | 1.86% | 1.86% | 0.52% |
| | | | | | | | 51,020,415 | 60,140,542 | 9,120,127 | 6.10% | 6.11% | |
| CEMENT | | | | | | | | | | | | |
| Attock Cement Pakistan Limited | | 55,500 | 163,500 | - | 160,900 | 58,100 | 8,830,607 | 10,447,542 | 1,616,935 | 1.06% | 1.06% | 0.76% |
| Cherat Cement Company Limited | | 93,500 | 265,700 | 770,000 | 1,077,600 | 51,600 | 7,932,387 | 9,152,808 | 1,220,421 | 0.93% | 0.93% | 0.47% |
| D. G. Khan Cement Company Limited | | 159,000 | 355,000 | - | 372,200 | 141,800 | 16,719,231 | 16,721,056 | 1,825 | 1.69% | 1.70% | 0.38% |
| Fauji Cement Company Limited | | 7,500 | 1,012,000 | - | 330,000 | 689,500 | 15,509,203 | 15,858,500 | 349,297 | 1.61% | 1.61% | 0.11% |
| Kohat Cement Company Limited | | 63,000 | 84,100 | - | 84,600 | 62,500 | 12,613,313 | 12,905,625 | 292,312 | 1.31% | 1.31% | 0.64% |
| Lucky Cement Limited | | 88,100 | 117,256 | - | 141,038 | 64,318 | 41,716,075 | 55,534,734 | 13,818,659 | 5.63% | 5.65% | 1.72% |
| Maple Leaf Cement Factory Limited | | 505,075 | 1,283,000 | - | 1,356,547 | 431,528 | 18,300,665 | 20,273,185 | 1,972,520 | 2.05% | 2.06% | 0.18% |
| Pioneer Cement Limited | | 129,500 | 393,000 | - | 399,000 | 123,500 | 14,780,746 | 16,187,145 | 1,406,399 | 1.64% | 1.65% | 0.71% |
| Power Cement Limited | | - | 1,755,500 | - | 839,500 | 916,000 | 9,882,874 | 8,802,760 | (1,080,114) | 0.89% | 0.89% | 0.08% |
| Flying Cement Company Limited | | - | 475,000 | - | 475,000 | - | - | - | - | - | - | - |
| | | | | | | | 146,285,101 | 165,883,355 | 19,598,254 | 16.81% | 16.86% | |

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the year | Bonus / Right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market Value as a percentage of | | Holding as a percentage of paid-up capital of the investee company |
|---|-------|---------------------|---------------------------|---|----------------------|---------------------|---------------------|--------------------|--------------------------|---------------------------------|-------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments | |
| | | | | | | Number of shares | | | (Rupees) | | (%) | |
| REFINERY | | | | | | | | | | | | |
| Byco Petroleum Pakistan Limited | | - | 2,874,500 | - | 1,494,000 | 1,380,500 | 14,791,202 | 16,027,605 | 1,236,403 | 1.62% | 1.63% | 0.03% |
| Attock Refinery Limited | | - | 92,800 | - | 92,800 | - | - | - | - | - | - | - |
| | | | | | | | 14,791,202 | 16,027,605 | 1,236,403 | 1.62% | 1.63% | |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | | | |
| The Hub Power Company Limited | 5.1.2 | 810,713 | 595,658 | - | 933,000 | 473,371 | 36,973,009 | 37,713,468 | 740,459 | 3.82% | 3.83% | 0.29% |
| Kot Addu Power Company Limited | | 12,500 | 851,000 | - | 599,000 | 264,500 | 8,594,865 | 11,730,575 | 3,135,710 | 1.19% | 1.19% | 0.13% |
| K-Electric Limited (face value of Rs. 3.5 each) | | 866,000 | - | - | 866,000 | - | - | - | - | - | - | - |
| | | | | | | | 45,567,874 | 49,444,043 | 3,876,169 | 5.01% | 5.02% | |
| OIL & GAS MARKETING COMPANIES | | | | | | | | | | | | |
| Hascal Petroleum Limited | 5.1.1 | 411,263 | 930,000 | - | 1,337,372 | 3,891 | 63,642 | 34,747 | (28,895) | 0.00% | 0.00% | 0.00% |
| Pakistan State Oil Company Limited | 5.1.1 | 113,376 | 165,500 | - | 205,500 | 73,376 | 15,347,425 | 16,454,568 | 1,107,143 | 1.67% | 1.67% | 0.35% |
| Sui Northern Gas Pipelines Limited | | 204,500 | 770,000 | - | 827,000 | 147,500 | 7,210,473 | 7,165,550 | (44,923) | 0.73% | 0.73% | 0.08% |
| Hi-Tech Lubricants Limited | | - | 120,000 | - | 120,000 | - | - | - | - | - | - | - |
| | | | | | | | 22,621,540 | 23,654,865 | 1,033,325 | 2.40% | 2.40% | |
| OIL & GAS EXPLORATION COMPANIES | | | | | | | | | | | | |
| Mari Petroleum Company Limited | | 40,572 | 18,780 | - | 37,460 | 21,892 | 30,176,147 | 33,371,946 | 3,195,799 | 3.38% | 3.39% | 2.50% |
| Oil & Gas Development Company Limited | 5.1.2 | 413,200 | 528,500 | - | 561,000 | 380,700 | 39,534,953 | 36,177,921 | (3,357,032) | 3.66% | 3.68% | 0.08% |
| Pakistan Oilfields Limited | | 47,710 | 105,533 | - | 87,500 | 65,743 | 25,164,534 | 25,893,538 | 729,004 | 2.62% | 2.63% | 0.91% |
| Pakistan Petroleum Limited | | 421,446 | 583,500 | - | 608,000 | 396,946 | 35,866,513 | 34,466,821 | (1,399,692) | 3.49% | 3.50% | 0.13% |
| | | | | | | | 130,742,147 | 129,910,226 | (831,921) | 13.15% | 13.20% | |
| ENGINEERING | | | | | | | | | | | | |
| Agha Steel Industries Limited | | - | 657,500 | - | 296,500 | 361,000 | 12,771,615 | 12,176,530 | (595,085) | 1.23% | 1.24% | 0.21% |
| Aisha Steel Mills Limited | | - | 1,502,000 | - | 869,000 | 633,000 | 15,088,696 | 15,768,030 | 679,334 | 1.60% | 1.60% | 0.21% |
| International Industries Limited | | 48,960 | 99,500 | - | 108,960 | 39,500 | 8,296,143 | 8,335,290 | 39,147 | 0.84% | 0.85% | 0.63% |
| Mughal Iron & Steel Industries Limited | | 245,500 | 309,120 | 5,120 | 543,620 | 16,120 | 1,447,946 | 1,682,928 | 234,982 | 0.17% | 0.17% | 0.06% |
| Amreli Steels Limited | | - | 188,000 | - | 188,000 | - | - | - | - | - | - | - |
| International Steels Limited | | 89,400 | 172,500 | - | 261,900 | - | - | - | - | - | - | - |
| | | | | | | | 37,604,400 | 37,962,778 | 358,378 | 3.84% | 3.86% | |
| AUTOMOBILE ASSEMBLER | | | | | | | | | | | | |
| Pak Suzuki Motor Company Limited | | - | 202,500 | - | 173,200 | 29,300 | 9,609,359 | 10,414,392 | 805,033 | 1.05% | 1.06% | 1.27% |
| Honda Atlas Cars (Pakistan) Limited | | 29,100 | 58,900 | - | 88,000 | - | - | - | - | - | - | - |
| Indus Motor Company Limited | | 1,030 | - | - | 1,030 | - | - | - | - | - | - | - |
| Millat Tractors Limited | | 3,818 | 10,850 | 703 | 15,371 | - | - | - | - | - | - | - |
| | | | | | | | 9,609,359 | 10,414,392 | 805,033 | 1.05% | 1.06% | |
| AUTOMOBILE PARTS & ACCESSORIES | | | | | | | | | | | | |
| Panther Tyres Limited | | - | 216,029 | - | 47,500 | 168,529 | 11,484,540 | 11,650,410 | 165,870 | 1.18% | 1.18% | 0.83% |
| Thal Limited (face value of Rs. 5 each) | | 27,200 | 22,500 | - | 28,200 | 21,500 | 8,069,933 | 9,089,770 | 1,019,837 | 0.92% | 0.92% | 2.24% |
| | | | | | | | 19,554,473 | 20,740,180 | 1,185,707 | 2.10% | 2.10% | |
| TRANSPORT | | | | | | | | | | | | |
| Pakistan National Shipping Corporation | | 43,500 | 119,500 | - | 86,000 | 77,000 | 6,406,491 | 5,597,900 | (808,591) | 0.57% | 0.57% | 0.42% |
| Pakistan International Bulk Terminal Limited | | - | 948,500 | - | 948,500 | - | - | - | - | - | - | - |
| | | | | | | | 6,406,491 | 5,597,900 | (808,591) | 0.57% | 0.57% | |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | | | | |
| Avanceon Limited | | - | 258,500 | 21,500 | 119,000 | 161,000 | 12,491,086 | 14,760,480 | 2,269,394 | 1.50% | 1.50% | 0.58% |
| Pakistan Telecommunication Company Limited | | - | 510,000 | - | 70,000 | 440,000 | 5,180,362 | 5,209,600 | 29,238 | 0.53% | 0.53% | 0.01% |
| Systems Limited | | 166,600 | 87,500 | 4,830 | 195,800 | 63,130 | 19,981,355 | 35,366,689 | 15,385,334 | 3.58% | 3.60% | 2.58% |
| TRG Pakistan Limited - Class 'A' | | - | 235,100 | - | 147,000 | 88,100 | 13,786,480 | 14,653,673 | 867,193 | 1.48% | 1.49% | 0.27% |
| | | | | | | | 51,439,283 | 69,990,442 | 18,551,159 | 7.09% | 7.12% | |
| FERTILIZER | | | | | | | | | | | | |
| Engro Corporation Limited | | 180,100 | 101,000 | - | 147,133 | 133,967 | 40,224,770 | 39,468,018 | (756,752) | 4.00% | 4.01% | 0.69% |
| Fauji Fertilizer Bin Qasim Limited | | 145,500 | 376,000 | - | 185,500 | 336,000 | 9,165,289 | 8,873,760 | (291,529) | 0.90% | 0.90% | 0.07% |
| Fauji Fertilizer Company Limited | | 295,508 | 287,000 | - | 425,500 | 157,008 | 16,853,471 | 16,658,549 | (194,922) | 1.69% | 1.69% | 0.13% |
| Engro Fertilizers Limited | | 392,000 | 95,000 | - | 487,000 | - | - | - | - | - | - | - |
| | | | | | | | 66,243,530 | 65,000,327 | (1,243,203) | 6.59% | 6.60% | |
| INV. BANKS / INV. COS. / SECURITIES COS. | | | | | | | | | | | | |
| Dawood Hercules Corporation Limited | | 74,300 | - | - | 74,300 | - | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - | |
| PHARMACEUTICALS | | | | | | | | | | | | |
| AGP Limited | | 51,500 | 124,500 | - | 141,000 | 35,000 | 4,019,895 | 4,106,550 | 86,655 | 0.42% | 0.42% | 0.15% |
| Highnoon Laboratories Limited | | 13,595 | 11,800 | 1,129 | 14,100 | 12,424 | 6,257,401 | 7,454,400 | 1,196,999 | 0.76% | 0.76% | 1.96% |
| The Searle Company Limited | 5.1.1 | 59,194 | 65,224 | 19,048 | 105,048 | 38,418 | 8,923,628 | 9,320,975 | 397,347 | 0.94% | 0.95% | 0.39% |
| GlaxoSmithKline Pakistan Limited | | 24,600 | 38,100 | - | 62,700 | - | - | - | - | - | - | - |
| | | | | | | | 19,200,924 | 20,881,925 | 1,681,001 | 2.12% | 2.13% | |

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the year | Bonus / Right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market Value as a percentage of | | Holding as a percentage of paid-up capital of the investee company |
|--|-------|---------------------|---------------------------|---|----------------------|---------------------|---------------------|--------------------|--------------------------|---------------------------------|-------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments | |
| | | | | | | Number of shares | | | (Rupees) | | (%) | |
| CHEMICAL | | | | | | | | | | | | |
| Engro Polymer & Chemicals Limited | | 430,500 | 734,500 | - | 850,000 | 315,000 | 12,956,625 | 14,880,630 | 1,924,005 | 1.51% | 1.51% | 0.16% |
| Descon Oxychem Limited | | 165,500 | 92,500 | - | 258,000 | - | - | - | - | - | - | - |
| ICI Pakistan Limited | | 7,450 | - | - | 7,450 | - | - | - | - | - | - | - |
| Ittehad Chemicals Limited | | 173,000 | 245,500 | - | 418,500 | - | - | - | - | - | - | - |
| Lotte Chemical Pakistan Limited | | 451,000 | 877,000 | - | 1,328,000 | - | - | - | - | - | - | - |
| Sitara Peroxide Limited | | 191,500 | - | - | 191,500 | - | - | - | - | - | - | - |
| | | | | | | | 12,956,625 | 14,880,630 | 1,924,005 | 1.51% | 1.51% | |
| PAPER & BOARD | | | | | | | | | | | | |
| Century Paper & Board Mills Limited | | 75,500 | 104,400 | 18,700 | 152,700 | 45,900 | 4,727,603 | 5,603,013 | 875,410 | 0.57% | 0.57% | 0.32% |
| | | | | | | | 4,727,603 | 5,603,013 | 875,410 | 0.57% | 0.57% | |
| FOOD & PERSONAL CARE PRODUCTS | | | | | | | | | | | | |
| Unity Foods Limited | | 446,500 | 2,650,223 | 830,223 | 3,402,223 | 524,723 | 14,772,264 | 23,360,668 | 8,588,404 | 2.37% | 2.37% | 0.24% |
| At-Tahir Limited | | 181,000 | 32,000 | - | 213,000 | - | - | - | - | - | - | - |
| Fauji Foods Limited | | 420,000 | - | - | 420,000 | - | - | - | - | - | - | - |
| Frieslandcampina Engro Pakistan Limited | | 39,500 | - | - | 39,500 | - | - | - | - | - | - | - |
| The Organic Meat Company Limited | | - | 44,678 | - | 44,678 | - | - | - | - | - | - | - |
| Treet Corporation Limited | | - | 584,000 | - | 584,000 | - | - | - | - | - | - | - |
| | | | | | | | 14,772,264 | 23,360,668 | 8,588,404 | 2.37% | 2.37% | |
| GLASS & CERAMICS | | | | | | | | | | | | |
| Balochistan Glass Limited | | - | 879,000 | - | 565,000 | 314,000 | 3,082,762 | 4,986,320 | 1,903,558 | 0.51% | 0.51% | 0.19% |
| | | | | | | | 3,082,762 | 4,986,320 | 1,903,558 | 0.51% | 0.51% | |
| MISCELLANEOUS | | | | | | | | | | | | |
| Siddiqsons Tin Plate Limited | | - | 903,000 | - | 460,000 | 443,000 | 7,926,219 | 8,479,020 | 552,801 | 0.86% | 0.86% | 0.37% |
| Synthetic Products Enterprises Limited | 5.1.1 | 1,976 | 37 | 126 | 126 | 2,013 | 83,345 | 86,577 | 3,232 | 0.01% | 0.01% | 0.01% |
| | | | | | | | 8,009,564 | 8,565,597 | 556,033 | 0.87% | 0.87% | |
| As at June 30, 2021 | | | | | | | 908,833,810 | 983,732,867 | 74,899,057 | | | |
| As at June 30, 2020 | | | | | | | 910,428,581 | 864,366,899 | (46,061,682) | | | |

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2021, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

| Name of the investee company | 2021 | | 2020 | |
|--|------------------|-----------------------|------------------|-----------------------|
| | Number of shares | Market value (Rupees) | Number of shares | Market value (Rupees) |
| Hascol Petroleum Limited | 3,891 | 34,747 | 3,891 | 52,918 |
| The Searle Company Limited | 4,594 | 1,114,596 | 4,594 | 915,263 |
| Synthetic Products Enterprises Limited | 1,139 | 48,988 | 1,139 | 47,360 |
| Gul Ahmed Textiles Mills Limited | 540 | 27,394 | 450 | 12,884 |
| Pakistan State Oil Company limited | 2,032 | 455,676 | 2,032 | 321,381 |
| Faysal Bank Limited | 4,463 | 75,737 | 4,463 | 62,170 |
| | | 1,757,138 | | 1,411,976 |

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 48.44 million (2020: Rs 50.28 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

| Name of the investee company | 2021 | | 2020 | |
|---|------------------|-----------------------|------------------|-----------------------|
| | Number of shares | Market value (Rupees) | Number of shares | Market value (Rupees) |
| The Hub Power Company Limited | 280,000 | 22,307,600 | 280,000 | 20,300,000 |
| Oil and Gas Development Company Limited | 275,000 | 26,133,250 | 275,000 | 29,975,000 |
| | | <u>48,440,850</u> | | <u>50,275,000</u> |

5.2 Market Treasury Bills

| T-Bill Tenure | Issue Date | Face Value | | | | As at June 30, 2021 | | | Market value as a percentage of | |
|---------------------------|------------|--------------------|---------------------------|----------------------|---------------------|---------------------|--------------|--------------------------------------|---------------------------------|-------------------------------|
| | | As at July 1, 2020 | Purchased during the year | Sold during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised revaluation gain / (loss) | Net assets of the fund | Total investments of the Fund |
| | | | | | | | | | | |
| Total as at June 30, 2021 | | - | - | - | - | - | - | - | - | - |
| Total as at June 30, 2020 | | 28,000,000 | 28,000,000 | - | - | - | - | - | - | - |

| 5.3 Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | Note | 2021 | 2020 |
|--|------|--------------------|---------------------|
| | | ----- Rupees ----- | |
| Market value of investments | 5.1 | 983,732,867 | 864,366,899 |
| Less: Carrying amount of investments | 5.1 | (908,833,810) | (910,428,581) |
| | | <u>74,899,057</u> | <u>(46,061,682)</u> |
| 6 DIVIDEND AND MARK-UP RECEIVABLE | | | |
| Dividend receivable | | - | 148,604 |
| Mark-up receivable on bank balances | | 702,667 | 1,095,787 |
| | | <u>702,667</u> | <u>1,244,391</u> |
| 7 ADVANCES AND DEPOSITS | | | |
| Security deposits with: | | | |
| - Central Depository Company of Pakistan Limited (CDC) | | 200,000 | 200,000 |
| - National Clearing Company of Pakistan Limited (NCCPL) | | 2,500,000 | 2,500,000 |
| Advance tax | 7.1 | 92,991 | 52,734 |
| Advance against book building | 7.2 | 2,816,420 | - |
| | | <u>5,609,411</u> | <u>2,752,734</u> |

7.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2021, withholding tax on dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends amounts to Rs. 92,991 (2020: Rs. 52,734).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement

of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends has been shown as a receivable as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

- 7.2 This represents advance payment amounting to 25 percent of the offer amount against book building of Citi Pharma Limited at an offer rate of Rs. 28 per share.

| 8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | Note | 2021 | 2020 |
|---|------|--------------------|-------------------|
| | | ----- Rupees ----- | |
| Management remuneration payable | 8.1 | 1,576,040 | 1,264,317 |
| Performance fee payable to the Management Company | 8.2 | 2,978,166 | 2,875,109 |
| Sindh sales tax payable on management remuneration | 8.3 | 873,269 | 832,744 |
| Sindh sales tax payable on performance fee | 8.3 | 488,878 | 475,487 |
| Federal excise duty payable on management remuneration | 8.4 | 4,879,884 | 4,879,884 |
| Federal excise duty payable on performance fee | 8.4 | 297,850 | 297,850 |
| Payable against allocated expenses | 8.5 | 489,224 | 193,274 |
| Payable against marketing and selling expenses | 8.6 | 5,290,144 | 4,811,313 |
| Sales load payable | | 484,885 | 480,624 |
| | | <u>17,358,340</u> | <u>16,110,602</u> |

- 8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. The Management Company has charged remuneration at a rate of 1.75% (2020: 1.75%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

- 8.2 The Management Company has charged performance fee on out-performance of the Fund over the hurdle rate as defined in the Offering Document.

- 8.3 During the year, an amount of Rs. 2.651 million (2020: Rs. 2.513 million) was charged on account of sales tax on management fee and performance fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2.597 million (2020: Rs. 2.326 million) has been paid to the Management Company which acts as a collecting agent.

- 8.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration and performance fee of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.18 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2021 would have been higher by Re. 0.31 per unit (2020: Re. 0.32 per unit).

- 8.5 In accordance with regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the year, the Management Company has charged such expenses to the Fund at the rate of 0.1% (2020: 0.1%) of the average net assets of the Fund.

- 8.6 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

| 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 | 2020 |
|--|-------------|--------------------|----------------|
| | | ----- Rupees ----- | |
| Trustee remuneration payable | 9.1 | 172,271 | 144,456 |
| Sindh sales tax payable on trustee remuneration | 9.2 | 10,541 | 6,926 |
| | | <u>182,812</u> | <u>151,382</u> |

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

| Net Assets (Rs.) | Tariff per annum |
|-------------------------|---|
| up to Rs. 1,000 million | 0.20% per annum of net assets. |
| over Rs. 1,000 million | Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1,000 million. |

9.2 During the year, an amount of Rs 0.258 million (2020: Rs. 0.245 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.255 million (2020: Rs. 0.257 million) was paid to the Trustee which acts as a collecting agent.

| 10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2021 | 2020 |
|--|-------------|----------------------|----------------|
| | | ----- (Rupees) ----- | |
| Annual fee payable | 10.1 | <u>203,280</u> | <u>192,371</u> |

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| 11 ACCRUED AND OTHER LIABILITIES | Note | 2021 | 2020 |
|---|-------------|--------------------|-------------------|
| | | ----- Rupees ----- | |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 17,199,971 | 11,039,300 |
| Auditors' remuneration payable | | 835,535 | 646,715 |
| Withholding tax payable | | 4,023,937 | 1,629,769 |
| Capital gain tax payable | | 677,323 | 276,255 |
| Brokerage payable | | 938,148 | 1,891,671 |
| Settlement charges payable | | 235,208 | 124,881 |
| Annual fee payable | | 729,396 | 865,362 |
| Printing charges payable | | 15,216 | 23,538 |
| Other payable | | 101,688 | 251,395 |
| Sales load payable | | 67,473 | 5,180 |
| | | <u>24,823,895</u> | <u>16,754,066</u> |

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 1.04 (2020: Re 0.68) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and 30 June 2020.

13 PROFIT INCOME

| | 2021 | 2020 |
|-------------------------|----------------------|------------------|
| | ----- (Rupees) ----- | |
| Profit income on: | | |
| - Market Treasury Bills | - | 827,162 |
| - Bank balances | 2,801,395 | 8,139,792 |
| | <u>2,801,395</u> | <u>8,966,954</u> |

14 AUDITORS' REMUNERATION

| | | |
|---------------------------------|----------------|----------------|
| Audit fee | 400,000 | 400,000 |
| Review and other certifications | 227,000 | 227,000 |
| Out of pocket expenses | 72,583 | 50,145 |
| | 699,583 | 677,145 |
| Sindh sales tax | 55,967 | 78,390 |
| | <u>755,550</u> | <u>755,535</u> |

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 5.00% which includes 0.92% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. The TER excluding government levies is 4.08% which within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

17.1 Unit Holders' Fund

| Note | 2021 | | | | | | | | | | |
|---|---------------------|---------------------------------|---|--------------------------|---------------------|---------------------|---------------------------------|---|--------------------------|---------------------|-------------|
| | As at July 01, 2020 | Issued for cash during the year | Bonus / dividend reinvested during the year | Redeemed during the year | As at June 30, 2021 | As at July 01, 2020 | Issued for cash during the year | Bonus / dividend reinvested during the year | Redeemed during the year | As at June 30, 2021 | |
| | Units | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Bank Alfalah Limited - Employees Provident Fund | 17.1.1 | 2,569,616 | - | - | 2,569,616 | - | 137,594,714 | - | - | 174,374,165 | - |
| Alfalah GHP Prosperity Planning Fund | 17.1.1 | 1,864,866 | 915,657 | 506,370 | 725,057 | 2,561,836 | 99,857,607 | 61,033,494 | 30,670,226 | 47,250,000 | 153,312,819 |
| Key Management Personnel (Employees) | | | | | | | | | | | |
| Fund Manager | 17.1.1 | 3,519 | 14,379 | 4,126 | - | 22,024 | 188,431 | 998,597 | 249,931 | - | 1,318,024 |
| Unit Holders Holding 10% or more units | | | | | | | | | | | |
| Sindh General Provident Investment Fund | 17.1.1 | 3,912,181 | - | 963,779 | - | 4,875,960 | 209,484,774 | - | 58,374,833 | - | 291,801,339 |
| Sindh Province Pension Fund | 17.1.1 | 3,209,451 | - | 790,659 | - | 4,000,110 | 171,855,831 | - | 47,889,181 | - | 239,386,183 |

| Note | 2020 | | | | | | | | | | |
|---|---------------------|---------------------------------|---|--------------------------|---------------------|---------------------|---------------------------------|---|--------------------------|---------------------|-------------|
| | As at July 01, 2019 | Issued for cash during the year | Bonus / dividend reinvested during the year | Redeemed during the year | As at June 30, 2020 | As at July 01, 2019 | Issued for cash during the year | Bonus / dividend reinvested during the year | Redeemed during the year | As at June 30, 2020 | |
| | Units | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Bank Alfalah Limited - Employees Provident Fund | | 2,569,616 | - | - | - | 2,569,616 | 142,408,137 | - | - | - | 137,594,714 |
| Alfalah GHP Prosperity Planning Fund | | 833,864 | 2,251,803 | - | 1,220,801 | 1,864,866 | 46,212,742 | 131,500,000 | - | 68,513,451 | 99,857,607 |
| Key Management Personnel (Employees) | | | | | | | | | | | |
| Fund Manager | | 2,645 | 8,155 | - | 7,281 | 3,519 | 146,609 | 484,653 | - | 422,236 | 188,431 |
| Unit Holders Holding 10% or more units | | | | | | | | | | | |
| Sindh General Provident Investment Fund | | 3,912,181 | - | - | - | 3,912,181 | 216,813,093 | - | - | - | 209,484,774 |
| Sindh Province Pension Fund | | 3,209,451 | - | - | - | 3,209,451 | 177,867,774 | - | - | - | 171,855,831 |
| Nusrat Bukhari | | 2,347,167 | - | - | 704,150 | 1,643,017 | 130,080,010 | - | - | 36,186,278 | 87,978,303 |

17.1.1 This reflects the position of related party / connected persons as at June 30, 2021.

17.2 Other transactions

| | 2021 | 2020 |
|---|------------|------------|
| | Rupees | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Remuneration of the Management Company | 17,787,036 | 16,832,910 |
| Performance fee of the Management Company | 2,605,109 | 2,498,252 |
| Sindh sales tax on remuneration of the Management Company | 2,312,315 | 2,188,276 |
| Sindh sales tax on performance fee of the Management Company | 338,664 | 324,772 |
| Allocated expenses | 1,016,346 | 1,107,520 |
| Selling and marketing expenses | 9,768,248 | 7,490,166 |
| Sales load | 114,697 | 6,970,061 |
| Bank Alfalah Limited | | |
| Profit on bank balances | 2,797,702 | 7,429,979 |
| Bank charges | 5,075 | 9,710 |
| Other related parties | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of the Trustee | 1,985,879 | 1,885,618 |
| Sindh sales tax on remuneration of the Trustee | 258,164 | 245,136 |
| CDS charges | 216,000 | 216,000 |

17.3 Other balances
2021 **2020**
 ----- Rupees -----

Associated companies / undertakings
Alfalah GHP Investment Management Limited - Management Company

| | | |
|--|-----------|-----------|
| Management remuneration payable | 1,576,040 | 1,264,317 |
| Performance fee payable to the management company | 2,978,166 | 2,875,109 |
| Sindh sales tax payable on management remuneration | 873,269 | 832,744 |
| Sindh sales tax payable on performance fee | 488,878 | 475,487 |
| Federal excise duty payable on management remuneration | 4,879,884 | 4,879,884 |
| Federal excise duty payable on performance fee | 297,850 | 297,850 |
| Payable against allocated expenses | 489,224 | 193,274 |
| Payable against marketing and selling expenses | 5,290,144 | 4,811,313 |
| Sales load payable | 484,885 | 480,624 |

Bank Alfalah Limited

| | | |
|------------------------------------|------------|------------|
| Bank balance | 32,970,080 | 40,331,722 |
| Profit receivable on bank balances | - | 374,557 |
| Sales load payable | 67,473 | - |

Other related parties
Central Depository Company of Pakistan Limited - Trustee

| | | |
|---|---------|---------|
| Trustee remuneration payable | 172,271 | 144,456 |
| Sindh sales tax payable on trustee remuneration | 10,541 | 6,926 |
| Security deposit | 200,000 | 200,000 |

18 FINANCIAL INSTRUMENTS BY CATEGORY

| | 2021 | | |
|---|----------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 34,498,244 | - | 34,498,244 |
| Investments | - | 983,732,867 | 983,732,867 |
| Dividend and mark-up receivable | 702,667 | - | 702,667 |
| Advance and deposits | 5,516,420 | - | 5,516,420 |
| Receivable against sale of investments | 5,185,530 | - | 5,185,530 |
| | <u>45,902,861</u> | <u>983,732,867</u> | <u>1,029,635,728</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 17,358,340 | - | 17,358,340 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 182,812 | - | 182,812 |
| Accrued and other liabilities | 2,922,664 | - | 2,922,664 |
| | <u>20,463,816</u> | <u>-</u> | <u>20,463,816</u> |

| | 2020 | | |
|---|----------------------|--------------------------------------|--------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 42,909,170 | - | 42,909,170 |
| Investments | - | 864,366,899 | 864,366,899 |
| Dividend and mark-up receivable | 1,244,391 | - | 1,244,391 |
| Deposits | 2,700,000 | - | 2,700,000 |
| | <u>46,853,561</u> | <u>864,366,899</u> | <u>911,220,460</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management | 16,110,602 | - | 16,110,602 |
| Payable to Central Depository Company of Pakistan | 151,382 | - | 151,382 |
| Payable against purchase of investments | 3,381,415 | - | 3,381,415 |
| Accrued and other liabilities | 3,808,742 | - | 3,808,742 |
| | <u>23,452,141</u> | <u>-</u> | <u>23,452,141</u> |

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks: currency risk, yield / interest rate risk and price risk.

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2021, is as follows:

| | Note | 2021 | 2020 |
|---|------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Variable rate instrument (financial asset) | | | |
| Bank balance | 4 | <u>34,409,663</u> | <u>42,889,170</u> |

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement by Rs 0.34 million (2020: Rs 0.43 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at the reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

| Particulars | 2021 | | | | | |
|---|---------------------------------|----------------------------------|---|--------------------|---|----------------------|
| | Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | Total |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| (Rupees) | | | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.50% to 7.70% | 34,409,663 | - | - | 88,581 | 34,498,244 |
| Investments | | - | - | - | 983,732,867 | 983,732,867 |
| Dividend and profit receivable | | - | - | - | 702,667 | 702,667 |
| Advance and deposits | | - | - | - | 5,516,420 | 5,516,420 |
| Receivable against sale of investments | | - | - | - | 5,185,530 | 5,185,530 |
| Sub total | | 34,409,663 | - | - | 995,226,065 | 1,029,635,728 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 17,358,340 | 17,358,340 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 182,812 | 182,812 |
| Accrued and other liabilities | | - | - | - | 2,922,664 | 2,922,664 |
| Sub total | | - | - | - | 20,463,816 | 20,463,816 |
| On-balance sheet gap | | 34,409,663 | - | - | 974,762,249 | 1,009,171,912 |
| Total interest rate sensitivity gap | | 34,409,663 | - | - | 974,762,249 | 1,009,171,912 |
| Cumulative interest rate sensitivity gap | | 34,409,663 | 34,409,663 | 34,409,663 | | |

| Particulars | 2020 | | | | | |
|---|---------------------------------|----------------------------------|---|--------------------|---|--------------------|
| | Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | Total |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| (Rupees) | | | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 6.5% to 14.35% | 42,889,170 | - | - | 20,000 | 42,909,170 |
| Investments | | - | - | - | 864,366,899 | 864,366,899 |
| Dividend and profit receivable | | - | - | - | 1,244,391 | 1,244,391 |
| Deposits | | - | - | - | 2,700,000 | 2,700,000 |
| Sub total | | 42,889,170 | - | - | 868,331,290 | 911,220,460 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 16,110,602 | 16,110,602 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 151,382 | 151,382 |
| Payable against purchase of investments | | - | - | - | 3,381,415 | 3,381,415 |
| Accrued and other liabilities | | - | - | - | 3,808,742 | 3,808,742 |
| Sub Total | | - | - | - | 23,452,141 | 23,452,141 |
| On-balance sheet gap | | 42,889,170 | - | - | 844,879,149 | 887,768,319 |
| Total interest rate sensitivity gap | | 42,889,170 | - | - | 844,879,149 | 887,768,319 |
| Cumulative interest rate sensitivity gap | | 42,889,170 | 42,889,170 | 42,889,170 | | |

19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2021. The analysis is based on the assumption that the PSX index had increased or decreased by 1%, with all other variables held constant.

At June 30, 2021, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

| | 2021 | 2020 |
|---|------------------|-----------|
| | -----Rupees----- | |
| <i>Effect due to increase / decrease in KSE 100 index</i> | | |
| Investment and net assets | 9,837,329 | 8,643,669 |
| Income statement | 9,837,329 | 8,643,669 |

19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent control established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|--|--|-------------------|--|-------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure | Balance as per statement of assets and liabilities | Maximum exposure |
| | ----- (Rupees) ----- | | | |
| Bank balances | 34,498,244 | 34,498,244 | 42,909,170 | 42,909,170 |
| Investments | 983,732,867 | - | 864,366,899 | - |
| Dividend and profit receivable | 702,667 | 702,667 | 1,244,391 | 1,244,391 |
| Advance and deposits | 5,516,420 | 5,516,420 | 2,700,000 | 2,700,000 |
| Receivable against sale of investments | 5,185,530 | 5,185,530 | - | - |
| | <u>1,029,635,728</u> | <u>45,902,861</u> | <u>911,220,460</u> | <u>46,853,561</u> |

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs. 983.733 million (2020: Rs. 864.367 million) are not exposed to credit risk.

Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the National Clearing Company of Pakistan Limited. The risk of default is considered minimal due to inherent systematic measures taken therein.

No financial assets were considered to be either past due or impaired as at June 30, 2021 and June 30, 2020.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Name of bank | Rating (Short Term / Long Term) | Rating Agency | 2021 | 2020 |
|---|---------------------------------------|---------------|----------------|----------------|
| Bank Alfalah Limited | A1+ / AA+ | PACRA | 95.57% | 94.01% |
| Allied Bank Limited | A1+ / AAA | PACRA | 0.13% | 1.18% |
| JS Bank Limited | A1+ / AA- | PACRA | 0.07% | 0.08% |
| Zarai Taraqati Bank Limited | A-1+ / AAA | VIS | 0.03% | 0.02% |
| MCB Bank Limited | A1+ / AAA | PACRA | 1.43% | 0.59% |
| Silk Bank Limited | A-2 / A- | VIS | 0.03% | 0.02% |
| Central Depository Company of Pakistan Limited | N/A | N/A | 0.00% | 0.00% |
| National Bank of Pakistan | A1+ / AAA | PACRA | 2.72% | 4.09% |
| Soneri Bank Limited | A1+ / AA- | PACRA | 0.02% | 0.01% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

| ----- 2021 ----- | | | | | |
|---|---|--|--------------------|--|----------------------|
| Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year | Financial instruments with no fixed maturity | Total |
| ----- Rupees ----- | | | | | |
| Financial assets | | | | | |
| Bank balances | 34,498,244 | - | - | - | 34,498,244 |
| Investments | - | - | - | 983,732,867 | 983,732,867 |
| Dividend and profit receivable | 702,667 | - | - | - | 702,667 |
| Deposits | 2,816,420 | - | - | 2,700,000 | 5,516,420 |
| Receivable against sale of investments | 5,185,530 | - | - | - | 5,185,530 |
| | 43,202,861 | - | - | 986,432,867 | 1,029,635,728 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 17,358,340 | - | - | - | 17,358,340 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 182,812 | - | - | - | 182,812 |
| Accrued and other liabilities | 2,922,664 | - | - | - | 2,922,664 |
| | 20,463,816 | - | - | - | 20,463,816 |
| Net financial assets | 22,739,045 | - | - | 986,432,867 | 1,009,171,912 |
| ----- 2020 ----- | | | | | |
| Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year | Financial instruments with no fixed maturity | Total |
| ----- Rupees ----- | | | | | |
| Financial assets | | | | | |
| Bank balances | 42,909,170 | - | - | - | 42,909,170 |
| Investments | - | - | - | 864,366,899 | 864,366,899 |
| Dividend and profit receivable | 1,244,391 | - | - | - | 1,244,391 |
| Deposits | - | - | - | 2,700,000 | 2,700,000 |
| | 44,153,561 | - | - | 867,066,899 | 911,220,460 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 16,110,602 | - | - | - | 16,110,602 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 151,382 | - | - | - | 151,382 |
| Payable against purchase of investments | 3,381,415 | - | - | - | 3,381,415 |
| Accrued and other liabilities | 3,808,742 | - | - | - | 3,808,742 |
| | 23,452,141 | - | - | - | 23,452,141 |
| Net financial assets | 20,701,420 | - | - | 867,066,899 | 887,768,319 |

19.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021, the Fund held the following assets measured at fair values:

| | 2021 | | | Total |
|--|-------------|---------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | |
| | Rupees | | | |
| Financial assets 'at fair value through profit or loss' | | | | |
| Listed equity securities | 983,732,867 | - | - | 983,732,867 |
| | 2020 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | Rupees | | | |
| Financial assets 'at fair value through profit or loss' | | | | |
| Listed equity securities | 864,366,899 | - | - | 864,366,899 |

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit holders' fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officers of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

21 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

22 GENERAL

22.1 Rounding off

Figures are rounded off to the nearest rupee.

22.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 386 | 2,639,182 | 157,928,674 | 16% |
| Associated Co./ Directors | - | - | - | 0% |
| Banks/Dfis | - | - | - | 0% |
| Insurance Co. | 6 | 359,500 | 21,512,456 | 2% |
| Retirement & Other Funds | 35 | 10,082,976 | 603,365,305 | 61% |
| Others | 22 | 3,413,668 | 204,273,891 | 21% |
| | 449 | 16,495,326 | 987,080,325 | 100% |

| Category | As at 30 June 2020 | | | |
|--------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 114 | 3,190,115 | 170,783,273 | 20% |
| Insurance Co. | 1 | 288,441 | 15,450,000 | 2% |
| Retirement & Other Funds | 12 | 10,699,218 | 572,940,000 | 65% |
| Others | 8 | 2,157,166 | 115,510,085 | 13% |
| | 135 | 16,334,940 | 874,683,358 | 100% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|---|---------------------|
| | 30 June 2020 |
| | % |
| Next Capital Limited | 21 |
| MRA Securities Limited | 11 |
| Al Habib Capital Markets Limited | 7 |
| Alfalah Securities (Private) Limited | 6 |
| Inter Market Securities Limited | 6 |
| Arif Habib Limited | 4 |
| Insight Securities (Private) Limited | 4 |
| AKD Securities Ltd. | 4 |
| Foundation Securities Limited | 4 |
| BMA Capital Management Limited | 4 |
| | 30 June 2020 |
| | % |
| Next Capital Limited | 15 |
| Alfalah Securities (Private) Limited | 9 |
| Al Habib Capital Markets Limited | 9 |
| Inter Market Securities Limited | 9 |
| Shajar Capital Pakistan Private Limited | 8 |
| Foundation Securities Limited | 6 |
| Topline Securities (Pvt) Limited | 5 |
| EFG Hermes Pakistan Limited | 4 |
| BMA Capital Management Limited | 4 |
| Taurus Securities Limited | 4 |

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi"

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

| Name of Director | Number of Meetings | | | Meeting not attended |
|---------------------------|--------------------|----------|---------------|----------------------|
| | Held | Attended | Leave Granted | |
| Hanspeter Beier | 4 | 3 | 1 | 1 |
| Syed Ali Sultan | 4 | 4 | - | - |
| Ms. Maheen Rahman | 4 | 2 | Resigned | Resigned |
| Mr. Abid Naqvi | 4 | 3 | 1 | 1 |
| Mr. Tufail Jawed Ahmad | 4 | 3 | 1 | 1 |
| Ms. Mehreen Ahmed | 4 | 4 | - | - |
| Ms. Dominique Liana Russo | 4 | 1 | Resigned | Resigned |
| Mr. Edward Phillip Hurt | 4 | 1 | 3 | 3 |
| Mr. Tanveer Awan | 3 | 3 | - | - |
| Mr. Nabeel Malik | 2 | 2 | - | - |

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGAF

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | (Rupees in '000) | | | | |
| Net Assets | 987,160 | 874,683 | 1,028,642 | 1,891,847 | 1,493,187 |
| NAV per unit | 59.84 | 53.55 | 55.42 | 72.52 | 84.5000 |
| Selling price per unit | 61.87 | 55.37 | 57.30 | 74.98 | 87.36 |
| Redemption price per unit | 59.84 | 53.55 | 55.42 | 72.52 | 84.5000 |
| Highest selling price per unit | 80.07 | 73.02 | 72.68 | 87.56 | 101.42 |
| Highest redemption price per unit | 77.44 | 70.63 | 70.30 | 84.69 | 98.09 |
| Lowest selling price per unit | 56.44 | 43.73 | 56.47 | 70.05 | 70.82 |
| Lowest redemption price per unit | 54.59 | 42.30 | 54.62 | 67.75 | 68.50 |
| Total interim distribution per unit | Nil | Nil | Nil | Nil | 2.9418 |
| Interim distribution date | N/A | N/A | N/A | N/A | 22-Jun-17 |
| Final distribution per unit | 14.92 | Nil | Nil | Nil | Nil |
| Final distribution date | 29-Jul-21 | N/A | N/A | N/A | N/A |
| Annualized returns | 39.27% | -17.50% | -17.48% | -14.18% | 24.65% |
| Income distribution | 27.86% | N/A | N/A | N/A | 4.34% |
| Weighted avg. portfolio duration | N/A | N/A | N/A | N/A | N/A |

Return since inception is **15.98%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by
Alfalah GHP Alpha Fund**

| Nature of Meeting | Meeting Date | Resolutions | Holding | %age Holding | Favour | Against | Abstain |
|--|--------------|--|---------|--------------|--------|---------|---------|
| Pakistan Petroleum Limited | | | | | | | |
| EOGM | 23-Oct-20 | Announcement of Financial Results for the first quarter (July-September), 2020-21 | 518,446 | 0.02% | ✓ | | |
| Pakistan Petroleum Limited | | | | | | | |
| EOGM | 23-Dec-20 | To elect ten directors for a term of three years in accordance with Section 159 of the Companies Act, 2017. | 504,946 | 0.02% | ✓ | | |
| Habib Metropolitan Bank Limited | | | | | | | |
| EOGM | 17-Mar-21 | To approve, as recommended by the Board of Directors, final dividend @ 25% (Rs. 2.50 per share) in the form of cash for the year ended December 31, 2020, in addition to already paid 20% (Rs. 2 per share) Interim Dividend in the form of cash for the year ended December | 275,500 | 0.03% | ✓ | | |
| | | To appoint Auditors for the financial year ending December 31, 2021 | | | | | |
| | | To receive, consider and adopt the Audited Accounts, standalone as well as consolidated, of the Bank for the year ended December 31, 2020 together with the Directors' and Auditors' reports thereon | | | | | |
| Engro Corporation Limited | | | | | | | |
| EOGM | 22-Apr-21 | Approved Quarterly Financial Accounts for period ended March 31, 2021 | 134,967 | 0.02% | ✓ | | |



**Alfalah
GHP Stock Fund**

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |

Alfalah GHP Stock Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

The investment objective of IGI Stock Fund (IGI SF) is to seek long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments, management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

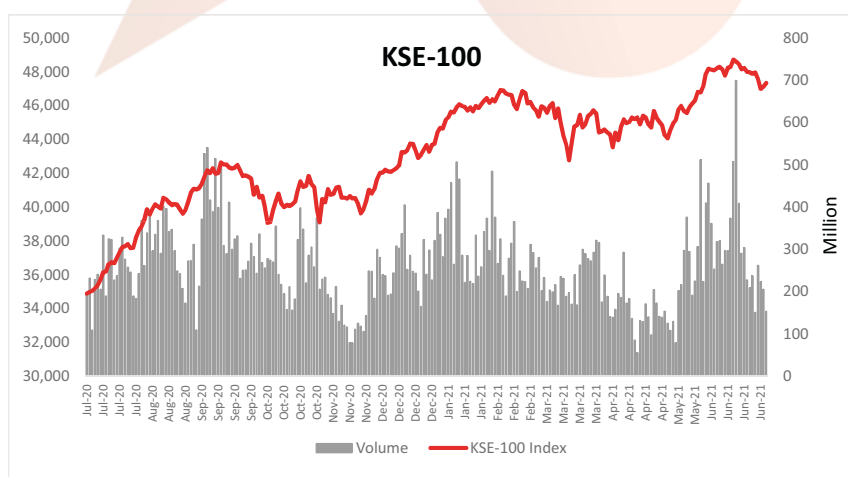
Review of the Market

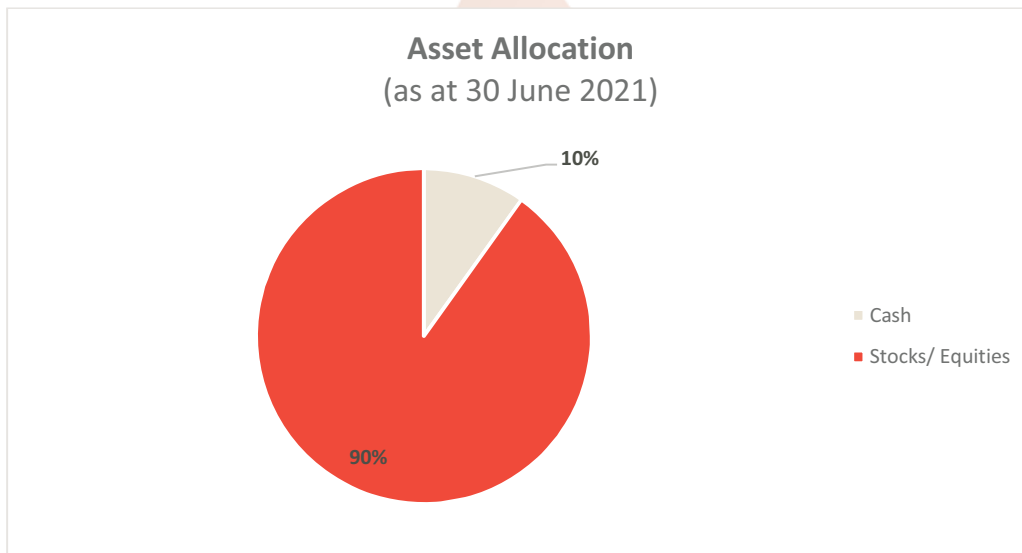
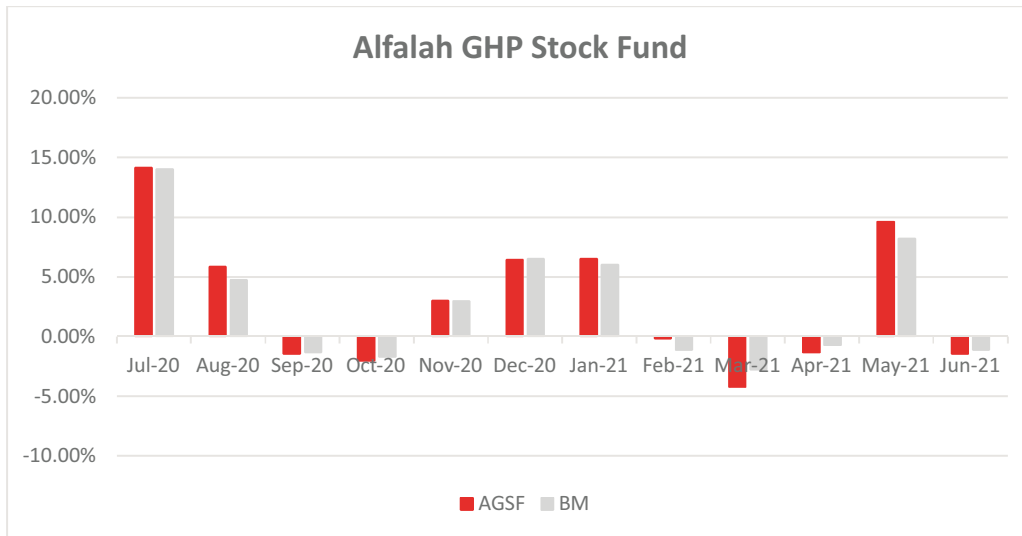
During FY21, the benchmark index posted a mammoth return of 37.6% (highest in last seven years) on account of strong rebound in economy. During the year, the index peaked at 48,726 level in mid Jun'21 but in latter part of the month profit taking was witnessed due to which the index closed at 47,356 points. Average trading volume of all-share index also improved by 165%YoY to 519.6 million shares. Market capitalization of Technology, Refineries and Engineering sectors escalated by 182%, 172% and 136% respectively compared to last year close.

Multiple positives staged the comeback of local bourse from close of last year which included; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) decline in local Covid-19 cases.

The gradual reopening of economy post 1st wave of COVID-19 reflected in large scale manufacturing which grew by 14.57%YoY during 11MFY21. The healthy signs were evident in demand side indicators as sales continue to grow for cement, automobile and petroleum product's sales. As a result, corporate earnings registered robust growth in FY21.

Going forward, ever improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.





➤ **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

➤ **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

➤ **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
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TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP STOCK FUND

**Report of the Trustee pursuant to Regulation 41(h) 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, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Stock Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|--|
| 1 | Net Asset Value (NAV) (Refer notes 5 to the financial statements) | |
| | Investments constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 2,094.84 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants
Karachi
Date: September 30, 2021

ALFALAH GHP STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2021

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- |
|---|------|-------------------------------|----------------------|
| Assets | | | |
| Bank balances | 4 | 238,707,133 | 64,380,987 |
| Investments | 5 | 2,094,836,529 | 1,296,831,515 |
| Security deposits | 6 | 2,600,000 | 2,600,000 |
| Advance, dividend and other receivables | 7 | 5,485,929 | 1,437,846 |
| Total assets | | <u>2,341,629,591</u> | <u>1,365,250,348</u> |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 8 | 35,336,175 | 24,529,642 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 271,404 | 199,264 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 10 | 371,791 | 278,814 |
| Payable against purchase of investments | 11 | 60,411,329 | 4,752,053 |
| Accrued expenses and other liabilities | 12 | 45,686,871 | 21,872,228 |
| Dividend payable | | 11,901,768 | - |
| Total liabilities | | <u>153,979,338</u> | <u>51,632,001</u> |
| Net assets attributable to unit holders | | <u>2,187,650,253</u> | <u>1,313,618,347</u> |
| Unit holders' fund (as per the statement attached) | | <u>2,187,650,253</u> | <u>1,313,618,347</u> |
| Contingencies and commitments | 13 | ----- (Number of units) ----- | |
| Number of units in issue | | <u>19,355,856</u> | <u>13,878,371</u> |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | <u>113.0227</u> | <u>94.6522</u> |

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|---|--------------------|----------------------|
| Note | (Rupees) | |
| Income | | |
| Profit / mark-up income | 14 3,352,177 | 13,022,979 |
| Gain / (loss) on sale of investments - net | 275,085,369 | (84,955,391) |
| Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | 5.3 253,607,375 | (94,994,362) |
| Dividend income | 91,580,660 | 72,695,090 |
| Total income / (loss) | <u>623,625,581</u> | <u>(94,231,684)</u> |
| Expenses | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 8.1 36,823,544 | 27,579,303 |
| Sindh sales tax on remuneration of the Management Company | 8.2 4,787,061 | 3,606,220 |
| Allocated expenses | 8.3 1,836,591 | 1,388,863 |
| Selling and marketing expenses | 8.4 24,000,922 | 10,602,236 |
| Remuneration of Central Depository Company of Pakistan - Trustee | 9.1 2,840,725 | 2,393,138 |
| Sindh sales tax on remuneration of the Trustee | 9.2 369,294 | 290,196 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10 371,816 | 278,814 |
| Brokerage expense | 7,708,377 | 7,157,028 |
| CDS charges | 405,889 | 243,010 |
| Auditors' remuneration | 15 803,931 | 801,115 |
| Fees and subscriptions | 26,752 | 27,450 |
| Clearing charges | 761,369 | 1,071,470 |
| Printing charges | 24,930 | 5,012 |
| Bank and settlement charges | 18,158 | 42,328 |
| Legal and professional charges | 174,020 | - |
| Provision for Sindh Worker's Welfare Fund | 12.1 10,853,444 | - |
| Total expenses | <u>91,806,823</u> | <u>55,486,183</u> |
| Net income / (loss) for the year before taxation | <u>531,818,758</u> | <u>(149,717,867)</u> |
| Taxation | 16 - | - |
| Net income / (loss) for the year after taxation | <u>531,818,758</u> | <u>(149,717,867)</u> |
| Allocation of net income for the year | | |
| Net income for the period after taxation | 531,818,758 | - |
| Income already paid on units redeemed | (91,596,698) | - |
| | <u>440,222,060</u> | <u>-</u> |
| Accounting income available for distribution | | |
| - Relating to capital gains | 440,222,060 | - |
| - Excluding capital gains | - | - |
| | <u>440,222,060</u> | <u>-</u> |

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|---|----------------------|----------------------|
| | ----- (Rupees) ----- | |
| Net income / (loss) for the year after taxation | 531,818,758 | (149,717,867) |
| Other comprehensive income for the year | - | - |
| Total comprehensive income / (loss) for the year | <u>531,818,758</u> | <u>(149,717,867)</u> |

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Capital value | Accumulated loss | Total | Capital value | Accumulated loss | Total |
| | (Rupees) | | | (Rupees) | | |
| Net assets at the beginning of the year | 1,734,316,346 | (420,697,999) | 1,313,618,347 | 1,793,293,428 | (270,980,132) | 1,522,313,296 |
| Issuance of 24,979,765 units (2020: 15,497,112 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 2,364,389,713 | - | 2,364,389,713 | 1,667,485,432 | - | 1,667,485,432 |
| - Element of income | 609,383,959 | - | 609,383,959 | - | - | - |
| | 2,973,773,672 | - | 2,973,773,672 | 1,667,485,432 | - | 1,667,485,432 |
| Redemption of 19,502,280 units (2020: 17,100,746 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 1,845,933,707 | - | 1,845,933,707 | 1,726,462,514 | - | 1,726,462,514 |
| - Element of loss | 381,731,608 | 91,596,698 | 473,328,306 | - | - | - |
| | 2,227,665,315 | 91,596,698 | 2,319,262,013 | 1,726,462,514 | - | 1,726,462,514 |
| Total comprehensive income / (loss) for the year | - | 531,818,758 | 531,818,758 | - | (149,717,867) | (149,717,867) |
| Final distribution for the year ended June 30, 2021 @ Rs.18.6001 per unit on June 25, 2021 | (90,368,232) | (221,930,279) | (312,298,511) | - | - | - |
| Net assets at the end of the year | 2,390,056,471 | (202,406,218) | 2,187,650,253 | 1,734,316,346 | (420,697,999) | 1,313,618,347 |
| | (Rupees) | | | (Rupees) | | |
| Accumulated loss brought forward | | | | | | |
| - Realised loss | | (325,703,637) | | | (31,687,868) | |
| - Unrealised loss | | (94,994,362) | | | (239,292,264) | |
| | | (420,697,999) | | | (270,980,132) | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | 440,222,060 | | | - | | |
| - Excluding capital gains | - | | | - | | |
| | 440,222,060 | | | - | | |
| Net loss for the year after taxation | | - | | | (149,717,867) | |
| Final distribution for the year ended June 30, 2021 @ Rs.18.6001 per unit on June 28, 2021 | | (221,930,279) | | | - | |
| Undistributed income / (accumulated loss) carried forward | | (202,406,218) | | | (420,697,999) | |
| Accumulated loss carried forward | | | | | | |
| - Realised loss | | (456,013,593) | | | (325,703,637) | |
| - Unrealised gain / (loss) | | 253,607,375 | | | (94,994,362) | |
| | | (202,406,218) | | | (420,697,999) | |
| Net assets value per unit at the beginning of the year | 94.6522 | | | 98.3279 | | |
| Net assets value per unit at the end of the year | 113.0227 | | | 94.6522 | | |

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|------|---------------------------|--------------------------|
| | | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income / (loss) for the year before taxation | | 531,818,758 | (149,717,867) |
| Adjustments for: | | | |
| Unrealised (gain) / loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | 5.3 | (253,607,375) | 94,994,362 |
| Provision for Sindh Workers' Welfare Fund | 12.1 | 10,853,444 | - |
| | | <u>289,064,827</u> | <u>(54,723,505)</u> |
| (Increase) / decrease in assets | | | |
| Investments - net | | (544,397,639) | (15,031,916) |
| Receivable against sale of investments - net | | - | 4,149,878 |
| Advance, dividend and other receivables | | (4,048,083) | 14,723,569 |
| | | <u>(548,445,722)</u> | <u>3,841,531</u> |
| Increase / (decrease) in liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | 10,806,533 | 3,510,709 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 72,140 | (25,622) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | 92,977 | (1,833,754) |
| Payable against purchase of investments | | 55,659,276 | 4,752,053 |
| Accrued expenses and other liabilities | | 12,961,199 | 1,250,006 |
| | | <u>79,592,125</u> | <u>7,653,392</u> |
| Net cash used in operating activities | | <u>(179,788,770)</u> | <u>(43,228,582)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Amounts received against issuance of units net of refund of capital | | 2,883,405,440 | 1,667,485,432 |
| Amounts paid against redemption of units | | (2,319,262,013) | (1,726,462,514) |
| Dividend paid | | (210,028,511) | - |
| Net cash generated from / (used in) financing activities | | <u>354,114,916</u> | <u>(58,977,082)</u> |
| Net increase / (decrease) in cash and cash equivalents during the year | | <u>174,326,146</u> | <u>(102,205,664)</u> |
| Cash and cash equivalents at the beginning of the year | | 64,380,987 | 166,586,651 |
| Cash and cash equivalents at the end of the year | 4 | <u><u>238,707,133</u></u> | <u><u>64,380,987</u></u> |

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Stock Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on June 10, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of the Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved second supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Stock Fund.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorised as an 'equity scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the trust deed, the objective of the Fund is to provide good total return through a long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its assets in debt and money market securities in order to meet liquidity requirements from time to time. The investment objectives and policy are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. .

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow :

- Classification and valuation of financial assets (notes 3.3.1 and 5)
- Provision for Sindh Workers' Welfare Fund (note 12.1)
- Taxation (notes 3.7 and 16)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.1.2 Debt instruments

"IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:"

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

Based on the business model of the entity, however, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.2 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on bank deposits is recognised on accrual basis and income on government securities is recognised on a time proportion basis using the effective interest method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / loss for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

| 4 BANK BALANCES | Note | 2021 | 2020 |
|----------------------|------|--------------------|-------------------|
| ----- (Rupees) ----- | | | |
| Savings accounts | 4.1 | <u>238,707,133</u> | <u>64,380,987</u> |

4.1 These accounts carry mark-up rates ranging between 5.50% to 7.70% (2020: 6.50% to 14.35%) per annum. It includes bank balance of Rs. 237.61 million (2020: Rs. 58.79 million) maintained with Bank Alfalah Limited (a related party), carrying mark-up at the rate of 7.70% (2020: 6.50%) per annum.

| 5 INVESTMENTS | Note | 2021 | 2020 |
|---|------|----------------------|----------------------|
| ----- (Rupees) ----- | | | |
| At fair value through profit or loss | | | |
| Listed equity securities | 5.1 | 2,094,836,529 | 1,296,831,515 |
| Market Treasury Bills | 5.2 | - | - |
| | | <u>2,094,836,529</u> | <u>1,296,831,515</u> |

5.1 Investment in listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the year | Bonus / right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of: | | Holding as a percentage of paid-up capital of the investee company |
|---|-------|---------------------|---------------------------|---|----------------------|----------------------|---------------------|--------------------|--------------------------|----------------------------------|-----------------------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total market value of investments | |
| | | | | | | ----- (Rupees) ----- | | | ----- (%) ----- | | | |
| Commercial banks | | | | | | 16,970 | | | | | | |
| Bank Al Habib Limited | | 463,991 | 673,356 | - | 104,500 | 1,032,847 | 65,512,933 | 72,423,232 | 6,910,299 | 3.31% | 3.46% | 0.06% |
| Bank Alfalah Limited (a related party) | | 742,724 | 398,500 | - | 1,141,224 | - | - | - | - | - | - | - |
| The Bank of Punjab | | 4,022,000 | 2,330,000 | - | 2,517,500 | 3,834,500 | 34,056,113 | 32,209,800 | (1,846,313) | 1.47% | 1.54% | 0.15% |
| Faysal Bank Limited | 5.1.1 | 256,200 | 1,245,000 | - | 270,000 | 1,231,200 | 25,605,484 | 20,893,464 | (4,712,020) | 0.96% | 1.00% | 0.08% |
| Habib Bank Limited | | 704,900 | 774,500 | - | 530,136 | 949,264 | 108,696,400 | 116,161,436 | 7,465,036 | 5.31% | 5.55% | 0.06% |
| Habib Metropolitan Bank Limited | | - | 565,500 | - | - | 565,500 | 22,837,440 | 22,959,300 | 121,860 | 1.05% | 1.10% | 0.05% |
| MCB Bank Limited | | 395,400 | 241,528 | - | 248,666 | 388,262 | 65,701,468 | 62,055,915 | (3,645,553) | 2.84% | 2.96% | 0.03% |
| Meezan Bank Limited | | 97,860 | 495,000 | 25,486 | 163,500 | 454,846 | 41,343,775 | 52,493,777 | 11,150,002 | 2.40% | 2.51% | 0.03% |
| National Bank of Pakistan | | 286,000 | 325,000 | - | 366,500 | 244,500 | 8,888,515 | 8,941,365 | 52,850 | 0.41% | 0.43% | 0.01% |
| United Bank Limited | | 650,195 | 1,110,051 | - | 695,715 | 1,064,531 | 124,906,711 | 130,085,688 | 5,178,977 | 5.95% | 6.21% | 0.09% |
| | | | | | | | 497,548,839 | 518,223,977 | 20,675,138 | 23.70% | 24.76% | |
| Power generation and distribution | | | | | | | | | | | | |
| The Hub Power Company Limited | 5.1.2 | 1,215,402 | 857,530 | - | 1,055,500 | 1,017,432 | 77,913,631 | 81,058,807 | 3,145,176 | 3.71% | 3.87% | 0.08% |
| K-Electric Limited (face value of Rs. 3.5 each) | | 1,262,000 | - | - | 1,262,000 | - | - | - | - | - | - | - |
| Kot Addu Power Company Limited | | 20,500 | 755,000 | - | 280,500 | 495,000 | 13,633,538 | 21,953,250 | 8,319,712 | 1.00% | 1.05% | 0.06% |
| | | | | | | | 91,547,169 | 103,012,057 | 11,464,888 | 4.71% | 4.92% | |
| Oil & Gas Marketing Companies | | | | | | | | | | | | |
| Hascal Petroleum Limited | 5.1.1 | 616,622 | 880,000 | - | 1,489,833 | 6,789 | 105,700 | 60,626 | (45,074) | 0.00% | 0.00% | 0.00% |
| Sui Northern Gas Pipelines Limited | | 306,400 | 456,000 | - | 762,400 | - | - | - | - | - | - | - |
| Pakistan State Oil Company Limited | 5.1.1 | 169,908 | 164,000 | - | 179,000 | 154,908 | 28,824,039 | 34,738,119 | 5,914,080 | 1.59% | 1.66% | 0.03% |
| | | | | | | | 28,929,739 | 34,798,745 | 5,869,006 | 1.59% | 1.66% | |
| Oil & Gas Exploration Companies | | | | | | | | | | | | |
| Mari Petroleum Company Limited | | 61,019 | - | - | 23,380 | 37,639 | 46,546,269 | 57,376,515 | 10,830,246 | 2.62% | 2.74% | 0.03% |
| Oil & Gas Development Company Limited | 5.1.2 | 618,900 | 491,000 | - | 517,500 | 592,400 | 63,415,156 | 56,295,772 | (7,119,384) | 2.57% | 2.69% | 0.01% |
| Pakistan Oilfields Limited | | 71,850 | 100,000 | - | 28,500 | 143,350 | 54,735,592 | 56,459,831 | 1,724,239 | 2.58% | 2.70% | 0.05% |
| Pakistan Petroleum Limited | | 632,516 | 642,242 | - | 571,500 | 703,258 | 64,342,439 | 61,063,919 | (3,278,520) | 2.79% | 2.91% | 0.03% |
| | | | | | | | 229,039,456 | 231,196,037 | 2,156,581 | 10.56% | 11.04% | |

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the year | Bonus / right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of: | | Holding as a percentage of paid-up capital of the investee company |
|--|-------|---------------------|---------------------------|---|----------------------|---------------------|---------------------|--------------------|--------------------------|----------------------------------|-----------------------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total market value of investments | |
| | | | | | | | (Rupees) | | | (%) | | |
| Insurance | | | | | | | | | | | | |
| Adamjee Insurance Company Limited | | - | 635,500 | - | 48,000 | 587,500 | 22,824,347 | 24,363,625 | 1,539,278 | 1.11% | 1.16% | 0.17% |
| | | | | | | | 22,824,347 | 24,363,625 | 1,539,278 | 1.11% | 1.16% | |
| Refinery | | | | | | | | | | | | |
| Byco Petroleum Pakistan Limited | | - | 2,755,000 | - | 700,000 | 2,055,000 | 20,425,031 | 23,858,550 | 3,433,519 | 1.09% | 1.14% | 0.04% |
| | | | | | | | 20,425,031 | 23,858,550 | 3,433,519 | 1.09% | 1.14% | |
| Glass and Ceramics | | | | | | | | | | | | |
| Balochistan Glass Limited | | - | 1,185,500 | - | 605,000 | 580,500 | 5,075,987 | 9,218,340 | 4,142,353 | 0.42% | 0.44% | 0.02% |
| Tariq Glass Limited | | - | 60,000 | - | 10,000 | 50,000 | 5,949,000 | 5,319,000 | (630,000) | 0.24% | 0.25% | 0.04% |
| | | | | | | | 11,024,987 | 14,537,340 | 3,512,353 | 0.66% | 0.69% | |
| Chemical | | | | | | | | | | | | |
| Biafo Industries Limited | 5.1.1 | 379 | - | 37 | - | 416 | 54,470 | 57,491 | 3,021 | 0.00% | 0.00% | 0.00% |
| Descon Oxychem Limited | | 245,500 | 171,500 | - | 417,000 | - | - | - | - | - | - | - |
| Ittehad Chemicals Limited | | 259,000 | 337,000 | - | 596,000 | - | - | - | - | - | - | - |
| Lotte Chemical Pakistan Limited | | 677,000 | 922,500 | - | 1,599,500 | - | - | - | - | - | - | - |
| Sitara Peroxide Limited | | 297,000 | - | - | 297,000 | - | - | - | - | - | - | - |
| ICI Pakistan Limited | | 11,070 | - | - | 11,070 | - | - | - | - | - | - | - |
| Engro Polymer & Chemicals Limited | | 637,000 | 659,000 | - | 693,000 | 603,000 | 21,809,276 | 28,485,720 | 6,676,444 | 1.30% | 1.36% | 0.07% |
| | | | | | | | 21,863,746 | 28,543,211 | 6,679,465 | 1.30% | 1.36% | |
| Cement | | | | | | | | | | | | |
| Attock Cement Pakistan Limited | | 85,000 | 95,900 | - | 57,800 | 123,100 | 17,109,828 | 22,135,842 | 5,026,014 | 1.01% | 1.06% | 0.09% |
| Cherat Cement Company Limited | | 141,500 | 345,500 | - | 305,500 | 181,500 | 26,619,682 | 32,194,470 | 5,574,788 | 1.47% | 1.54% | 0.09% |
| D. G. Khan Cement Limited | | 237,000 | 378,500 | - | 401,000 | 214,500 | 24,252,146 | 25,293,840 | 1,041,694 | 1.16% | 1.21% | 0.05% |
| Fauji Cement Company Limited | | 9,000 | 1,595,000 | - | 325,542 | 1,278,458 | 28,685,044 | 29,404,534 | 719,490 | 1.34% | 1.40% | 0.09% |
| Kohat Cement Company Limited | | 93,200 | 89,500 | - | 80,500 | 102,200 | 20,560,840 | 21,103,278 | 542,438 | 0.96% | 1.01% | 0.05% |
| Lucky Cement Limited | | 132,200 | 107,500 | - | 100,500 | 139,200 | 77,328,063 | 120,190,848 | 42,862,785 | 5.49% | 5.74% | 0.04% |
| Maple Leaf Cement Factory Limited | | 757,055 | 1,241,500 | - | 953,000 | 1,045,555 | 39,909,670 | 49,120,174 | 9,210,504 | 2.25% | 2.34% | 0.10% |
| Pioneer Cement Limited | | 194,500 | 542,000 | - | 414,500 | 322,000 | 34,328,654 | 42,204,540 | 7,875,886 | 1.93% | 2.01% | 0.14% |
| Power Cement Limited | | - | 2,448,500 | - | 362,500 | 2,086,000 | 22,331,565 | 20,046,460 | (2,285,105) | 0.92% | 0.96% | 0.20% |
| | | | | | | | 291,125,492 | 361,693,986 | 70,568,494 | 16.53% | 17.27% | |
| Fertilizer | | | | | | | | | | | | |
| Engro Corporation Limited | | 270,470 | 257,000 | - | 239,710 | 287,760 | 86,848,552 | 84,776,974 | (2,071,578) | 3.88% | 4.05% | 0.05% |
| Engro Fertilizers Limited | | 589,000 | - | - | 589,000 | - | - | - | - | - | - | - |
| Fauji Fertilizer Bin Qasim Limited | | 216,000 | 777,500 | - | 216,000 | 777,500 | 21,396,810 | 20,533,775 | (863,035) | 0.94% | 0.98% | 0.06% |
| Fauji Fertilizer Company Limited | | 445,500 | 509,220 | - | 634,500 | 320,220 | 34,467,031 | 33,975,342 | (491,689) | 1.55% | 1.62% | 0.02% |
| | | | | | | | 142,712,393 | 139,286,091 | (3,426,302) | 6.37% | 6.65% | |
| Engineering | | | | | | | | | | | | |
| Agha Steel Industries Limited | | - | 827,000 | - | 67,000 | 760,000 | 26,997,123 | 25,634,800 | (1,362,323) | 1.17% | 1.22% | 0.13% |
| Aisha Steel Mills Limited | | - | 2,453,000 | - | 1,291,000 | 1,162,000 | 28,587,820 | 28,945,420 | 357,600 | 1.32% | 1.38% | 0.15% |
| International Industries Limited | | 72,550 | 212,500 | - | 210,500 | 75,000 | 16,075,250 | 15,826,500 | (248,750) | 0.72% | 0.76% | 0.06% |
| International Steels Limited | | 133,900 | 134,000 | - | 267,900 | - | - | - | - | - | - | - |
| Mughal Iron & Steel Industries Limited | | 369,500 | 486,500 | - | 698,000 | 158,000 | 16,002,100 | 16,495,200 | 493,100 | 0.75% | 0.79% | 0.05% |
| | | | | | | | 87,662,293 | 86,901,920 | (760,373) | 3.96% | 4.15% | |
| Textile composite | | | | | | | | | | | | |
| Gul Ahmed Textile Mills Limited | 5.1.1 | 564,064 | 1,016,000 | 128,012 | 880,000 | 828,076 | 25,078,476 | 42,008,295 | 16,929,819 | 1.92% | 2.01% | 0.16% |
| Nishat Mills Limited | 5.1.2 | 252,300 | 458,000 | - | 226,500 | 483,800 | 46,820,141 | 45,138,540 | (1,681,601) | 2.06% | 2.15% | 0.14% |
| Kohinoor Textile Mills Limited | | 314,000 | 498,500 | - | 370,000 | 442,500 | 19,506,796 | 33,276,000 | 13,769,204 | 1.52% | 1.59% | 0.15% |
| Interloop Limited | | 209,378 | 459,500 | - | 188,500 | 480,378 | 28,150,257 | 33,640,871 | 5,490,614 | 1.54% | 1.61% | 0.06% |
| | | | | | | | 119,555,670 | 154,063,706 | 34,508,036 | 7.04% | 7.36% | |
| Pharmaceuticals | | | | | | | | | | | | |
| AGP Limited | | 77,000 | 244,600 | - | 238,600 | 83,000 | 9,403,614 | 9,738,390 | 334,776 | 0.45% | 0.46% | 0.03% |
| GlaxoSmithKline Pakistan Limited | | 36,800 | 113,000 | - | 149,800 | - | - | - | - | - | - | - |
| Hignox Laboratories Limited | | 20,440 | 45,000 | 3,764 | 30,300 | 38,904 | 20,736,903 | 23,342,400 | 2,605,497 | 1.07% | 1.11% | 0.12% |
| The Searle Company Limited | 5.1.1 | 88,802 | 101,995 | 28,692 | 111,500 | 107,989 | 25,225,372 | 26,200,291 | 974,919 | 1.20% | 1.25% | 0.04% |
| | | | | | | | 55,365,889 | 59,281,081 | 3,915,192 | 2.72% | 2.82% | |
| Automobile assembler | | | | | | | | | | | | |
| Pak Suzuki Motor Company Limited | | - | 269,600 | - | 206,700 | 62,900 | 14,726,850 | 22,357,176 | 7,630,326 | 1.02% | 1.07% | 0.08% |
| Indus Motors Company Limited | | 400 | - | - | 400 | - | - | - | - | - | - | - |
| Millat Tractors Limited | | 5,775 | 21,000 | 1,859 | 28,634 | - | - | - | - | - | - | - |
| Honda Atlas Cars (Pakistan) Limited | | 45,000 | 29,500 | - | 74,500 | - | - | - | - | - | - | - |
| | | | | | | | 14,726,850 | 22,357,176 | 7,630,326 | 1.02% | 1.07% | |

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the year | Bonus / right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2020 | | | Market value as a percentage of: | | Holding as a percentage of paid-up capital of the investee company |
|--|-------|---------------------|---------------------------|---|----------------------|---------------------|----------------------|----------------------|--------------------------|----------------------------------|-----------------------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the fund | Total market value of investments | |
| | | | | | | Number of shares | | | (Rupees) | | (%) | |
| Automobile parts & accessories | | | | | | | | | | | | |
| Panther Tyres Limited | | - | 324,659 | - | - | 324,659 | 22,128,112 | 22,443,677 | 315,565 | 1.03% | 1.07% | 0.23% |
| Thal Limited (face value of Rs. 5 each) | | 42,200 | 36,800 | - | 17,300 | 61,700 | 22,971,063 | 26,085,526 | 3,114,463 | 1.19% | 1.25% | 0.15% |
| | | | | | | | 45,099,175 | 48,529,203 | 3,430,028 | 2.22% | 2.32% | |
| Food & Personal Care Products | | | | | | | | | | | | |
| Unity Foods Limited | | 672,000 | 2,867,400 | - | 2,384,088 | 1,155,312 | 31,358,124 | 51,434,490 | 20,076,367 | 2.35% | 2.46% | 0.12% |
| At-Tahur Limited | | 273,000 | - | - | 273,000 | - | - | - | - | - | - | - |
| Friesland Campins Engro Foods Limited | | 59,500 | - | - | 59,500 | - | - | - | - | - | - | - |
| Fauji Foods Limited | | 632,500 | - | - | 632,500 | - | - | - | - | - | - | - |
| | | | | | | | 31,358,124 | 51,434,490 | 20,076,367 | 2.35% | 2.46% | |
| Paper & Board | | | | | | | | | | | | |
| Century Paper & Board Mills Limited | | 112,500 | 243,200 | 32,700 | 243,200 | 145,200 | 15,430,856 | 17,724,564 | 2,293,708 | 0.81% | 0.85% | 0.08% |
| | | | | | | | 15,430,856 | 17,724,564 | 2,293,708 | 0.81% | 0.85% | |
| Transport | | | | | | | | | | | | |
| Pakistan National Shipping Corporation | | 65,000 | 175,500 | - | 122,500 | 118,000 | 9,838,548 | 8,578,600 | (1,259,948) | 0.39% | 0.41% | 0.09% |
| | | | | | | | 9,838,548 | 8,578,600 | (1,259,948) | 0.39% | 0.41% | |
| Technology & Communication | | | | | | | | | | | | |
| Avanceon Limited | | - | 309,500 | 52,500 | - | 362,000 | 25,232,865 | 33,188,160 | 7,955,295 | 1.52% | 1.58% | 0.14% |
| Pakistan Telecommunication Company Limited | | - | 925,000 | - | - | 925,000 | 10,890,750 | 10,952,000 | 61,250 | 0.50% | 0.52% | 0.02% |
| Systems Limited | | 249,420 | 106,900 | 12,362 | 232,700 | 135,982 | 27,305,510 | 76,179,836 | 48,874,326 | 3.48% | 3.64% | 0.10% |
| TRG Pakistan Limited | | - | 350,000 | - | 148,000 | 202,000 | 29,999,804 | 33,598,660 | 3,598,856 | 1.54% | 1.60% | 0.04% |
| | | | | | | | 93,428,929 | 153,918,656 | 60,489,727 | 7.04% | 7.34% | |
| Miscellaneous | | | | | | | | | | | | |
| Siddiqson Tin Plate Limited | | - | 650,000 | - | - | 650,000 | 11,632,250 | 12,441,000 | 808,750 | 0.57% | 0.59% | 0.28% |
| Synthetic Products Enterprises Limited | 5.1.1 | 14,144 | 7 | - | 12,000 | 2,151 | 89,372 | 92,515 | 3,143 | 0.00% | 0.00% | 0.00% |
| | | | | | | | 11,721,622 | 12,533,515 | 811,893 | 0.57% | 0.59% | |
| As at June 30, 2021 | | | | | | | 1,841,229,154 | 2,094,836,529 | 253,607,375 | | | |
| As at June 30, 2020 | | | | | | | 1,391,825,877 | 1,296,831,515 | (94,994,362) | | | |

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2021, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares:

| Name of investee Company | 2021 | | 2020 | |
|--|---------------|-----------------------|---------------|-----------------------|
| | Number | Market value (Rupees) | Number | Market value (Rupees) |
| Hascol Petroleum Limited | 6,789 | 60,626 | 6,789 | 92,330 |
| Gul Ahmed Textile Mills Limited | 2,250 | 114,143 | 1,876 | 53,698 |
| The Searle Company Limited | 8,248 | 2,001,130 | 8,248 | 1,643,249 |
| Synthetic Products Enterprises Limited | 1,905 | 81,934 | 1,905 | 79,210 |
| Biafo Industries Limited | 256 | 35,329 | 234 | 33,579 |
| Pakistan State Oil Company Limited | 3,038 | 681,361 | 3,038 | 480,553 |
| Faysal Bank Limited | 6,360 | 107,929 | 6,360 | 88,595 |
| | 28,846 | 3,082,452 | 28,450 | 2,471,214 |

5.1.2 The below investments include shares having a market value (in aggregate) amounting to Rs. 52,477 million (June 30, 2020: Rs. 48,416 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

| Name of investee company | 2021 | | 2020 | |
|---------------------------------------|------------------|-----------------------|------------------|-----------------------|
| | Number of shares | Market value (Rupees) | Number of shares | Market value (Rupees) |
| Oil & Gas Development Company Limited | 60,000 | 5,701,800 | 60,000 | 6,540,000 |
| Nishat Mills Limited | 100,000 | 9,330,000 | 100,000 | 7,801,000 |
| The Hub Power Company Limited | 470,000 | 37,444,900 | 470,000 | 34,075,000 |
| | <u>630,000</u> | <u>52,476,700</u> | <u>630,000</u> | <u>48,416,000</u> |

5.2 Market Treasury Bills

| Particulars | Issue date | Face Value | | | As at June 30, 2021 | | | Market value as a percentage of | | |
|----------------------------------|-------------------|---------------------|---------------------------|------------------------------------|---------------------|----------------|--------------|---------------------------------|------------------------|-----------------------------------|
| | | As at July 01, 2020 | Purchased during the year | Disposed / matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain | Net assets of the fund | Total market value of investments |
| Market Treasury Bills - 3 months | November 19, 2020 | - | 50,000,000 | 50,000,000 | - | - | - | - | - | - |
| Total as at June 30, 2021 | | - | <u>50,000,000</u> | <u>50,000,000</u> | - | - | - | - | - | - |
| Total as at June 30, 2020 | | - | <u>143,000,000</u> | <u>143,000,000</u> | - | - | - | - | - | - |

| 5.3 Unrealised gain / (loss) on revaluation of investments classified as financial assets at 'fair value through profit or loss' - net | Note | 2021 | 2020 |
|--|------|--------------------|---------------------|
| | | (Rupees) | |
| Market value of investments | 5.1 | 2,094,836,529 | 1,296,831,515 |
| Less: Carrying value of investments | 5.1 | (1,841,229,154) | (1,391,825,877) |
| | | <u>253,607,375</u> | <u>(94,994,362)</u> |
| 6 SECURITY DEPOSITS | | | |
| 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> |
| 7 ADVANCE, DIVIDEND AND OTHER RECEIVABLES | | | |
| Dividend receivable | | - | 223,396 |
| Profit receivable on bank balances | | 9,458 | 920,622 |
| Advance tax | 7.1 | 329,053 | 293,828 |
| Advance against book building of Citi Pharma Limited | 7.2 | 5,147,418 | - |
| | | <u>5,485,929</u> | <u>1,437,846</u> |

7.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on debt amounts to Rs. 0.329 million (2020: Rs. 0.293 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule

to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivable as at June 30, 2021 as in the opinion of the management, the amount of tax deducted at source will be refunded.

- 7.2 This represents advance payment amounting to 25 percent of the offer amount against book building of Citi Pharma Limited at an offer rate of Rs. 28 per share.

| 8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | Note | 2021 | 2020 |
|--|-------------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Management remuneration payable | 8.1 | 3,148,498 | 1,867,040 |
| Sindh sales tax payable on management remuneration | 8.2 | 1,840,036 | 1,673,438 |
| Payable against allocated expenses | 8.3 | 973,103 | 602,995 |
| Payable against selling and marketing expenses | 8.4 | 15,961,141 | 6,972,772 |
| Federal excise duty payable on management remuneration | 8.5 | 10,130,264 | 10,130,264 |
| Sales load payable | | 3,283,133 | 3,283,133 |
| | | <u>35,336,175</u> | <u>24,529,642</u> |

- 8.1 'As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 2% (2020: 2%) of average annual net assets of the Fund.

The remuneration is paid to the Management Company on a monthly basis in arrears.

- 8.2 During the year, an amount of Rs. 4.787 million (2020: Rs. 3.606 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 4.620 million (2020: Rs. 3.705 million) has been paid to the Management Company which acts as a collecting agent.

- 8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the current year, the Management Company has charged such expenses to the Fund at the rate of 0.1% of the average net assets of the Fund.

- 8.4 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

- 8.5 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 10.130 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2021 would have been higher by Re. 0.52 per unit (June 30, 2020: Re. 0.073 per unit).

| 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 | 2020 |
|--|-------------|----------------------|----------------|
| | | ----- (Rupees) ----- | |
| Trustee remuneration payable | 9.1 | 230,482 | 166,642 |
| Sindh sales tax payable on trustee remuneration | 9.2 | 40,922 | 32,622 |
| | | <u>271,404</u> | <u>199,264</u> |

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily NAV of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

| Net Assets (Rs.) | Tariff for the year ended June 30, 2021 |
|---------------------|--|
| up to Rs. 1 billion | 0.20% p.a. of net assets |
| over Rs.1 billion | Rs. 2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion |

- 9.2 During the year, an amount of Rs. 0.37 million (2020: Rs 0.29 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.36 million (2020: Rs 0.29 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note
2021
2020
----- (Rupees) -----

| | | | |
|--------------------|------|----------------|----------------|
| Annual fee payable | 10.1 | <u>371,791</u> | <u>278,814</u> |
|--------------------|------|----------------|----------------|

- 10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

11 PAYABLE AGAINST PURCHASE OF INVESTMENTS

This represents net payable against purchase of investments amounting to Rs. 60.4 million (2020: Rs. 4.75 million) which requires delivery and settlement of securities within two days after transaction date as required by Pakistan Stock Exchange Regulations. These amounts have been paid subsequent to the year end.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

Note
2021
2020
----- (Rupees) -----

| | | | |
|---|------|-------------------|-------------------|
| Provision for Sindh Workers' Welfare Fund | 12.1 | 28,478,664 | 17,625,220 |
| Brokerage expense payable | | 1,364,681 | 2,390,673 |
| Auditors' remuneration payable | | 1,040,573 | 770,456 |
| Annual rating fee payable | | - | 185,814 |
| Clearing charges payable | | 363,455 | 91,143 |
| Printing charges payable | | 43,076 | 39,421 |
| Capital gain tax payable | | 228,208 | 10,107 |
| Listing fee payable | | 4,549 | 5,266 |
| Withholding tax payable | | 13,448,801 | 754,128 |
| Sales load payable | | 714,864 | - |
| | | <u>45,686,871</u> | <u>21,872,228</u> |

- 12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 1.47 (2020: Rs. 1.27) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

14 PROFIT / MARK-UP INCOME

| | 2021 | 2020 |
|-----------------------------|----------------------|-------------------|
| | ----- (Rupees) ----- | |
| Profit / mark-up income on: | | |
| - Market Treasury Bills | - | 1,902,848 |
| - Bank balances | 3,352,177 | 11,120,131 |
| | <u>3,352,177</u> | <u>13,022,979</u> |

15 AUDITORS' REMUNERATION

| | | |
|---------------------------------|----------------|----------------|
| Audit fee | 381,024 | 381,024 |
| Review and other certifications | 301,000 | 300,808 |
| Out of pocket expenses | 62,357 | 59,942 |
| | 744,381 | 741,774 |
| Sindh sales tax | 59,550 | 59,341 |
| | <u>803,931</u> | <u>801,115</u> |

16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 4.98% (June 30, 2020: 3.69%) which includes 0.89% (June 30, 2020: 0.30%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. The TER excluding government levies is 4.09% which is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit Holders' Fund

| June 30, 2021 | | | | | | | | | | |
|---|---|---------------------|---|---------------------|---------------------|---|-----------------------|---|-------------------------------------|-------------|
| As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend Reinvested | Redeemed/ conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed/ conversion out / transfer out | Net asset value as at June 30, 2021 | |
| Units | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | |
| Alfalsh Insurance Company Limited | 479,903 | - | - | 479,903 | - | 45,423,875 | - | - | 54,239,911 | - |
| Alfalsh GHP Prosperity Planning Fund Conservative Allocation Plan | 128,144 | 43,578 | 18,151 | 60,465 | 129,408 | 12,129,112 | 5,500,000 | 2,069,388 | 6,750,000 | 14,626,042 |
| Alfalsh GHP Prosperity Planning Fund Moderate Allocation Plan | 252,990 | 76,446 | 30,190 | 144,384 | 215,242 | 23,946,060 | 9,500,000 | 3,441,997 | 16,500,000 | 24,327,232 |
| Alfalsh GHP Prosperity Planning Fund Active Allocation Plan | 553,785 | 110,623 | 85,023 | 143,250 | 606,181 | 52,416,969 | 14,022,678 | 9,693,578 | 16,000,000 | 68,512,213 |
| Key management personnel (Employees) | | | | | | | | | | |
| Head of Corporate Sales | 642 | 10,910 | 1,747 | - | 13,299 | 60,767 | 1,266,883 | 199,210 | - | 1,503,089 |
| Fund Manager -VP | - | 27 | 4 | - | 31 | - | 2,976 | 460 | - | 3,504 |
| Unit holder holding 10% or more units | | | | | | | | | | |
| Sindh General Provident Investment Fund | 1,672,579 | - | 272,869 | - | 1,945,448 | 158,313,282 | - | 31,110,144 | - | 219,879,786 |
| Sindh Province Pension Fund | 2,333,447 | - | 380,684 | - | 2,714,131 | 220,865,892 | - | 43,402,339 | - | 306,758,414 |

| June 30, 2020 | | | | | | | | | | |
|---|---|---------------------|---|---------------------|---------------------|---|-----------------------|--|-------------------------------------|-------------|
| As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend Reinvested | Redeemed/ conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2020 | |
| Units | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | |
| Alfalsh Insurance Company Limited | 479,903 | - | - | 479,903 | 47,187,854 | - | - | - | 45,423,875 | |
| Alfalsh GHP Prosperity Planning Fund Conservative Plan | - | 256,316 | - | 128,172 | 128,144 | - | 26,400,000 | - | 12,610,932 | 12,129,112 |
| Alfalsh GHP Prosperity Planning Fund Moderate Allocation Plan | 230,406 | 251,026 | - | 228,442 | 252,990 | 22,655,338 | 25,350,000 | - | 22,300,000 | 23,946,060 |
| Alfalsh GHP Prosperity Planning Fund Active Allocation Plan | 100,049 | 769,465 | - | 315,729 | 553,785 | 9,837,608 | 80,050,000 | - | 31,042,404 | 52,416,969 |
| Key management personnel (Employees) | | | | | | | | | | |
| Chief Executive Officer | - | 51 | - | 51 | - | 4,738 | - | - | - | 4,827 |
| Head of Corporate Sales | 642 | - | - | 642 | 63,127 | - | - | - | - | 60,767 |
| Fund Manager -VP | 2,757 | - | - | 2,757 | 271,090 | - | - | 273,807 | - | - |
| Chief Operating Officer | 10,939 | - | - | 10,939 | 1,075,609 | - | - | 1,087,605 | - | - |
| Unit holder holding 10% or more units | | | | | | | | | | |
| The Nishat Mills Limited Employees Provident Fund Trust | 3,584,646 | - | - | 3,584,646 | 352,470,713 | - | - | - | - | 339,294,630 |
| Sindh Province Pension Fund | 1,646,878 | 686,569 | - | 2,333,447 | 161,934,055 | 75,000,000 | - | - | - | 220,865,892 |

18.2 Other transactions

| | 2021 | 2020 |
|---|------------|------------|
| | (Rupees) | |
| Associated companies / undertakings | | |
| Alfalsh GHP Investment Management Limited - Management Company | | |
| Remuneration of the Management Company | 36,823,544 | 27,579,303 |
| Sindh sales tax on remuneration of the Management Company | 4,787,061 | 3,606,220 |
| Allocated expenses | 1,836,591 | 1,388,863 |
| Selling and marketing expenses | 24,000,922 | 10,602,236 |
| Sales load | 1,831,209 | 1,831,209 |
| Bank Alfalah Limited | | |
| Profit on bank balances | 3,352,177 | 7,980,477 |
| Bank charges | 11,056 | 29,800 |
| Sales load | - | 120,530 |

| | 2021 | 2020 |
|---|----------------------|------------|
| | ----- (Rupees) ----- | |
| Alfalah GHP Income Multiplier Fund | | |
| Market treasury Bills - sold | - | 22,974,976 |
| Alfalah GHP Sovereign Fund | | |
| Market treasury Bills - sold | - | 48,639,350 |
| Alfalah GHP Value Fund | | |
| Market treasury Bills - purchased | - | 48,626,450 |
| Alfalah GHP Income Fund | | |
| Market treasury Bills - purchased | - | 53,489,095 |
| Market treasury Bills - sold | 49,191,700 | 34,271,335 |
| Other related parties | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of the Trustee | 2,840,725 | 2,393,138 |
| Sindh sales tax on remuneration of the Trustee | 369,294 | 290,196 |
| CDS charges | 405,889 | 243,010 |
| 18.3 Other balances | | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Management remuneration payable | 3,148,498 | 1,867,040 |
| Sindh sales tax payable on management remuneration | 1,840,036 | 1,673,438 |
| Payable against allocated expenses | 973,103 | 602,995 |
| Payable against selling and marketing expenses | 15,961,141 | 6,972,772 |
| Federal excise duty payable on management remuneration | 10,130,264 | 10,130,264 |
| Sales load payable | 3,283,133 | 3,283,133 |
| Bank Alfalah Limited | | |
| Bank balance | 237,611,271 | 63,534,269 |
| Other related parties | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee remuneration payable | 230,482 | 166,642 |
| Sindh sales tax payable on trustee remuneration | 40,922 | 32,622 |
| Security deposit | 100,000 | 100,000 |

19 FINANCIAL INSTRUMENTS BY CATEGORY

| Particulars | 2021 | | |
|--------------------------------|----------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 238,707,133 | - | 238,707,133 |
| Investments | - | 2,094,836,529 | 2,094,836,529 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Dividend and profit receivable | 5,156,876 | - | 5,156,876 |
| | <u>246,464,009</u> | <u>2,094,836,529</u> | <u>2,341,300,538</u> |

| Particulars | 2021 | | |
|---|----------------------|--------------------------------------|--------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 35,336,175 | - | 35,336,175 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 271,404 | - | 271,404 |
| Payable against purchase of investments | 60,411,329 | - | 60,411,329 |
| Accrued expenses and other liabilities | 3,531,198 | - | 3,531,198 |
| Dividend payable | 11,901,768 | - | 11,901,768 |
| | <u>111,451,874</u> | <u>-</u> | <u>111,451,874</u> |

| Particulars | 2020 | | |
|---|----------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 64,380,987 | - | 64,380,987 |
| Investments | - | 1,296,831,515 | 1,296,831,515 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Dividend and other receivables | 1,144,018 | - | 1,144,018 |
| | <u>68,125,005</u> | <u>1,296,831,515</u> | <u>1,364,956,520</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 24,529,642 | - | 24,529,642 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 199,264 | - | 199,264 |
| Payable against purchase of investments - net | 4,752,053 | - | 4,752,053 |
| Accrued expenses and other liabilities | 3,482,773 | - | 3,482,773 |
| | <u>32,963,732</u> | <u>-</u> | <u>32,963,732</u> |

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND 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 to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

21.1.2 Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2021, is as follows:

| | Note | 2021 | 2020 |
|---|------|--------------------|-------------------|
| ----- (Rupees) ----- | | | |
| Variable rate instrument (financial asset) | | | |
| Bank balance | 4 | <u>238,707,133</u> | <u>64,380,987</u> |

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 2.387 million (2020: Rs 0.644 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

| Particulars | 2021 | | | | | Total |
|---|---------------------------------|----------------------------------|---|--------------------|---|----------------------|
| | Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| | % | (Rupees) | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.5% to 7.7% | 238,707,133 | - | - | - | 238,707,133 |
| Investments | | - | - | - | 2,094,836,529 | 2,094,836,529 |
| Security deposits | | - | - | - | 2,600,000 | 2,600,000 |
| Dividend and profit receivable | | - | - | - | 5,156,876 | 5,156,876 |
| Sub total | | <u>238,707,133</u> | <u>-</u> | <u>-</u> | <u>2,102,593,405</u> | <u>2,341,300,538</u> |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 35,336,175 | 35,336,175 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 271,404 | 271,404 |
| Payable against purchase of investments | | - | - | - | 60,411,329 | 60,411,329 |
| Dividend payable | | - | - | - | 11,901,768 | 11,901,768 |
| Accrued expenses and other liabilities | | - | - | - | 3,531,198 | 3,531,198 |
| Sub total | | <u>-</u> | <u>-</u> | <u>-</u> | <u>111,451,874</u> | <u>111,451,874</u> |
| On-balance sheet gap | | <u>238,707,133</u> | <u>-</u> | <u>-</u> | <u>1,991,141,531</u> | <u>2,229,848,664</u> |
| Total interest rate sensitivity gap | | <u>238,707,133</u> | <u>-</u> | <u>-</u> | <u>1,991,141,531</u> | <u>2,229,848,664</u> |
| Cumulative interest rate sensitivity gap | | <u>238,707,133</u> | <u>238,707,133</u> | <u>238,707,133</u> | | |

| Particulars | 2020 | | | | | Total |
|---|---------------------------------|----------------------------------|--|--------------------|---|----------------------|
| | Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | |
| | | Upto three months | More than three months and upto one year | More than one year | | |
| | % | (Rupees) | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.5% to 8.5% | 64,380,987 | - | - | - | 64,380,987 |
| Investments | | - | - | - | 1,296,831,515 | 1,296,831,515 |
| Security deposits | | - | - | - | 2,600,000 | 2,600,000 |
| Dividend and profit receivable | | - | - | - | 1,144,018 | 1,144,018 |
| Sub total | | 64,380,987 | - | - | 1,300,575,533 | 1,364,956,520 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 24,529,642 | 24,529,642 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 199,264 | 199,264 |
| Payable against purchase of investments | | - | - | - | 4,752,053 | 4,752,053 |
| Accrued expenses and other liabilities | | - | - | - | 3,482,773 | 3,482,773 |
| Sub total | | - | - | - | 32,963,732 | 32,963,732 |
| On-balance sheet gap | | 64,380,987 | - | - | 1,267,611,801 | 1,331,992,788 |
| Total interest rate sensitivity gap | | 64,380,987 | - | - | 1,267,611,801 | 1,331,992,788 |
| Cumulative interest rate sensitivity gap | | 64,380,987 | 64,380,987 | 64,380,987 | | |

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2021. The analysis is based on the assumption that PSX index increase and decreases by 1%, with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with index this represents managements' best estimate of a reasonable possible shift in the PSX index, having regards to the historical volatility of index of past three years.

At June 30, 2021, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

| | 2021 | 2020 |
|---|------------|------------|
| | (Rupees) | |
| <i>Effect due to increase / decrease in KSE 100 index</i> | | |
| Investment and net assets | 20,948,365 | 12,968,315 |
| Income statement | 20,948,365 | 12,968,315 |

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent control established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 is as follows:

| | 2021 | | 2020 | |
|--------------------------------|--|--------------------|--|-------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure | Balance as per statement of assets and liabilities | Maximum exposure |
| | ----- (Rupees) ----- | | | |
| Bank balances | 238,707,133 | 238,707,133 | 64,380,987 | 64,380,987 |
| Investments | 2,094,836,529 | - | 1,296,831,515 | - |
| Security deposits | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 |
| Dividend and profit receivable | 5,156,876 | 5,156,876 | 1,144,018 | 1,144,018 |
| | <u>2,341,300,538</u> | <u>246,464,009</u> | <u>1,364,956,520</u> | <u>68,125,005</u> |

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 2,094.84 million (2020: Rs 1,296.83 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2021 and June 30, 2020.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Name of bank | Rating (Short Term / Long Term) | Rating Agency | 2021 | 2020 |
|--|---------------------------------|---------------|----------------|----------------|
| | | | (Rupees) | (Rupees) |
| Bank Alfalah Limited | A1+ / AA+ | PACRA | 99.54% | 98.68% |
| Bank Al-Habib Limited | A1+ / AAA | PACRA | 0.00% | 0.02% |
| MCB Bank Limited | A1+ / AAA | PACRA | 0.28% | 0.81% |
| Allied Bank Limited | A1+ / AAA | PACRA | 0.05% | 0.15% |
| JS Bank Limited | A1+ / AA- | PACRA | 0.01% | 0.04% |
| Soneri Bank Limited | A1+ / AA- | PACRA | 0.02% | 0.07% |
| Central Depository Company of Pakistan Limited - Trustee | N/A | N/A | 0.00% | 0.00% |
| Zarai Taraqati Bank of Pakistan | A1+ / AAA | VIS | 0.00% | 0.00% |
| National Bank of Pakistan | A1+ / AAA | PACRA | 0.09% | 0.21% |
| Silk Bank Limited | A2 / A- | VIS | 0.00% | 0.02% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with banks.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

| 2021 | | | | | |
|---|--|---|---|---|----------------------|
| Within one month | More than one month and upto three months | More than three months and upto one year | More than one year | Financial Instruments with no fixed maturity | Total |
| ----- (Rupees) ----- | | | | | |
| Financial assets | | | | | |
| Bank balances | 238,707,133 | - | - | - | 238,707,133 |
| Investments | - | - | - | 2,094,836,529 | 2,094,836,529 |
| Security deposits | - | - | - | 2,600,000 | 2,600,000 |
| Dividend and profit receivable | 5,156,876 | - | - | - | 5,156,876 |
| | 243,864,009 | - | - | 2,097,436,529 | 2,341,300,538 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 35,336,175 | - | - | - | 35,336,175 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 271,404 | - | - | - | 271,404 |
| Payable against purchase of investments | 60,411,329 | - | - | - | 60,411,329 |
| Dividend payable | 11,901,768 | - | - | - | 11,901,768 |
| Accrued and other liabilities | 3,531,198 | - | - | - | 3,531,198 |
| | 111,451,874 | - | - | - | 111,451,874 |
| Net financial assets | 132,412,135 | - | - | 2,097,436,529 | 2,229,848,664 |
| 2020 | | | | | |
| Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | Financial Instruments with no fixed maturity | Total |
| ----- (Rupees) ----- | | | | | |
| Financial assets | | | | | |
| Bank balances | 64,380,987 | - | - | - | 64,380,987 |
| Investments | - | - | - | 1,296,831,515 | 1,296,831,515 |
| Security deposits | - | - | - | 2,600,000 | 2,600,000 |
| Dividend and profit receivable | 1,144,018 | - | - | - | 1,144,018 |
| | 65,525,005 | - | - | 1,299,431,515 | 1,364,956,520 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 24,529,642 | - | - | - | 24,529,642 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 199,264 | - | - | - | 199,264 |
| Dividend and profit receivable | 4,752,053 | - | - | - | 4,752,053 |
| Accrued and other liabilities | 3,482,773 | - | - | - | 3,482,773 |
| | 32,963,732 | - | - | - | 32,963,732 |
| Net financial assets | 32,561,273 | - | - | 1,299,431,515 | 1,331,992,788 |

20.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021 and June 30, 2020, the Fund held the following assets measured at fair values:

| As at June 30, 2021 | | | |
|---------------------|---------|---------|---------------|
| Level 1 | Level 2 | Level 3 | Total |
| Rupees | | | |
| 2,094,836,529 | - | - | 2,094,836,529 |
| As at June 30, 2020 | | | |
| Level 1 | Level 2 | Level 3 | Total |
| Rupees | | | |
| 1,296,831,515 | - | - | 1,296,831,515 |

20.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

The Fund's objective when managing net assets attributable to unit holders is to safe guard the Fund's ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

22 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

23 GENERAL

23.1 Rounding off

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

23.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 1010 | 4,797,386 | 542,212,666 | 14% |
| Associated Co./ Directors | 1 | 92,855 | 10,494,768 | 0% |
| Banks/Dfis | 0 | - | - | 0% |
| Insurance Co. | 17 | 2,506,940 | 283,341,091 | 7% |
| Retirement & Other Funds | 61 | 8,012,254 | 905,566,562 | 50% |
| Others | 60 | 3,946,421 | 446,035,166 | 29% |
| | 1149 | 19,355,856 | 2,187,650,253 | 100% |

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|----------------------|------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 288 | 1,915,052 | 181,280,000 | 10% |
| Associated Co./ Directors | 0 | - | - | 0% |
| Banks/Dfis | 0 | - | - | 0% |
| Insurance Co. | 5 | 1,017,857 | 96,340,000 | 5% |
| Retirement & Other Funds | 23 | 6,895,292 | 652,650,000 | |
| Others | 20 | 4,050,170 | 383,348,347 | |
| | 336 | 13,878,371 | 1,313,618,347 | 15% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|--|---------------------|
| | 30 June 2021 |
| | % |
| Inter Market Securities Limited | 9.21% |
| Foundation Securities Limited | 9.13% |
| Al Habib Capital Markets Limited | 8.30% |
| BMA Capital Management Limited | 6.07% |
| EFG Hermes Pakistan Limited | 5.84% |
| Ismail Iqbal Securities (Pvt.) Limited | 5.07% |
| Taurus Securities Limited | 5.03% |
| Shajar Capital Pakistan Private Limited | 4.86% |
| Next Capital Limited | 4.72% |
| Alfalah Securities (Private) Limited | 3.84% |
| | 30 June 2020 |
| | % |
| Next Capital Limited | 13.44% |
| Alfalah Securities (Private) Limited | 10.04% |
| Inter Market Securities Limited | 9.12% |
| Al Habib Capital Markets Limited | 7.64% |
| Shajar Capital Pakistan Private Limited | 6.31% |
| Taurus Securities Limited | 5.86% |
| Topline Securities (Pvt) Limited | 5.43% |
| Ismail Iqbal Securities (Pvt.) Limited | 5.16% |
| Foundation Securities Limited | 5.14% |
| EFG Hermes Pakistan Limited | 4.66% |

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi"

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

| Name of Director | Number of Meetings | | | Meeting not attended |
|---------------------------|--------------------|----------|---------------|----------------------|
| | Held | Attended | Leave Granted | |
| Hanspeter Beier | 4 | 3 | 1 | 1 |
| Syed Ali Sultan | 4 | 4 | - | - |
| Ms. Maheen Rahman | 4 | 2 | Resigned | Resigned |
| Mr. Abid Naqvi | 4 | 3 | 1 | 1 |
| Mr. Tufail Jawed Ahmad | 4 | 3 | 1 | 1 |
| Ms. Mehreen Ahmed | 4 | 4 | - | - |
| Ms. Dominique Liana Russo | 4 | 1 | Resigned | Resigned |
| Mr. Edward Phillip Hurt | 4 | 1 | 3 | 3 |
| Mr. Tanveer Awan | 3 | 3 | - | - |
| Mr. Nabeel Malik | 2 | 2 | - | - |

**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 - AGSTF

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net Assets | 2,187,650 | 1,313,618,347 | 1,522,313 | 2,413,719 | 2,720,742 |
| NAV per unit | 113.0227 | 94.6522 | 98.3279 | 133.9569 | 156.8824 |
| Selling price per unit | 116.2156 | 97.3261 | 101.1057 | 137.7412 | 161.3143 |
| Redemption price per unit | 113.0227 | 94.6522 | 98.3279 | 133.9569 | 156.8824 |
| Highest selling price per unit | 139.8574 | 128.4717 | 127.7442 | 161.5662 | 187.3510 |
| Highest redemption price per unit | 136.0150 | 124.9421 | 124.2346 | 157.1274 | 182.2037 |
| Lowest selling price per unit | 97.3261 | 76.9215 | 99.3889 | 128.4005 | 131.0540 |
| Lowest redemption price per unit | 94.6522 | 74.8082 | 96.6583 | 124.8728 | 127.4534 |
| Interim 1st distribution date | Nil | Nil | Nil | Nil | 42908 |
| Interim 2nd distribution date | Nil | Nil | Nil | Nil | 42915 |
| Interim distribution date | Nil | Nil | Nil | Nil | 3-Jan-00 |
| Final distribution per unit | 18.6001 | Nil | Nil | Nil | 1.76 |
| Final distribution date | 28-Jun-21 | N/A | N/A | N/A | N/A |
| Annualized returns | 38.89% | -3.74% | -17.35% | -14.61% | 28.69% |
| Income distribution | Nil | Nil | Nil | Nil | 4.27% |

Return since inception is 18.61%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Stock Fund**

| Nature of Meeting | Meeting Date | Resolutions | Holding | %age Holding | Favour | Against | Abstain |
|--|--------------|--|---------|--------------|--------|---------|---------|
| Pakistan Petroleum Limited | | | | | | | |
| EOGM | 23-Dec-20 | To elect ten directors for a term of three years in accordance with Section 159 of the Companies Act, 2017. | 809,258 | 0.03% | ✓ | | |
| Habib Metropolitan Bank Limited | | | | | | | |
| EOGM | 17-Mar-21 | To approve, as recommended by the Board of Directors, final dividend @ 25% (Rs. 2,50 per share) in the form of cash for the year ended December 31, 2020, in addition to already paid 20% (Rs. 2 per share) Interim Dividend in the form of cash for the year ended December | 565,500 | 0.05% | ✓ | | |
| | | To appoint Auditors for the financial year ending December 31, 2021 | | | | | |
| | | To receive, consider and adopt the Audited Accounts, standalone as well as consolidated, of the Bank for the year ended December 31, 2020 together with the Directors' and Auditors' reports thereon | | | | | |
| Engro Corporation Limited | | | | | | | |
| EOGM | 22-Apr-21 | Approved Quarterly Financial Accounts for period ended March 31, 2021 | 292,760 | 0.05% | ✓ | | |



Alfalah
GHP Islamic Stock Fund

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmad Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Shariah Advisor: | Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |

Alfalah GHP Islamic Stock Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

The investment objective of Alfalah GHP Islamic Stock Fund (AGISF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds via investments in Shariah Compliant avenues.

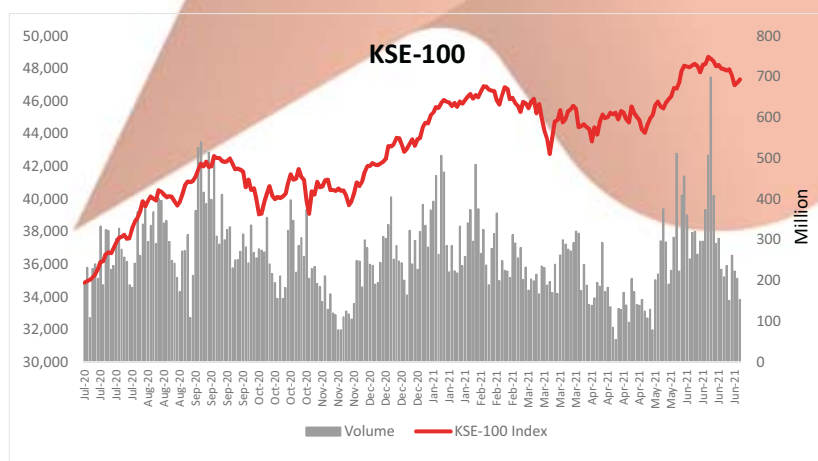
Equity Market Review

During FY21, the benchmark index posted a mammoth return of 37.6% (highest in last seven years) on account of strong rebound in economy. During the year, the index peaked at 48,726 level in mid Jun'21 but in latter part of the month profit taking was witnessed due to which the index closed at 47,356 points. Average trading volume of all-share index also improved by 165%YoY to 519.6 million shares. Market capitalization of Technology, Refineries and Engineering sectors escalated by 182%, 172% and 136% respectively compared to last year close.

Multiple positives staged the comeback of local bourse from close of last year which included; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) decline in local Covid-19 cases.

The gradual reopening of economy post 1st wave of COVID-19 reflected in large scale manufacturing which grew by 14.57%YoY during 11MFY21. The healthy signs were evident in demand side indicators as sales continue to grow for cement, automobile and petroleum product's sales. As a result, corporate earnings registered robust growth in FY21.

Going forward, ever improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.

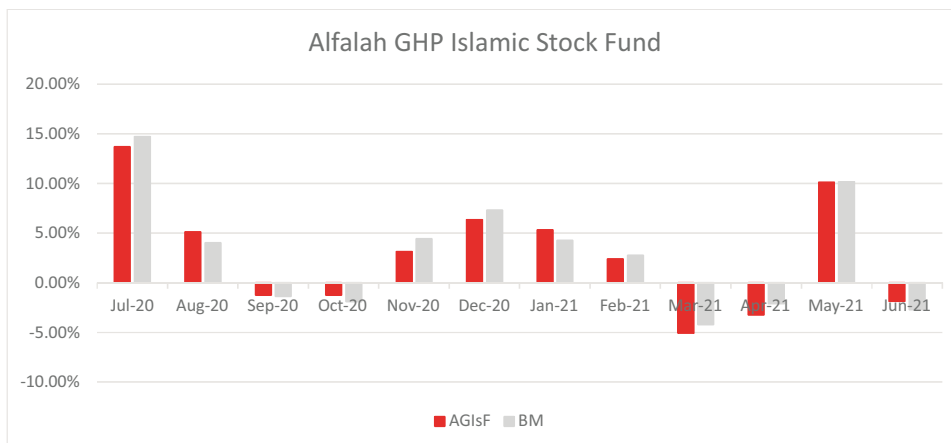


Fund Performance

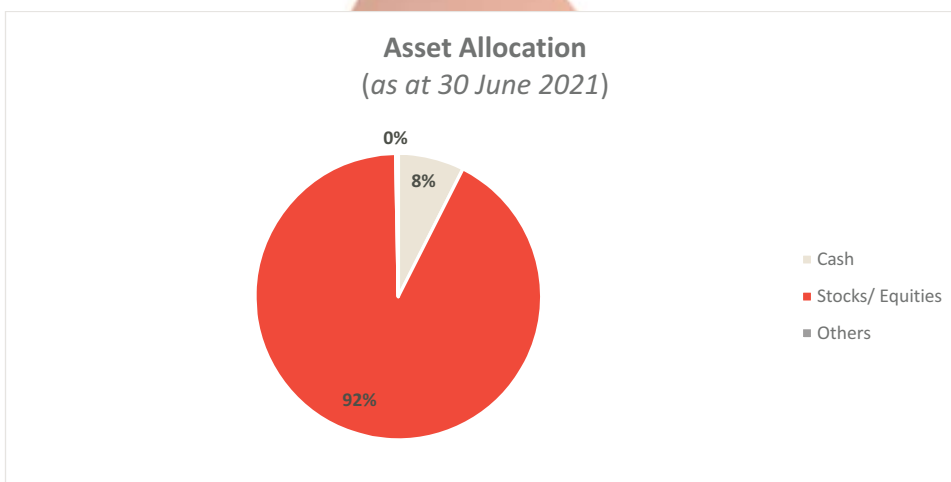
In FY21, AGISTF earned a return of 36.75% while its benchmark earned a return of 39.32% during the same period.

The fund also paid a dividend of PKR9.5717/unit during the year.

Performance comparison with Benchmark



Asset Allocation



➤ **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

➤ **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

➤ **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC STOCK FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021





Alfalah Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC STOCK FUND**

We, the Shariah Advisors of the Alfalah GHP Islamic Stock Fund ('AGISF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplement Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we provide consent for Investment in Equities Securities based on the Shariah Guidelines during the period from July 1, 2020 to June 30, 2021.

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

For the Year 2020-21 Provision against Charity is made amount to Rs. 2,323,869/- in respect of dividend purification.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

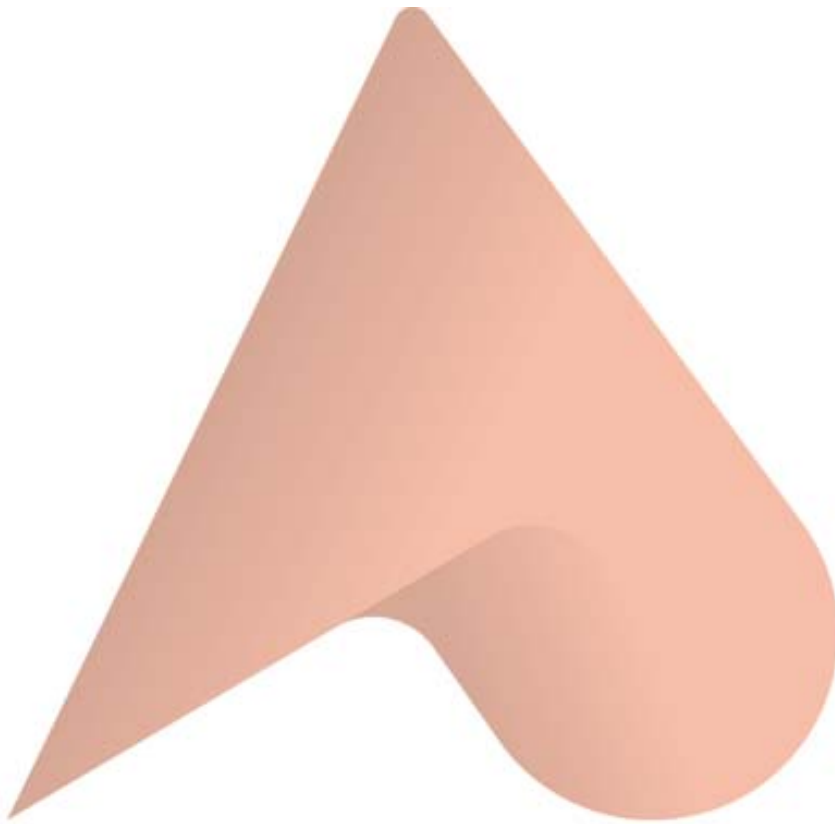
Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Stock Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2021. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 30, 2021

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Islamic Stock Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|--|
| 1 | Net Asset Value (NAV) (Refer notes 5 to the financial statements) | |
| | Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 1,869.73 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants
Karachi
Date: 30 September, 2021

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|-------------------------------|-----------------------------|
| | | ----- (Rupees) ----- | |
| Assets | | | |
| Bank balances | 4 | 47,305,534 | 104,944,368 |
| Investments | 5 | 2,389,899,802 | 1,869,728,457 |
| Security deposits | 6 | 2,600,000 | 2,600,000 |
| Dividend, profit and other receivable | 7 | 13,284,867 | 1,577,849 |
| Total assets | | <u>2,453,090,203</u> | <u>1,978,850,674</u> |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 8 | 37,088,797 | 21,355,009 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 324,572 | 264,466 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 10 | 459,611 | 412,475 |
| Payable against purchase of investments | | - | 1,117,464 |
| Accrued expenses and other liabilities | 11 | 88,613,714 | 56,140,520 |
| Dividend payable | | 1,981,563 | 111,925 |
| Total liabilities | | <u>128,468,257</u> | <u>79,401,859</u> |
| Net assets attributable to the unit holders | | <u><u>2,324,621,946</u></u> | <u><u>1,899,448,815</u></u> |
| Unit holders' fund (as per statement attached) | | <u><u>2,324,621,946</u></u> | <u><u>1,899,448,815</u></u> |
| Contingencies and commitments | | | |
| | 12 | ----- (Number of units) ----- | |
| Number of units in issue | | <u>51,229,358</u> | <u>47,376,754</u> |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | <u>45.3768</u> | <u>40.0924</u> |

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|------|---------------------------|-----------------------------|
| | | ----- (Rupees) ----- | |
| Income | | | |
| Profit on bank balances | | 3,087,549 | 13,195,736 |
| Gain / (loss) on sale of investments - net | | 415,076,426 | (82,457,372) |
| Dividend income | | 97,902,582 | 94,061,987 |
| Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | 5.2 | 325,398,829 | (43,815,381) |
| Other Income | | 27,637 | 74,115 |
| Total income / (loss) | | <u>841,493,023</u> | <u>(18,940,915)</u> |
| Expenses | | | |
| Remuneration of Alfalah GHP | | | |
| Investment Management Limited - Management Company | 8.1 | 45,960,548 | 41,241,552 |
| Sindh sales tax on remuneration of the Management Company | 8.2 | 5,974,875 | 5,361,394 |
| Allocated expenses | 8.4 | 2,297,870 | 2,054,890 |
| Selling and marketing expenses | 8.5 | 34,312,668 | 17,537,441 |
| Remuneration of Central Depository Company of Pakistan - Trustee | 9.1 | 3,298,019 | 3,060,849 |
| Sindh sales tax on remuneration of the Trustee | 9.2 | 428,743 | 397,906 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10 | 459,611 | 412,475 |
| Brokerage expense and capital value tax | | 9,954,162 | 8,939,206 |
| Bank and settlement charges | | 1,247,867 | 917,684 |
| Auditors' remuneration | 13 | 801,962 | 804,160 |
| Annual listing fee | | 27,500 | 23,620 |
| Printing charges | | 29,980 | - |
| Charity expense | 11.2 | 2,321,030 | 2,994,281 |
| Shariah advisory fee | | 600,053 | 442,248 |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 11.1 | 14,675,561 | - |
| Total expenses | | <u>122,390,449</u> | <u>84,187,706</u> |
| Net profit / (loss) for the year before taxation | | <u>719,102,574</u> | <u>(103,128,621)</u> |
| Taxation | 15 | - | - |
| Net income / (loss) for the year after taxation | | <u><u>719,102,574</u></u> | <u><u>(103,128,621)</u></u> |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 719,102,574 | - |
| Less: Income already paid on units redeemed | | (311,593,169) | - |
| | | <u>407,509,405</u> | <u>-</u> |
| Accounting income available for distribution | | | |
| - Relating to capital gain | | 397,170,864 | - |
| - Excluding capital gain | | 10,338,541 | - |
| | | <u>407,509,405</u> | <u>-</u> |

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

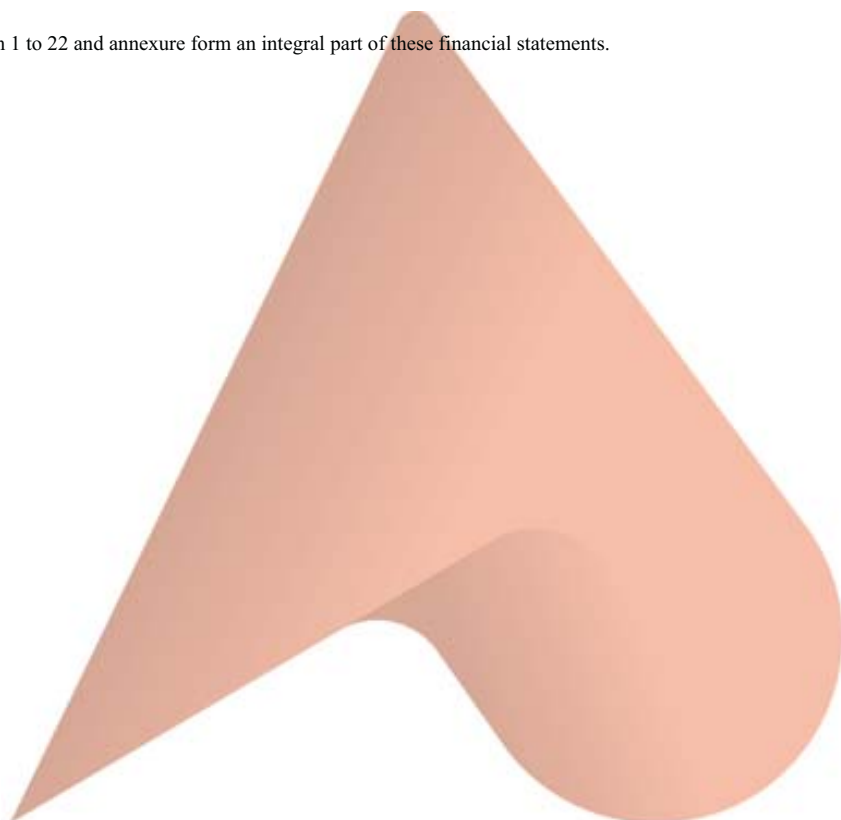
Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|---|----------------------|----------------------|
| | ----- (Rupees) ----- | |
| Net income / (loss) for the year after taxation | 719,102,574 | (103,128,621) |
| Other comprehensive income / (loss) for the year | - | - |
| Total comprehensive income / (loss) for the year | <u>719,102,574</u> | <u>(103,128,621)</u> |

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|--|----------------------|---|----------------------|----------------------|---|----------------------|
| | Capital Value | Undistributed income / (accumulated loss) | Total | Capital Value | Undistributed income / (accumulated loss) | Total |
| | (Rupees) | | | (Rupees) | | |
| Net assets at beginning of the year | 2,322,316,450 | (422,867,635) | 1,899,448,815 | 2,381,838,489 | (319,739,014) | 2,062,099,475 |
| Issuance of 72,743,103 units (2020: 62,612,906 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 2,916,445,589 | - | 2,916,445,589 | 2,544,394,416 | - | 2,544,394,416 |
| - Element of income | 693,162,472 | - | 693,162,472 | 64,047,804 | - | 64,047,804 |
| Total proceeds on issuance of units | 3,609,608,061 | - | 3,609,608,061 | 2,608,442,220 | - | 2,608,442,220 |
| Redemption of 68,890,499 units (2020: 65,980,613 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 2,761,985,451 | - | 2,761,985,451 | 2,645,321,153 | - | 2,645,321,153 |
| - Element of loss | 420,500,449 | 311,593,169 | 732,093,618 | 22,643,106 | - | 22,643,106 |
| Total payments on redemption of units | 3,182,485,900 | 311,593,169 | 3,494,079,069 | 2,667,964,259 | - | 2,667,964,259 |
| Total comprehensive income / (loss) for the year | - | 719,102,574 | 719,102,574 | - | (103,128,621) | (103,128,621) |
| Interim distribution for the year ended June 30, 2021 @ Rs. 9.5717 per unit on June 30, 2021 | (136,779,034) | (272,679,401) | (409,458,435) | - | - | - |
| Net assets at end of the year | 2,612,659,577 | (288,037,631) | 2,324,621,946 | 2,322,316,450 | (422,867,635) | 1,899,448,815 |
| | (Rupees) | | | (Rupees) | | |
| Undistributed income / (accumulated loss) brought forward | | | | | | |
| - Realised (loss) / income | | (379,052,254) | | | 52,643,580 | |
| - Unrealised loss | | (43,815,381) | | | (372,382,594) | |
| | | (422,867,635) | | | (319,739,014) | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gain | 397,170,864 | | | - | | |
| - Excluding capital gain | 10,338,541 | | | - | | |
| | 407,509,405 | | | - | | |
| Total comprehensive loss for the year | | - | | | (103,128,621) | |
| Distribution during the year | | (272,679,401) | | | - | |
| Undistributed income / (accumulated loss) carried forward | | (288,037,631) | | | (422,867,635) | |
| Undistributed income / (accumulated loss) carried forward | | | | | | |
| - Realised loss | | (613,436,460) | | | (379,052,254) | |
| - Unrealised income / (loss) | | 325,398,829 | | | (43,815,381) | |
| | | (288,037,631) | | | (422,867,635) | |
| | | (Rupees) | | | (Rupees) | |
| Net asset value per unit at the beginning of the year | | 40.0924 | | | 40.6369 | |
| Net asset value per unit at the end of the year | | 45.3768 | | | 40.0924 | |

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 ----- (Rupees) ----- | 2020 |
|---|------|------------------------------|---------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net income / (loss) for the year after taxation | | 719,102,574 | (103,128,621) |
| Adjustment for: | | | |
| Unrealised gain or loss on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | | (325,398,829) | 43,815,381 |
| Provision against Sindh Workers' Welfare Fund | | 14,675,561 | - |
| | | <u>408,379,306</u> | <u>(59,313,240)</u> |
| Decrease in assets | | | |
| Investments - net | | (194,772,516) | (18,774,240) |
| Dividend, profit and other receivable | | (11,707,018) | 537,035 |
| Receivable against sale of investments | | - | 3,500,001 |
| | | <u>(206,479,534)</u> | <u>(14,737,204)</u> |
| Increase / (decrease) in liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | 15,733,788 | 1,805,255 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 60,106 | (30,489) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | 47,136 | (2,883,964) |
| Accrued expenses and other liabilities | | 17,797,633 | (233,535) |
| Payable against purchase of investments | | (1,117,464) | 1,117,464 |
| | | <u>32,521,199</u> | <u>(225,269)</u> |
| Net cash generated from / (used in) operating activities | | <u>234,420,971</u> | <u>(74,275,713)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Amounts received against issuance of units | | 3,472,829,027 | 2,608,442,220 |
| Payments made against redemption of units | | (3,494,079,069) | (2,667,964,259) |
| Dividend Paid | | (270,809,763) | - |
| Net cash used in financing activities | | <u>(292,059,805)</u> | <u>(59,522,039)</u> |
| Net decrease in cash and cash equivalents during the year | | (57,638,834) | (133,797,752) |
| Cash and cash equivalents at the beginning of the year | | 104,944,368 | 238,742,120 |
| Cash and cash equivalents at the end of the year | 4 | <u><u>47,305,534</u></u> | <u><u>104,944,368</u></u> |

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Islamic Stock Fund (formerly Alfalah GHP Islamic Fund) (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on April 11, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on March 29, 2007. The SECP has approved second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Stock Fund.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorised as a 'shariah compliant equity scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021.
- 1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and

expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow:

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Taxation (notes 3.6 and 15)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets at fair value through profit or loss' which are measured at their fair values.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as fair value through profit or loss (FVPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.2.6 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

| | Note | 2021 | 2020 |
|-------------------------|------|----------------------|--------------------|
| | | ----- (Rupees) ----- | |
| 4 BANK BALANCES | | | |
| Balances with banks in: | | | |
| - Savings accounts | 4.1 | 7,588,656 | 64,115,316 |
| - Current accounts | 4.2 | 39,716,878 | 40,829,052 |
| | | <u>47,305,534</u> | <u>104,944,368</u> |

4.1 The rate of return on these accounts ranges from 2.11% to 7.00% (2020: 3.00% to 7.50%) per annum. It includes bank balance of Rs. 0.11 million (2020: Rs 6.75 million) maintained with Bank Alfalah Limited - Islamic Banking Division (a related party), carrying profit at the rate of 2.11% (2020: 6.50%).

4.2 This balance is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

5 INVESTMENTS

'At fair value through profit or loss'

Listed equity securities

| Note | 2021 | 2020 |
|------|----------------------|----------------------|
| | (Rupees) | |
| 5.1 | 2,389,899,802 | 1,869,728,457 |
| | <u>2,389,899,802</u> | <u>1,869,728,457</u> |

5.1 Listed equity securities - at fair value through profit or loss

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

| Name of the investee company | Note | As at July 01, 2020 | Acquired during the year during the period | Bonus / Right shares during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of net assets | Market value as a percentage of total investments | Paid-up value of shares held as a percentage of total paid-up capital of the Investee Company |
|---|-------|---------------------|--|--------------------------------------|----------------------|---------------------|------------------------------------|----------------------------------|------------------------|--|---|---|
| | | | | | | | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealized Gain/(Loss) | | | |
| | | | | | | (Number of shares) | | | (Rupees) | | | |
| Fertilizer | | | | | | | | | | | | |
| Engro Fertilizers Limited | | 1,289,893 | 542,000 | - | 1,480,000 | 351,893 | 21,930,910 | 24,727,521 | 2,796,611 | 1.06% | 1.03% | 0.03% |
| Engro Corporation Limited | | 764,208 | 592,000 | - | 875,009 | 481,199 | 144,311,744 | 141,766,037 | (2,545,706) | 6.10% | 5.93% | 0.08% |
| Fauji Fertilizer Company Limited | | 347,300 | 426,500 | - | 773,800 | - | - | - | - | - | - | - |
| Fauji Fertilizer Bin Qasim Limited | | - | 910,000 | - | - | 910,000 | 23,986,850 | 24,033,100 | 46,250 | 1.03% | 1.01% | 0.07% |
| | | | | | | | 190,229,504 | 190,526,659 | 297,155 | 8.20% | 7.97% | - |
| Investment Company | | | | | | | | | | | | |
| Dawood Hercules Corporation Limited | | 305,484 | - | - | 305,484 | - | - | - | - | - | - | - |
| Cement | | | | | | | | | | | | |
| Attock Cement Pakistan Limited | | 123,000 | 137,000 | - | 127,100 | 132,900 | 18,357,409 | 23,898,078 | 5,540,669 | 1.03% | 1.00% | 0.10% |
| Cherat Cement Company Limited | | 167,500 | 518,000 | - | 396,000 | 289,500 | 43,186,426 | 51,351,510 | 8,165,084 | 2.21% | 2.15% | 0.15% |
| D. G. Khan Cement Company Limited | 5.1.1 | 524,140 | 624,500 | - | 711,000 | 437,640 | 47,796,700 | 51,606,509 | 3,809,809 | 2.22% | 2.16% | 0.10% |
| Fauji Cement Company Limited | | 250,000 | 1,625,000 | - | 359,000 | 1,516,000 | 34,293,378 | 34,868,000 | 574,622 | 1.50% | 1.46% | 0.11% |
| Kohat Cement Company Limited | | 114,700 | 80,900 | - | 76,500 | 119,100 | 22,808,623 | 24,592,959 | 1,784,336 | 1.06% | 1.03% | 0.06% |
| Lucky Cement Limited | | 322,968 | 277,000 | - | 282,000 | 317,968 | 196,578,540 | 274,546,290 | 77,967,750 | 11.81% | 11.49% | 0.10% |
| Maple Leaf Cement Factory Limited | | 1,069,160 | 1,776,000 | - | 1,098,000 | 1,747,160 | 65,114,678 | 82,081,577 | 16,966,898 | 3.53% | 3.43% | 0.16% |
| Power Cement Limited | | - | 2,985,000 | - | 525,000 | 2,460,000 | 25,867,640 | 23,640,600 | (2,227,040) | 1.02% | 0.99% | 0.23% |
| Pioneer Cement Limited | | 258,000 | 452,500 | - | 338,500 | 372,000 | 38,995,145 | 48,758,040 | 9,762,895 | 2.10% | 2.04% | 0.16% |
| Flying Cement Company Limited | | - | 1,350,000 | - | 1,350,000 | - | - | - | - | - | - | - |
| | | | | | | | 492,998,538 | 615,343,563 | 122,345,024 | 26.47% | 25.75% | - |
| Power generation and distribution | | | | | | | | | | | | |
| The Hub Power Company Limited | 5.1.1 | 2,400,695 | 1,480,884 | - | 2,710,000 | 1,171,579 | 89,999,767 | 93,339,699 | 3,339,932 | 4.02% | 3.91% | 0.09% |
| K-Electric Limited (face value of Rs. 3.5 each) | | 2,820,000 | 550,000 | - | 3,370,000 | - | - | - | - | - | - | - |
| | | | | | | | 89,999,767 | 93,339,699 | 3,339,932 | 4.02% | 3.91% | - |
| Refinery | | | | | | | | | | | | |
| Byco Petroleum Pakistan Limited | | - | 3,725,000 | - | 1,327,000 | 2,398,000 | 24,545,209 | 27,840,780 | 3,295,571 | 1.20% | 1.16% | 0.04% |
| | | | | | | | 24,545,209 | 27,840,780 | 3,295,571 | 1.20% | 1.16% | - |
| Oil and gas marketing companies | | | | | | | | | | | | |
| Hascol Petroleum Limited | 5.1.2 | 7,740 | 2,370,500 | - | 2,374,019 | 4,221 | 65,826 | 37,694 | (28,132) | 0.00% | 0.00% | 0.00% |
| Pakistan State Oil Company Limited | 5.1.2 | 474,875 | 398,500 | - | 424,122 | 449,253 | 84,416,212 | 100,744,985 | 16,328,774 | 4.33% | 4.22% | 0.10% |
| Sui Northern Gas Pipelines Limited | | 684,607 | 747,000 | - | 1,431,607 | - | - | - | - | - | - | - |
| | | | | | | | 84,482,038 | 100,782,679 | 16,300,641 | 4.34% | 4.22% | - |
| Oil and gas exploration companies | | | | | | | | | | | | |
| Mari Petroleum Company Limited | | 88,844 | 13,700 | - | 45,900 | 56,644 | 70,949,429 | 86,347,547 | 15,398,118 | 3.71% | 3.61% | 0.04% |
| Oil & Gas Development Company Limited | | 1,600,170 | 1,529,685 | - | 1,372,500 | 1,757,355 | 181,873,322 | 167,001,446 | (14,871,877) | 7.18% | 6.99% | 0.04% |
| Pakistan Oilfields Limited | | 154,263 | 350,200 | - | 145,133 | 359,330 | 138,235,241 | 141,525,714 | 3,290,472 | 6.09% | 5.92% | 0.13% |
| Pakistan Petroleum Limited | | 1,673,314 | 1,354,400 | - | 1,198,000 | 1,829,714 | 165,198,039 | 158,874,067 | (6,323,972) | 6.83% | 6.65% | 0.07% |
| | | | | | | | 556,256,031 | 553,748,773 | (2,507,258) | 23.82% | 23.17% | - |
| Automobile assembler | | | | | | | | | | | | |
| Millat Tractors Limited | | 8,481 | 58,700 | 4,672 | 61,800 | 10,053 | 7,767,600 | 10,853,319 | 3,085,720 | 0.47% | 0.45% | 0.02% |
| Honda Atlas Cars (Pakistan) Limited | | 69,700 | 47,200 | - | 116,900 | - | - | - | - | - | - | - |
| Pak Suzuki Motor Company Limited | | - | 302,000 | - | 233,800 | 68,200 | 16,045,266 | 24,241,008 | 8,195,742 | 1.04% | 1.01% | 0.08% |
| | | | | | | | 23,812,865 | 35,094,327 | 11,281,462 | 1.51% | 1.46% | - |
| Textile composite | | | | | | | | | | | | |
| Kohinoor Textile Mills Limited | 5.1.2 | 392,751 | 729,000 | - | 660,500 | 461,251 | 19,088,794 | 34,686,075 | 15,597,281 | 1.49% | 1.45% | 0.15% |
| Nishat Mills Limited | | 588,974 | 522,500 | - | 560,000 | 551,474 | 49,740,278 | 51,452,524 | 1,712,246 | 2.21% | 2.15% | 0.16% |
| Interloop Limited | | 66,750 | 979,000 | - | 540,500 | 505,250 | 31,062,325 | 35,382,658 | 4,320,333 | 1.52% | 1.48% | 0.06% |
| | | | | | | | 99,891,397 | 121,521,257 | 21,629,860 | 5.23% | 5.08% | - |

| Name of the investee company | As at July 01, 2020 | Acquired during the year during the period | Bonus / Right shares during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of net assets | Market value as a percentage of total investments | Paid-up value of shares held as a percentage of total paid-up capital of the Investee | |
|--|---------------------|--|--------------------------------------|----------------------|---------------------|------------------------------------|----------------------------------|------------------------|--|---|---|-------|
| | | | | | | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealized Gain/(Loss) | | | | |
| (Number of shares) | | | | | | (Rupees) | | | | | | |
| Engineering | | | | | | | | | | | | |
| Agha Steel Industries Limited | - | 933,000 | - | 130,000 | 803,000 | 28,049,069 | 27,085,190 | (963,879) | 1.17% | 1.13% | 0.14% | |
| International Industries Limited | 80,996 | 248,000 | - | 298,500 | 30,496 | 6,556,764 | 6,435,266 | (121,498) | 0.28% | 0.27% | 0.02% | |
| International Steels Limited | 233,429 | 149,500 | - | 382,929 | - | - | - | - | - | - | - | |
| Mughal Iron & Steel Industries | 374,500 | 517,000 | - | 665,500 | 226,000 | 25,005,355 | 23,594,400 | (1,410,955) | 1.01% | 0.99% | - | |
| Aisha Steel Limited | - | 2,410,000 | - | 516,000 | 1,894,000 | 46,018,673 | 47,179,540 | 1,160,867 | 2.03% | 1.97% | - | |
| | | | | | | 105,629,862 | 104,294,396 | (1,335,466) | 4.49% | 4.36% | | |
| Pharmaceuticals | | | | | | | | | | | | |
| The Searle Company Limited | 5.1.2 | 224,271 | 154,000 | 28,692 | 193,000 | 213,963 | 47,226,283 | 51,911,703 | 4,685,420 | 2.23% | 2.17% | 0.09% |
| Highnoon Laboratories Limited | 5.1.2 | 27,181 | 64,150 | 5,433 | 47,500 | 49,264 | 25,564,212 | 29,558,400 | 3,994,188 | 1.27% | 1.24% | 0.13% |
| AGP Limited | - | - | 217,500 | - | 217,500 | - | - | - | - | - | - | 0.00% |
| Ferozsons Laboratory Limited | - | - | 1,700 | - | 1,700 | - | - | - | - | - | - | - |
| GlaxoSmithKline (Pakistan) Limited | - | 42,200 | 137,800 | - | 180,000 | - | - | - | - | - | - | - |
| | | | | | | 72,790,495 | 81,470,103 | 8,679,608 | 3.50% | 3.41% | | |
| Food and personal care products | | | | | | | | | | | | |
| Al Shaheer Corporation Limited | 5.1.2 | 556 | 101 | - | 82 | 575 | 6,433 | 11,460 | 5,027 | 0.00% | 0.00% | 0.00% |
| At-Tahir Limited | - | 357,500 | 133,000 | - | 490,500 | - | - | - | - | - | - | - |
| The Organic Meat Company Limited | - | - | 97,524 | - | 97,524 | - | - | - | - | - | - | - |
| | | | | | | 6,433 | 11,460 | 5,027 | 0.00% | 0.00% | | |
| Commercial banks | | | | | | | | | | | | |
| Meezan Bank Limited | - | 1,066,455 | 910,200 | 120,945 | 837,600 | 1,260,000 | 105,406,366 | 145,416,600 | 40,010,234 | 6.26% | 6.08% | 0.09% |
| BankIslami Pakistan Limited | - | 2,000 | - | - | 2,000 | - | - | - | - | - | - | - |
| | | | | | | | 105,406,366 | 145,416,600 | 40,010,234 | 6.26% | 6.08% | |
| Chemical | | | | | | | | | | | | |
| Engro Polymer & Chemicals Limited | - | 1,055,000 | 1,212,500 | - | 1,387,500 | 880,000 | 33,855,033 | 41,571,200 | 7,716,167 | 1.79% | 1.74% | 0.10% |
| ICI Pakistan Limited | - | 9,787 | 200 | - | 9,987 | - | - | - | - | - | - | - |
| Lotte Chemical Pakistan Limited | - | 923,500 | 1,480,000 | - | 2,403,500 | - | - | - | - | - | - | - |
| Ittehad Chemicals Limited | - | 313,000 | 425,000 | - | 738,000 | - | - | - | - | - | - | - |
| | | | | | | | 33,855,033 | 41,571,200 | 7,716,167 | 1.79% | 1.74% | |
| Transport | | | | | | | | | | | | |
| Pakistan International Bulk Terminal Limited | - | - | 2,000,000 | - | 2,000,000 | - | - | - | - | - | - | - |
| Pakistan National Shipping Company | - | 91,500 | 253,000 | - | 255,500 | 89,000 | 7,374,921 | 6,470,300 | (904,621) | 0.28% | 0.27% | 0.07% |
| | | | | | | | 7,374,921 | 6,470,300 | (904,621) | 0.28% | 0.27% | |
| Vanaspati & Allied Industries | | | | | | | | | | | | |
| Unity Foods Limited | - | 917,000 | 4,185,067 | - | 3,609,500 | 1,492,567 | 38,697,234 | 66,449,083 | 27,751,849 | 2.86% | 2.78% | 0.15% |
| | | | | | | | 38,697,234 | 66,449,083 | 27,751,849 | 2.86% | 2.78% | |
| Paper and board | | | | | | | | | | | | |
| Century Paper & Board Mills Limited | - | 161,000 | 333,800 | 38,600 | 478,900 | 54,500 | 5,455,076 | 6,652,815 | 1,197,739 | 0.29% | 0.28% | 0.03% |
| | | | | | | | 5,455,076 | 6,652,815 | 1,197,739 | 0.29% | 0.28% | |
| Automobile parts & accessories | | | | | | | | | | | | |
| Thal Limited (face value of Rs. 5 each) | - | 50,000 | 57,200 | - | 39,200 | 68,000 | 24,035,391 | 28,749,040 | 4,713,649 | 1.24% | 1.20% | 0.08% |
| Panther Tyres Limited | - | - | 363,204 | - | 363,204 | - | 24,696,098 | 25,108,293 | 412,194 | 1.08% | 1.05% | 0.26% |
| | | | | | | | 48,731,490 | 53,857,333 | 5,125,843 | 1.24% | 1.20% | |
| Technology & communication | | | | | | | | | | | | |
| Systems Limited | - | 361,870 | 160,200 | 13,077 | 381,600 | 153,547 | 36,024,311 | 86,020,100 | 49,995,789 | 3.70% | 3.60% | 0.11% |
| Avanceon Limited | - | - | 438,000 | 56,200 | 91,000 | 403,200 | 30,106,228 | 36,965,376 | 6,859,148 | 1.59% | 1.55% | 0.16% |
| Pakistan Telecommunication Company Limited | - | - | 1,075,000 | - | 1,075,000 | - | 12,690,405 | 12,728,000 | 37,595 | 0.55% | 0.53% | 0.03% |
| | | | | | | | 78,820,944 | 135,713,476 | 56,892,532 | 5.84% | 5.68% | |
| Glass & Ceramics | | | | | | | | | | | | |
| Balochistan Glass Limited | - | - | 1,320,000 | - | 730,000 | 590,000 | 5,106,011 | 9,369,200 | 4,263,189 | 0.40% | 0.39% | 0.23% |
| | | | | | | | 5,106,011 | 9,369,200 | 4,263,189 | 0.40% | 0.39% | |
| Miscellaneous | | | | | | | | | | | | |
| Synthetic Products Limited | 5.1.2 | 9,889 | 18 | - | 9,907 | - | 411,761 | 426,100 | 14,339 | 0.02% | 0.02% | 0.01% |
| | | | | | | | 411,761 | 426,100 | 14,339 | 0.02% | 0.02% | |
| As at June 30, 2021 | | | | | | | 2,064,500,973 | 2,389,899,802 | 325,398,828 | 100% | 100% | |
| As at June 30, 2020 | | | | | | | 1,913,543,838 | 1,869,728,457 | (43,815,381) | | | |

5.1.1 The above investments include shares having a market value (in aggregate) amounting to Rs. 78.778 million (2020: Rs. 77.620 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

| Name of investee Company | 2021 | 2020 | 2021 | 2020 |
|----------------------------------|------------------|-----------|-------------------|-------------------|
| | Number of shares | | Market Value | |
| ----- (Rupees) ----- | | | | |
| D.G. Khan Cement Company Limited | 60,000 | 60,000 | 7,075,200 | 5,119,800 |
| The Hub Power Company Limited | 900,000 | 1,000,000 | 71,703,000 | 72,500,000 |
| | | | 78,778,200 | 77,619,800 |

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2021, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

| Name of investee Company | 2021 | | 2020 | |
|--|--------------|--------------------------|--------|--------------------------|
| | Bonus Shares | | | |
| | Number | Market value (Rupees) | Number | Market value (Rupees) |
| Hascol Petroleum Limited | 4,223 | 37,708 | 4,223 | 57,428 |
| Kohinoor Textile Mills Limited | 1,287 | 96,782 | 1,287 | 45,701 |
| The Searle Company Limited | 11,563 | 2,805,476 | 11,563 | 2,303,746 |
| Hignnoon Laboratories Limited | 1 | 600 | 1 | 501 |
| Al Shaheer Corporation Limited | 274 | 5,461 | 274 | 3,135 |
| Pakistan State Oil Company Limited | 9,104 | 2,041,500 | 9,104 | 1,439,838 |
| Synthetic Products Enterprises Limited | 9,488 | 408,075 | 9,488 | 394,508 |
| | | <u>5,395,602</u> | | <u>4,244,857</u> |

| 5.2 Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | Note | 2021 | 2020 |
|--|------|------------------------|------------------------|
| | | ----- (Rupees) ----- | |
| Market value of investments | | 2,389,899,802 | 1,869,728,457 |
| Less: carrying value of investments | | <u>(2,064,500,973)</u> | <u>(1,913,543,838)</u> |
| | | <u>325,398,829</u> | <u>(43,815,381)</u> |
| 6 SECURITY DEPOSITS | | | |
| Central Depository Company of Pakistan Limited | | 100,000 | 100,000 |
| National Clearing Company of Pakistan Limited | | <u>2,500,000</u> | <u>2,500,000</u> |
| | | <u>2,600,000</u> | <u>2,600,000</u> |
| 7 DIVIDEND, PROFIT AND OTHER RECEIVABLE | | | |
| Dividend receivable | | 5,796,049 | 610,497 |
| Profit receivable on bank balances | | 461,926 | 285,189 |
| Security margin with NCCPL | | 682,163 | 682,163 |
| Advance against book building of shares | 7.1 | 6,344,729 | - |
| | | <u>13,284,867</u> | <u>1,577,849</u> |

7.1 This represents advance payment amounting to 25 percent of the offer amount against book building of Citi Pharma Limited at an offer rate of Rs. 28 per share.

| 8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | Note | 2021 | 2020 |
|--|-------------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Management remuneration payable | 8.1 | 4,100,911 | 3,073,256 |
| Sindh sales tax payable on management remuneration | 8.2 | 1,322,070 | 1,188,470 |
| Federal excise duty payable on management remuneration | 8.3 | 5,412,371 | 5,412,371 |
| Payable against allocated expenses | 8.4 | 973,173 | 868,127 |
| Payable against selling and marketing expenses | 8.5 | 24,283,968 | 9,764,967 |
| Sales load payable | | 996,304 | 1,047,818 |
| | | <u>37,088,797</u> | <u>21,355,009</u> |

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. The Management Company has charged remuneration at a rate of 2% (2020: 2%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the year, an amount of Rs. 5.975 million (2020: Rs. 5.361 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 5.841 million (2020: Rs. 5.428 million) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.412 million has been retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the net asset per unit of the Fund would have been higher by Re. 0.11 (June 30, 2020: Re. 0.11).

8.4 In accordance with regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the year, the Management Company has charged such expenses to the Fund at the rate of 0.1% (2020: 0.1%) of the average net assets of the Fund.

8.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company (except fund of funds).

| 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 | 2020 |
|--|-------------|----------------------|----------------|
| | | ----- (Rupees) ----- | |
| Trustee remuneration payable | 9.1 | 287,231 | 234,041 |
| Sindh sales tax payable on Trustee remuneration | 9.2 | 37,341 | 30,425 |
| | | <u>324,572</u> | <u>264,466</u> |

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

| Net Assets (Rs.) | Tariff for the year ended June 30, 2021 |
|---------------------|--|
| up to Rs. 1 billion | 0.20% p.a. of net assets |
| over Rs.1 billion | Rs. 2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion |

9.2 Accordingly during the year, an amount of Rs. 0.429 million (2020: Rs. 0.398 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.422 million (2020: Rs. 0.401 million) was paid to the Trustee which acts as a collecting agent.

| 10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP) | Note | 2021 | 2020 |
|---|-------------|----------------------|----------------|
| | | ----- (Rupees) ----- | |
| Annual fee payable | 10.1 | <u>459,611</u> | <u>412,475</u> |

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| 11 ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2021 | 2020 |
|--|-------------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 60,312,857 | 45,637,296 |
| Auditors' remuneration payable | | 1,053,820 | 818,588 |
| Brokerage payable | | 1,438,604 | 3,253,307 |
| Settlement charges | | 93,935 | 81,885 |
| Withholding tax payable | | 20,968,987 | 1,405,028 |
| Charity payable | 11.2 | 3,023,870 | 3,461,817 |
| Shariah advisor fee payable | | 962,107 | 842,054 |
| Capital value tax payable | | 7,854 | 53,207 |
| Sales load payable | | 239,389 | 278,289 |
| Annual rating fee | | 235,413 | 235,413 |
| Other liabilities | | 276,878 | 73,636 |
| | | <u>88,613,714</u> | <u>56,140,520</u> |

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 1.18 (2020: Re 0.96) per unit.

11.2 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments a portion of which has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the Fund.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

| 13 AUDITORS' REMUNERATION | 2021 | 2020 |
|----------------------------------|----------------------|----------------|
| | ----- (Rupees) ----- | |
| Audit fee | 400,000 | 400,000 |
| Review and other certification | 260,517 | 260,517 |
| Out of pocket expenses | 88,604 | 84,076 |
| Sindh sales tax | 52,841 | 59,567 |
| | <u>801,962</u> | <u>804,160</u> |

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 5.33% which includes 0.94% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. The TER excluding government levies is 4.39% which is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Unit holders' fund

| Note | 2021 | | | | | | | | | | |
|--|---------------------|---|---------------------|--|---------------------|---------------------|---|---------------------|--|-------------------------------------|-------------|
| | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend Reinvested | Redeemed / conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend Reinvested | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2021 | |
| | (Units) | | | | | (Rupees) | | | | | |
| Key management personnel | | | | | | | | | | | |
| Head of Corporate sales | 16.1.1 | 4,517 | - | 800 | - | 5,317 | 181,097 | - | 36,753 | - | 241,268 |
| Chief Executive Officer | 16.1.1 | 32,113 | 2,892 | 4,255 | 11,673 | 27,587 | 1,287,487 | 154,503 | 195,546 | 569,770 | 1,251,810 |
| Head of Compliance and Risk Management | 16.1.1 | 7 | - | 1 | - | 8 | 281 | - | 52 | - | 363 |
| Head of Investment Advisory and Senior Portfolio Manager | 16.1.1 | 9,096 | 22,259 | 6,246 | - | 37,601 | 364,680 | 1,250,000 | - | 287,059 | 1,706,213 |
| Units more than 10% | | | | | | | | | | | |
| Sindh Province Pension Fund | 16.1.1 | 10,220,192 | - | 2,128,519 | - | 12,348,711 | 409,752,026 | - | 97,824,615 | - | 560,344,989 |
| Sindh General Provident Investment Fund | 16.1.1 | 5,568,228 | - | 1,159,673 | - | 6,727,901 | 223,243,624 | - | 53,297,409 | - | 305,290,618 |
| Al Hilal Industries (Private) Limited | 16.1.1 | 292,390 | 21,289,690 | 1,362,991 | 14,955,970 | 7,989,101 | 11,722,617 | 1,072,078,138 | 62,641,723 | 757,010,457 | 362,519,838 |
| The Sultan Foundation | 16.1.1 | - | 8,900,523 | - | 8,900,523 | - | - | 441,496,143 | - | 461,067,913 | - |

| | 2020 | | | | | | | | | |
|--|---------------------|---|---------------------|--|---------------------|---------------------|---|---------------------|--|---------------------|
| | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend Reinvested | Redeemed / conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend Reinvested | Redeemed / conversion out / transfer out | As at June 30, 2020 |
| | (Units) | | | | | (Rupees) | | | | |
| Key management personnel | | | | | | | | | | |
| Head of Corporate sales | 4,517 | - | - | - | 4,517 | 185,793 | - | - | - | 181,097 |
| Chief Executive Officer | 13,991 | 34,839 | - | 16,717 | 32,113 | 575,449 | 1,450,000 | - | 597,712 | 1,287,487 |
| Head of Compliance and Risk Management | 7 | - | - | - | 7 | 318 | - | - | - | 281 |
| Head of Investment Advisory and Senior Portfolio Manager | 10,698 | 9,096 | - | 10,698 | 9,096 | 440,006 | 340,727 | - | 420,727 | 364,680 |
| Chief Operating Officer | 1,010 | - | - | 1,010 | - | 41,528 | - | - | 39,132 | - |
| Units more than 10% | | | | | | | | | | |
| Sindh Province Pension Fund | 10,220,192 | - | - | - | 10,220,192 | 420,342,202 | - | - | - | 409,752,026 |
| Sindh General Provident Investment Fund | 2,288,162 | 3,280,066 | - | - | 5,568,228 | 94,108,898 | 121,000,000 | - | - | 223,243,624 |

16.1.1 This reflects the position of related party / connected person status as at June 30, 2021.

16.2 Other transactions

| | 2021 | 2020 |
|---|------------|------------|
| | (Rupees) | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Investment Management Limited - Management Company | 45,960,548 | 41,241,552 |
| Sindh sales tax on remuneration of the Management Company | 5,974,875 | 5,361,394 |
| Allocated expenses | 2,297,870 | 2,054,890 |
| Selling and marketing expenses | 34,312,668 | 17,537,441 |
| Sales load | 413,455 | 3,677,828 |
| Bank Alfalah Limited - Islamic Banking Division | | |
| Profit on bank balances | 28,417 | 122,608 |
| Bank charges | 65 | 18,302 |
| Sales load | 976,225 | 200,936 |
| Other related parties | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of Central Depository Company of Pakistan - Trustee | 3,298,019 | 3,060,849 |
| Sindh sales tax on remuneration of the Trustee | 428,743 | 397,906 |
| Settlement charges | 648,256 | 863,561 |

16.3 Other balances

| | | |
|---|------------|------------|
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Management remuneration payable | 4,100,911 | 3,073,256 |
| Sindh sales tax payable on management remuneration | 1,322,070 | 1,188,470 |
| Federal excise duty payable on management remuneration | 5,412,371 | 5,412,371 |
| Payable against allocated expenses | 973,173 | 868,127 |
| Payable against selling and marketing expenses | 24,283,968 | 9,764,967 |
| Sales load payable | 996,304 | 1,047,818 |
| Bank Alfalah Limited - Islamic Banking Division | | |
| Bank balances | 39,825,248 | 47,579,473 |
| Sales load payable | 239,389 | 278,289 |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee remuneration payable | 287,231 | 234,041 |
| Sindh sales tax payable on Trustee remuneration | 37,341 | 30,425 |
| Security deposit | 100,000 | 100,000 |

17 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021, all the financial assets carried on the statement of assets and liabilities are categorised either financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

| Particulars | 2021 | | |
|---------------------------------------|----------------------|--------------------------------------|---------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 47,305,534 | - | 47,305,534 |
| Investments | - | 2,389,899,802 | 2,389,899,802 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Dividend, profit and other receivable | 13,284,867 | - | 13,284,867 |
| | 63,190,401 | 2,389,899,802 | 2,453,090,203 |

| Particulars | 2021 | | |
|---|--------------------------------------|-------------------|------------|
| | At fair value through profit or loss | At amortised cost | Total |
| | ----- (Rupees) ----- | | |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | - | 37,088,797 | 37,088,797 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 324,572 | 324,572 |
| Accrued expenses and other liabilities | - | 7,324,016 | 7,324,016 |
| Dividend payable | - | 1,981,563 | 1,981,563 |
| | - | 46,718,948 | 46,718,948 |

| Particulars | 2020 | | |
|---------------------------------------|----------------------|--------------------------------------|---------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 104,944,368 | - | 104,944,368 |
| Investments | - | 1,869,728,457 | 1,869,728,457 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Dividend, profit and other receivable | 1,577,849 | - | 1,577,849 |
| | 109,122,217 | 1,869,728,457 | 1,978,850,674 |

| Particulars | 2020 | | |
|---|--------------------------------------|-------------------|------------|
| | At fair value through profit or loss | At amortised cost | Total |
| | ----- (Rupees) ----- | | |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | - | 21,355,009 | 21,355,009 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 264,466 | 264,466 |
| Payable against purchase of investments | - | 1,117,464 | 1,117,464 |
| Accrued expenses and other liabilities | - | 9,044,989 | 9,044,989 |
| Dividend payable | - | 111,925 | 111,925 |
| | - | 31,893,853 | 31,893,853 |

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Funds's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / interest rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

18.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2021, is as follows:

| | 2021 | 2020 |
|---|----------------------|-------------------|
| | ----- (Rupees) ----- | |
| Variable rate instrument (financial asset) | | |
| Bank balance | <u>7,588,656</u> | <u>64,115,316</u> |

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates on the last repricing date would have increased / decreased the net profit for the year and the net assets of the Fund by Rs 0.064 million (2020: Rs 0.641 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment portfolio and the profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

| Particulars | 2021 | | | | | Total |
|---|-------------------------------|-------------------------------------|---|--------------------|---|----------------------|
| | Effective yield / profit rate | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| (Rupees) | | | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 2.1% - 7% | 7,588,656 | - | - | 39,716,878 | 47,305,534 |
| Investments | | - | - | - | 2,389,899,802 | 2,389,899,802 |
| Security deposits | | - | - | - | 2,600,000 | 2,600,000 |
| Dividend, profit and other receivable | | - | - | - | 13,284,867 | 13,284,867 |
| | | <u>7,588,656</u> | <u>-</u> | <u>-</u> | <u>2,445,501,547</u> | <u>2,453,090,203</u> |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 37,088,797 | 37,088,797 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 324,572 | 324,572 |
| Accrued expenses and other liabilities | | - | - | - | 7,324,016 | 7,324,016 |
| Dividend payable | | - | - | - | 1,981,563 | 1,981,563 |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>46,718,948</u> | <u>46,718,948</u> |
| On-balance sheet gap (a) | | <u>7,588,656</u> | <u>-</u> | <u>-</u> | <u>2,398,782,599</u> | <u>2,406,371,255</u> |
| Off-balance sheet financial instruments | | | | | | |
| Off-balance sheet gap (b) | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total profit rate sensitivity gap (a+b) | | <u>7,588,656</u> | <u>-</u> | <u>-</u> | <u>2,398,782,599</u> | <u>2,406,371,255</u> |
| Cumulative profit rate sensitivity gap | | <u>7,588,656</u> | <u>7,588,656</u> | <u>7,588,656</u> | | |

| Particulars | 2020 | | | | | Total |
|---|-------------------------------|-------------------------------------|---|--------------------|---|----------------------|
| | Effective yield / profit rate | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| (Rupees) | | | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 3% - 7.50% | 64,115,316 | - | - | 40,829,052 | 104,944,368 |
| Investments | | - | - | - | 1,869,728,457 | 1,869,728,457 |
| Security deposits | | - | - | - | 2,600,000 | 2,600,000 |
| Dividend, profit and other receivable | | - | - | - | 1,577,849 | 1,577,849 |
| | | <u>64,115,316</u> | <u>-</u> | <u>-</u> | <u>1,914,735,358</u> | <u>1,978,850,674</u> |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 21,355,009 | 21,355,009 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 264,466 | 264,466 |
| Accrued and other liabilities | | - | - | - | 1,117,464 | 1,117,464 |
| Dividend payable | | - | - | - | 9,044,989 | 9,044,989 |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>111,925</u> | <u>111,925</u> |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,893,853</u> | <u>31,893,853</u> |
| On-balance sheet gap (a) | | <u>64,115,316</u> | <u>-</u> | <u>-</u> | <u>1,882,841,505</u> | <u>1,946,956,821</u> |
| Off-balance sheet financial instruments | | | | | | |
| Off-balance sheet gap (b) | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total profit rate sensitivity gap | | <u>64,115,316</u> | <u>-</u> | <u>-</u> | <u>1,882,841,505</u> | <u>1,946,956,821</u> |
| Cumulative profit rate sensitivity gap | | <u>64,115,316</u> | <u>64,115,316</u> | <u>64,115,316</u> | | |

18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investment in equity securities classified as 'at fair value through profit or loss'. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Trust Deed. The NBFC Regulations also limit investment in individual equity securities to not more than 15% of the net assets and issued capital of the investee company and sector exposure upto 40% of the net assets.

In case of 1% increase / decrease in KSE 100 index on June 30, 2021, with all other variables held constant, the net income / loss and the net assets of the Fund would increase / decrease by Rs 23.899 million (2020: Rs 18.697 million) as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

The analysis is based on the assumption that equity index has increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

At June 30, 2021, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|---------------------------------------|--|-------------------|--|--------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure | Balance as per statement of assets and liabilities | Maximum exposure |
| | ----- (Rupees) ----- | | | |
| Bank balances | 47,305,534 | 47,305,534 | 104,944,368 | 104,944,368 |
| Investments | 2,389,899,802 | - | 1,869,728,457 | - |
| Security deposits | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 |
| Dividend, profit and other receivable | 13,284,867 | 13,284,867 | 1,577,849 | 1,577,849 |
| | <u>2,453,090,203</u> | <u>63,190,401</u> | <u>1,978,850,674</u> | <u>109,122,217</u> |

The difference in the balance as per the Statement of Assets and Liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 2,389.9 million (2020: Rs 1,869.729 million) is not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2021 and June 30, 2020.

18.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of dividends receivable on equity securities. Credit risk on dividend receivable is minimal due to statutory protection.

Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Bank | Rating Agency | Rating | 2021 | 2020 |
|-------------------------------------|---------------|------------|-------------|-------------|
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 84.19% | 45.34% |
| Meezan Bank Limited | VIS | A-1+ / AAA | 0.018% | 0.008% |
| National Bank of Pakistan | VIS | A-1+ / AAA | 0.05% | 0.04% |
| Habib Bank Limited | VIS | A-1+ / AAA | 0.062% | 0.030% |
| BankIslami Pakistan Limited | PACRA | A1 / A+ | 10.79% | 48.59% |
| Dubai Islamic Bank Pakistan Limited | VIS | A-1+ / AA | 2.02% | 2.89% |
| Silk Bank Limited | VIS | A-2 / A- | 2.23% | 1.12% |
| MCB Islamic Bank Limited | PACRA | A1 / A | 0.21% | 1.97% |
| Allied Bank Limited | PACRA | A1+ / AAA | 0.10% | 0.01% |
| | | | <u>100%</u> | <u>100%</u> |

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with banks having high credit rating and in listed equity securities which are not exposed to credit risk.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily cash redemptions, if any. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund's investments in listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

| 2021 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years or more | With no fixed maturity | Total |
|---|-------------------|---------------|----------------|----------------------|------------------------|----------------------|
| ----- (Rupees) ----- | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 47,305,534 | - | - | - | - | 47,305,534 |
| Investments | - | - | - | - | 2,389,899,802 | 2,389,899,802 |
| Security deposits | - | - | - | - | 2,600,000 | 2,600,000 |
| Dividend, profit and other receivable | 13,284,867 | - | - | - | - | 13,284,867 |
| | 60,590,401 | - | - | - | 2,392,499,802 | 2,453,090,203 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 37,088,797 | - | - | - | - | 37,088,797 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 324,572 | - | - | - | - | 324,572 |
| Accrued expenses and other liabilities | 7,324,016 | - | - | - | - | 7,324,016 |
| Dividend payable | 1,981,563 | - | - | - | - | 1,981,563 |
| | 46,718,948 | - | - | - | - | 46,718,948 |
| Net assets | <u>13,871,453</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,392,499,802</u> | <u>2,406,371,255</u> |

| 2020 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years or more | With no fixed maturity | Total |
|---|----------------------|---------------|----------------|----------------------|------------------------|----------------------|
| (Rupees) | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 104,944,368 | - | - | - | - | 104,944,368 |
| Investments | 1,869,728,457 | - | - | - | - | 1,869,728,457 |
| Security deposits | - | - | - | - | 2,600,000 | - |
| Dividend, profit and other receivable | 1,577,849 | - | - | - | - | 1,577,849 |
| | 1,976,250,674 | - | - | - | 2,600,000 | 1,976,250,674 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 21,355,009 | - | - | - | - | 21,355,009 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 264,466 | - | - | - | - | 264,466 |
| Payable against purchase of investments | 1,117,464 | - | - | - | - | 1,117,464 |
| Accrued expenses and other liabilities | 9,044,989 | - | - | - | - | 9,044,989 |
| Dividend payable | 111,925 | - | - | - | - | 111,925 |
| | 31,893,853 | - | - | - | - | 31,893,853 |
| Net assets | 1,944,356,821 | - | - | - | 2,600,000 | 1,944,356,821 |

18.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021 and June 30, 2020, the Fund held the following assets measured at fair values:

| | 2021 | | | |
|--|---------------|---------|---------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| (Rupees) | | | | |
| Financial assets 'at fair value through profit or loss' | | | | |
| Investments | | | | |
| Listed equity securities | 2,389,899,802 | - | - | 2,389,899,802 |
| | 2,389,899,802 | - | - | 2,389,899,802 |
| (Rupees) | | | | |
| 2020 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| (Rupees) | | | | |
| Financial assets 'at fair value through profit or loss' | | | | |
| Investments | | | | |
| Listed equity securities | 1,869,728,457 | - | - | 1,869,728,457 |
| | 1,869,728,457 | - | - | 1,869,728,457 |

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

18.5 Unit holders' fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

20 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

21 GENERAL

21.1 Figures have been rounded off to the nearest rupee.

21.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|--------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 1756 | 10,111,926 | 458,846,822 | 20% |
| Retirement & Other Funds | 66 | 21,732,356 | 986,144,779 | 42% |
| Insurance Co. | 14 | 2,721,182 | 123,478,534 | 5% |
| Others | 56 | 16,663,894 | 756,154,179 | 33% |
| | 1892 | 51,229,358 | 2,324,624,315 | 100% |

| Category | As at 30 June 2020 | | | |
|--------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 655 | 15,878,243 | 636,588,815 | 34% |
| Retirement & Other Funds | 15 | 19,217,040 | 770,460,000 | 41% |
| Insurance Co. | 4 | 1,703,983 | 68,320,000 | 4% |
| Others | 25 | 10,577,489 | 424,080,000 | 23% |
| | 699 | 47,376,755 | 1,899,448,815 | 100% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|---|--------------|
| | 30 June 2021 |
| | % |
| Inter Market Securities Limited | 8% |
| Ismail Iqbal Securities (Pvt.) Limited | 6% |
| Al Habib Capital Markets Limited | 6% |
| Next Capital Limited | 6% |
| EFG Hermes Pakistan Limited | 5% |
| JS Global Capital Limited | 5% |
| Insight Securities (Private) Limited | 5% |
| Foundation Securities Limited | 5% |
| BMA Capital Management Limited | 5% |
| Arif Habib Limited | 5% |
| | 30 June 2020 |
| | % |
| Next Capital Limited | 10% |
| Inter Market Securities Limited | 10% |
| Alfalah Securities (Private) Limited | 9% |
| Al Habib Capital Markets Limited | 6% |
| Shajar Capital Pakistan Private Limited | 6% |
| Foundation Securities Limited | 6% |
| Topline Securities (Pvt) Limited | 6% |
| EFG Hermes Pakistan Limited | 6% |
| Ismail Iqbal Securities (Pvt.) Limited | 5% |
| BMA Capital Management Limited | 5% |

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi"

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

| Name of Director | Number of Meetings | | | Meeting not attended |
|---------------------------|--------------------|----------|---------------|----------------------|
| | Held | Attended | Leave Granted | |
| Hanspeter Beier | 4 | 3 | 1 | 1 |
| Syed Ali Sultan | 4 | 4 | - | - |
| Ms. Maheen Rahman | 4 | 2 | Resigned | Resigned |
| Mr. Abid Naqvi | 4 | 3 | 1 | 1 |
| Mr. Tufail Jawed Ahmad | 4 | 3 | 1 | 1 |
| Ms. Mehreen Ahmed | 4 | 4 | - | - |
| Ms. Dominique Liana Russo | 4 | 1 | Resigned | Resigned |
| Mr. Edward Phillip Hurt | 4 | 1 | 3 | 3 |
| Mr. Tanveer Awan | 3 | 3 | - | - |
| Mr. Nabeel Malik | 2 | 2 | - | - |

**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 - AGISF

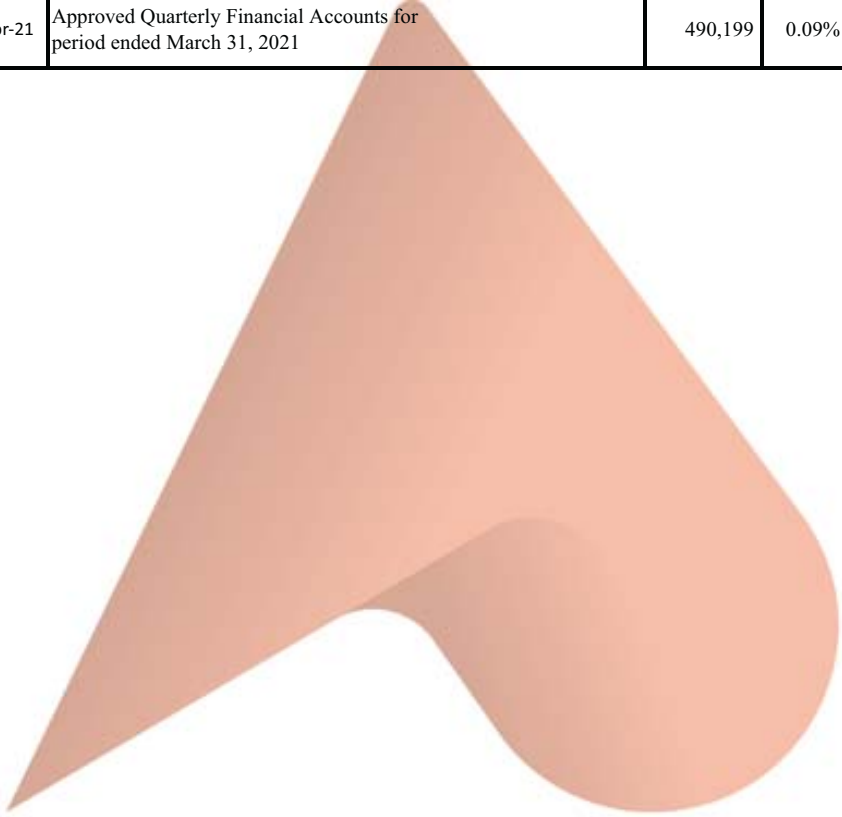
| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|-------------------------------------|-------------------------|-----------------|-----------------|-----------------|-----------------|
| | (Rupees in '000) | | | | |
| Net Assets | 2,324,622 | 1,899,448 | 2,062,099 | 4,382,970 | 9,130,181 |
| NAV per unit | 45.3768 | 40.0924 | 40.6369 | 62.3088 | 72.8229 |
| Selling price per unit | 46.9151 | 41.4515 | 42.0145 | 64.4211 | 75.2916 |
| Redemption price per unit | 45.3768 | 40.0924 | 40.6369 | 62.3088 | 72.8229 |
| Highest selling price per unit | 59.0934 | 53.4178 | 53.7467 | 76.4498 | 92.9008 |
| Highest redemption price per unit | 57.1558 | 51.6663 | 51.9844 | 73.9431 | 89.8547 |
| Lowest selling price per unit | 42.0103 | 31.6076 | 40.8919 | 60.5991 | 66.4375 |
| Lowest redemption price per unit | 40.6328 | 30.5712 | 39.5511 | 58.6121 | 64.2591 |
| Total interim distribution per unit | 9.5717 | Nil | Nil | 6.9204 | 8.1072 |
| Interim distribution date | 25-Jun-21 | N/A | N/A | 29-Jun-17 | 29-Jun-16 |
| Final distribution per unit | Nil | Nil | Nil | Nil | Nil |
| Final distribution date | N/A | N/A | N/A | N/A | N/A |
| Annualized returns | 36.75% | -1.34% | -14.43% | 24.81% | 20.33% |
| Income distribution | 23.87% | Nil | Nil | 10.84% | 13.52% |
| Weighted avg. portfolio duration | N/A | N/A | N/A | N/A | N/A |

Return since inception is 6.11%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Stock Fund**

| Nature of Meeting | Meeting Date | Resolutions | Holding | %age Holding | Favour | Against | Abstain |
|-----------------------------------|--------------|---|-----------|--------------|--------|---------|---------|
| Pakistan Petroleum Limited | | | | | | | |
| EOGM | 23-Dec-20 | To elect ten directors for a term of three years in accordance with Section 159 of the Companies Act, 2017. | 1,914,214 | 0.07% | ✓ | | |
| Engro Corporation Limited | | | | | | | |
| EOGM | 22-Apr-21 | Approved Quarterly Financial Accounts for period ended March 31, 2021 | 490,199 | 0.09% | ✓ | | |





**Alfalah
GHP Value Fund**

FUND 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: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Registrar: | Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |

Alfalah GHP Value Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

The investment objective of Alfalah GHP Value Fund (AGVF) is to generate stable and consistent returns from a well-diversified portfolio consisting of high quality equity and debt securities.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

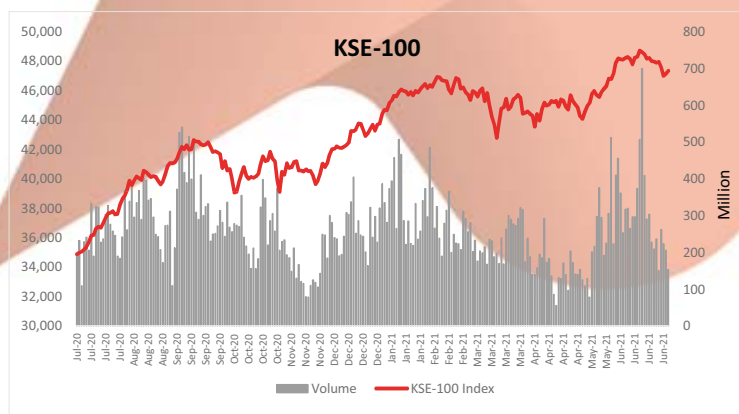
Equity Market Review:

During FY21, the benchmark index posted a mammoth return of 37.6% (highest in last seven years) on account of strong rebound in economy. During the year, the index peaked at 48,726 level in mid Jun'21 but in latter part of the month profit taking was witnessed due to which the index closed at 47,356 points. Average trading volume of all-share index also improved by 165%YoY to 519.6 million shares. Market capitalization of Technology, Refineries and Engineering sectors escalated by 182%, 172% and 136% respectively compared to last year close.

Multiple positives staged the comeback of local bourse from close of last year which included; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) decline in local Covid-19 cases.

The gradual reopening of economy post 1st wave of COVID-19 reflected in large scale manufacturing which grew by 14.57%YoY during 11MFY21. The healthy signs were evident in demand side indicators as sales continue to grow for cement, automobile and petroleum product's sales. As a result, corporate earnings registered robust growth in FY21.

Going forward, ever improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.

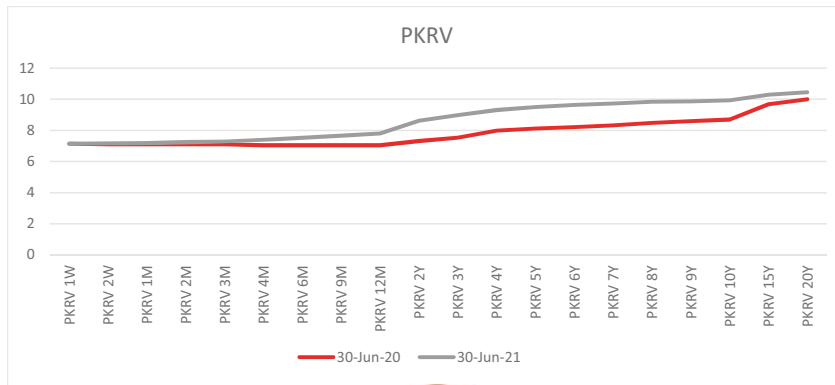


Money Market Review

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

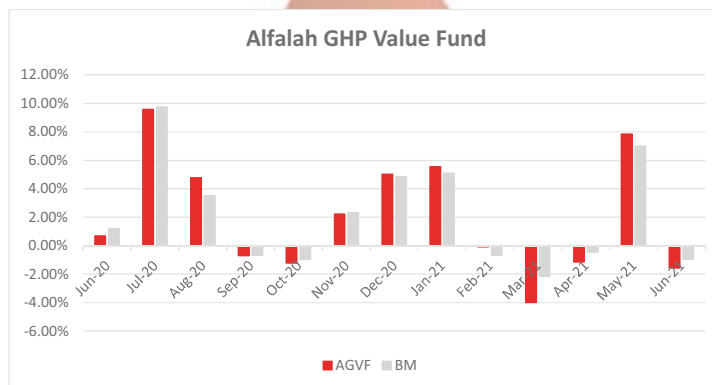
Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.

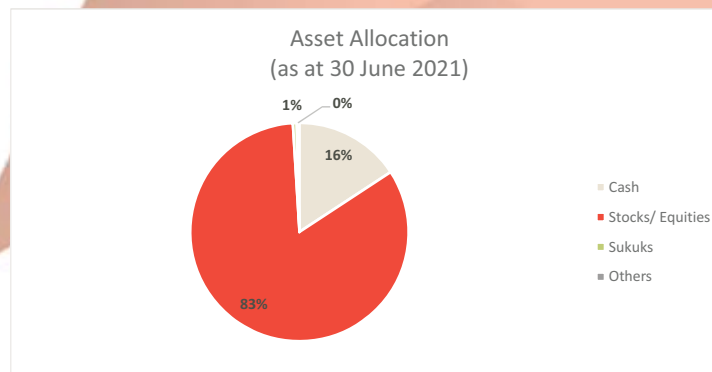


Fund Performance

During FY21, AGVF underperformed its benchmark with a return of 28.45% versus the benchmark return of 29.21% during the same period. The fund also paid dividend of PKR7.7144/unit during the year.



Assets Allocation



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
There were no significant changes in the state of affairs during the year under review.
- **Disclosure on unit split (if any), comprising:-**
There were no unit splits during the period.
- **Disclosures of circumstances that materially affect any interests of unit holders**
Investments are subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**
No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



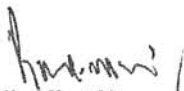
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC VALUE FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 17, 2021



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Value Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|--|
| 1 | Net Asset Value (NAV) (Refer notes 5 to the financial statements) | |
| | Investments constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 542.35 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 30 September, 2021

ALFALAH GHP VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|-------------------------------|--------------------|
| | | ----- (Rupees) ----- | |
| Assets | | | |
| Bank balances | 4 | 105,179,325 | 16,747,348 |
| Investments | 5 | 542,348,942 | 839,889,075 |
| Security deposits | 6 | 2,600,000 | 2,600,000 |
| Dividend and other receivables | 7 | 2,095,121 | 1,862,000 |
| Total assets | | 652,223,388 | 861,098,423 |
| Liabilities | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | 8 | 13,821,988 | 11,747,580 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 117,667 | 155,074 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 10 | 157,379 | 205,882 |
| Payable against purchase of investments | | - | 1,699,286 |
| Accrued expenses and other liabilities | 11 | 30,701,020 | 15,170,791 |
| Dividend Payable | | 4,029,555 | 44,412 |
| Total liabilities | | 48,827,609 | 29,023,025 |
| Net assets attributable to the unit holders | | 603,395,779 | 832,075,398 |
| Unit holders' fund (as per statement attached) | | 603,395,779 | 832,075,398 |
| Contingencies and commitments | | | |
| | 12 | ----- (Number of units) ----- | |
| Number of units in issue | | 10,671,204 | 16,652,076 |
| Net asset value per unit | | | |
| | | 56.5443 | 49.9683 |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Income | | | |
| Profit / mark-up income | 13 | 14,559,341 | 59,871,723 |
| Dividend income | | 28,219,908 | 33,426,527 |
| Gain / (loss) on sale of investments - net | | 107,787,406 | (8,299,985) |
| Unrealised gain / (loss) on revaluation of investments classified as financial assets at fair value through profit or loss' - net | 5.6 | 96,488,479 | (29,519,083) |
| Total income | | 247,055,134 | 55,479,182 |
| Expenses | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 8.1 | 15,748,727 | 20,572,300 |
| Sindh sales tax on remuneration of the Management Company | 8.2 | 2,047,335 | 2,676,762 |
| Allocated expenses | 8.4 | 787,389 | 1,018,977 |
| Selling and marketing expenses | 8.5 | 10,132,283 | 6,585,117 |
| Remuneration of Central Depository Company of Pakistan - Trustee | 9.1 | 1,574,875 | 1,895,240 |
| Sindh sales tax on remuneration of the Trustee | 9.2 | 204,734 | 257,249 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10 | 157,404 | 205,906 |
| Brokerage expense | | 1,834,389 | 2,281,539 |
| Bank and settlement charges | | 1,890,951 | 526,864 |
| Auditors' remuneration | 14 | 755,537 | 755,483 |
| Fees and subscriptions | | 27,500 | 166,621 |
| Printing charges | | 29,979 | 30,012 |
| Provision for Sindh Workers Welfare Fund | 11.1 | 4,237,281 | 370,143 |
| Total expenses | | 39,428,384 | 37,342,213 |
| Net income for the year before taxation | | 207,626,750 | 18,136,969 |
| Taxation | 17 | - | - |
| Net income for the year after taxation | | 207,626,750 | 18,136,969 |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 207,626,750 | 18,136,969 |
| Income already paid on units redeemed | | (73,571,230) | (465,600) |
| | | 134,055,520 | 17,671,369 |
| Accounting income available for distribution | | | |
| - Relating to capital gain | | 134,055,520 | - |
| - Excluding capital gain | | - | 17,671,369 |
| | | 134,055,520 | 17,671,369 |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

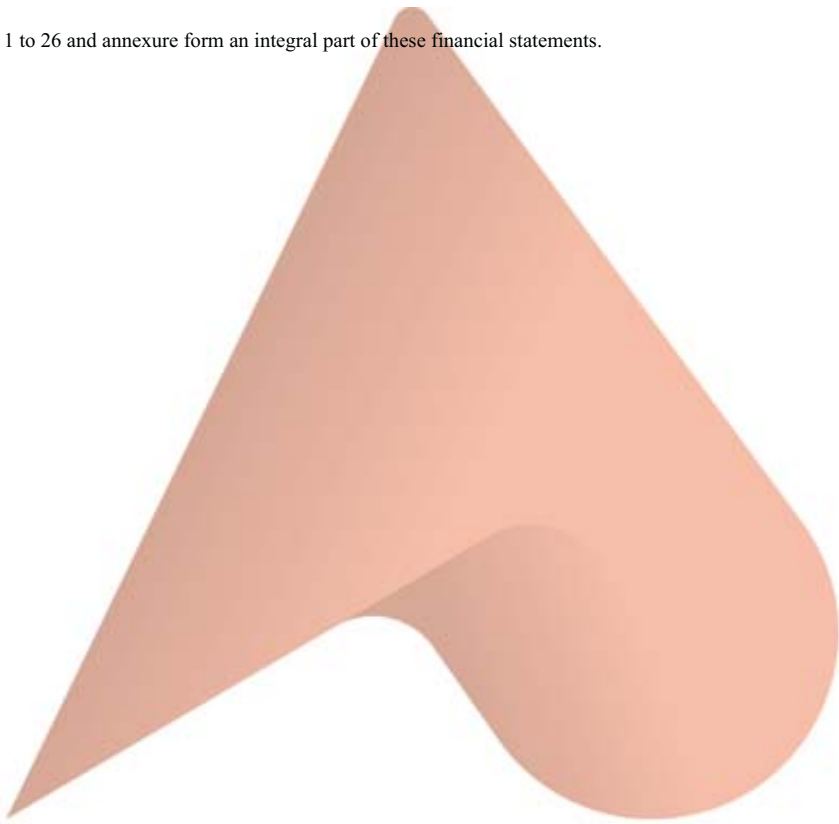
Chief Financial Officer

Director

ALFALAH GHP VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|--|----------------------|-------------------|
| | ----- (Rupees) ----- | |
| Net income for the year after taxation | 207,626,750 | 18,136,969 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>207,626,750</u> | <u>18,136,969</u> |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | | |
|--|--------------------|---|--------------------|--------------------|---------------------|--------------------|--|
| | Capital Value | Undistributed income / (accumulated loss) | Total | Capital Value | Accumulated loss | Total | |
| | (Rupees) | | | (Rupees) | | | |
| Net assets at the beginning of the year | 885,555,538 | (53,480,140) | 832,075,398 | 1,330,004,930 | (53,480,140) | 1,276,524,790 | |
| Issuance of 1,794,390 units (2020: 1,959,968 units) | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 89,662,618 | - | 89,662,618 | 99,140,863 | - | 99,140,863 | |
| - Element of income | 16,571,612 | - | 16,571,612 | 9,080,494 | - | 9,080,494 | |
| Total proceeds on issuance of units | 106,234,230 | - | 106,234,230 | 108,221,357 | - | 108,221,357 | |
| Redemption of 7,775,262 units (2020: 10,544,188 units) | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 388,516,624 | - | 388,516,624 | 533,355,606 | - | 533,355,606 | |
| - Element of loss | 6,075,684 | 73,571,230 | 79,646,914 | 19,114,156 | 465,600 | 19,579,756 | |
| Total payments on redemption of units | 394,592,308 | 73,571,230 | 468,163,538 | 552,469,762 | 465,600 | 552,935,362 | |
| Total comprehensive income for the year | - | 207,626,750 | 207,626,750 | - | 18,136,969 | 18,136,969 | |
| Final distribution for the year ended June 30, 2020 @ Rs. 1.0896 per unit on June 30, 2020 | - | - | - | (200,987) | (17,671,369) | (17,872,356) | |
| Final distribution for the year ended June 30, 2021 @ Rs. 7.7114 per unit on June 30, 2021 | (1,608,834) | (72,768,227) | (74,377,061) | - | - | - | |
| Net assets at the end of the year | 595,588,626 | 7,807,153 | 603,395,779 | 885,555,538 | (53,480,140) | 832,075,398 | |
| | (Rupees) | | | (Rupees) | | | |
| Accumulated loss brought forward | | | | | | | |
| - Realised (loss) / income | | (23,961,057) | | | 54,659,037 | | |
| - Unrealised loss | | (29,519,083) | | | (108,139,177) | | |
| | | <u>(53,480,140)</u> | | | <u>(53,480,140)</u> | | |
| Accounting income available for distribution | | | | | | | |
| - Relating to capital gains | | 134,055,520 | | | - | | |
| - Excluding capital gains | | - | | | 17,671,369 | | |
| | | <u>134,055,520</u> | | | <u>17,671,369</u> | | |
| Final distribution for the year ended June 30, 2020 @ Rs. 1.0896 per unit on June 30, 2020 | | - | | | (17,671,369) | | |
| Final distribution for the year ended June 30, 2021 @ Rs. 7.7114 per unit on June 30, 2021 | | (72,768,227) | | | - | | |
| Undistributed income / (accumulated loss) carried forward | | <u>7,807,153</u> | | | <u>(53,480,140)</u> | | |
| Undistributed income / (accumulated loss) carried forward | | | | | | | |
| - Realised loss | | (88,681,326) | | | (23,961,057) | | |
| - Unrealised gain / (loss) | | 96,488,479 | | | (29,519,083) | | |
| | | <u>7,807,153</u> | | | <u>(53,480,140)</u> | | |
| | | (Rupees) | | | (Rupees) | | |
| Net asset value per unit at the beginning of the year | | <u>49.9683</u> | | | <u>50.5829</u> | | |
| Net asset value per unit at the end of the year | | <u>56.5443</u> | | | <u>49.9683</u> | | |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|------|---------------|---------------|
| ----- (Rupees) ----- | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net income for the year before taxation | | 207,626,750 | 18,136,969 |
| Adjustments for: | | | |
| Unrealised (gain) / loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | | (96,488,479) | 29,519,083 |
| Provision for Sindh Workers Welfare Fund | | 4,237,281 | 370,143 |
| | | 115,375,552 | 48,026,195 |
| Decrease / (increase) in assets | | | |
| Investments - net | | 254,245,962 | 243,621,504 |
| Dividend and other receivables | | (233,121) | 12,591,984 |
| Receivable against sale of investments | | - | 19,632,139 |
| | | 254,012,841 | 275,845,627 |
| Increase / (decrease) in liabilities | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management | | 2,074,408 | (1,203,175) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | (37,407) | (143,568) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | (48,503) | (1,445,292) |
| Payable against purchase of investments | | (1,699,286) | 1,699,286 |
| Accrued expenses and other liabilities | | 11,292,948 | 822,467 |
| | | 11,582,160 | (270,282) |
| Net cash generated from operating activities | | 380,970,553 | 323,601,540 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Amount received against issuance of units - net of refund of capital | | 104,625,396 | 108,020,370 |
| Payments made against redemption of units | | (468,163,538) | (552,935,362) |
| Dividend paid | | (68,783,084) | (17,681,304) |
| Net cash used in financing activities | | (432,321,226) | (462,596,296) |
| Net decrease in cash and cash equivalents during the year | | (51,350,673) | (138,994,756) |
| Cash and cash equivalents at the beginning of the year | | 156,529,998 | 295,524,754 |
| Cash and cash equivalents at the end of the year | 15 | 105,179,325 | 156,529,998 |

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Value Fund is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on May 19, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on May 13, 2005. The SECP approved the first Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. NBFC/RS/AGIML/AGVF/200/2010 dated March 18, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Value Fund.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorised as an 'asset allocation scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in equity, debt and money market securities. The investment policy and objectives are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated March 3, 2021 to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow:

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Provision for Sindh Workers' Welfare Fund (note 11.1)
- iv. Taxation (notes 3.6 and 17)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets at fair value through profit or loss' which are measured at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI) or;
- at fair value through profit or loss (FVPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The management considers its investment in equity securities being managed as a group of assets and hence has classified them as fair value through profit or loss (FVPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.2.6 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

3.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Revenue recognition

- Gain or loss on sale of investments are recorded in the Income Statement on the date on which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.

- Income on sukuk certificates, term finance certificates and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as non-performing asset under Circular No. 33 of 2012 issued by the SECP for which the profits / income are recorded on receipt basis.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

| 4 BANK BALANCES | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|--------------------|------|------------------------------|------------------------------|
| In saving accounts | 4.1 | 105,179,325 | 16,747,348 |
| | | <u>105,179,325</u> | <u>16,747,348</u> |

- 4.1 The rate of return on these accounts ranges from 5.50% to 7.70% (2020: 6.50% to 8.00%) per annum. These include Rs. 69.185 million (2020: Rs 14.827 million) maintained with Bank Alfalah Limited (a related party), carrying profit at the rate of 7.70% (2020: 6.50%) per annum.

| 5 INVESTMENTS | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|---|------|------------------------------|------------------------------|
| At fair value through profit or loss | | | |
| Listed equity securities | 5.1 | 538,711,840 | 555,326,830 |
| Market Treasury Bills | 5.2 | - | 208,290,663 |
| Term finance certificates | 5.3 | 3,629,344 | 76,263,916 |
| Listed real estate investment trust units | 5.4 | 7,758 | 7,666 |
| | | <u>542,348,942</u> | <u>839,889,075</u> |

5.1 Listed equity securities - at fair value through profit or loss

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the year | Bonus / right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of | | Holding as a percentage of paid up capital of the investee company |
|---|------|---------------------|---------------------------|---|----------------------|---------------------|----------------------|--------------|--------------------------|---------------------------------|-----------------------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the fund | Total market value of investments | |
| ----- Number of shares ----- | | | | | | | ----- (Rupees) ----- | | | | | |
| Fertilizer | | | | | | | | | | | | |
| Engro Corporation Limited | | 132,880 | - | - | 52,500 | 80,380 | 23,544,910 | 23,680,752 | 135,842 | 3.92% | 4.37% | - |
| Engro Fertilizers Limited | | 303,000 | 60,000 | - | 363,000 | - | - | - | - | - | - | - |
| Fauji Fertilizer Company Limited | | 189,400 | 127,000 | - | 242,000 | 74,400 | 7,913,452 | 7,893,840 | (19,612) | 1.31% | 1.46% | - |
| Fauji Fertilizer Bin Qasim Limited | | - | 113,000 | - | - | 113,000 | 3,150,840 | 2,984,330 | (166,510) | 0.49% | 0.55% | - |
| | | | | | | | 34,609,202 | 34,558,922 | (50,280) | 5.72% | 6.38% | - |
| Chemicals | | | | | | | | | | | | |
| Engro Polymer & Chemicals Limited | | 270,500 | 129,000 | - | 199,000 | 200,500 | 6,193,426 | 9,471,620 | 3,278,194 | 1.57% | 1.75% | - |
| Lotte Chemical Pakistan Limited | | 220,000 | 437,500 | - | 657,500 | - | - | - | - | - | - | - |
| ICI Pakistan Limited | | 7,130 | - | - | 7,130 | - | - | - | - | - | - | - |
| Descon Oxychem Limited | | 88,000 | 30,000 | - | 118,000 | - | - | - | - | - | - | - |
| Sitara Peroxide Limited | | 128,500 | - | - | 128,500 | - | - | - | - | - | - | - |
| Itehad Chemicals Limited | | 15,000 | 60,000 | - | 75,000 | - | - | - | - | - | - | - |
| | | | | | | | 6,193,426 | 9,471,620 | 3,278,194 | 1.57% | 1.75% | - |
| Investment Banks / Investment Companies / Securities Companies | | | | | | | | | | | | |
| Dawood Hercules Corporation Limited | | 49,500 | - | - | 49,500 | - | - | - | - | - | - | - |

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the year | Bonus / right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of | | Holding as a percentage of paid up capital of the investee company |
|--|-------|---------------------|---------------------------|---|----------------------|---------------------|---------------------|--------------|--------------------------|---------------------------------|-----------------------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the fund | Total market value of investments | |
| | | | | | | Number of shares | | | (Rupees) | | | |
| Commercial banks | | | | | | | | | | | | |
| Allied Bank Limited | | 56,000 | - | - | 56,000 | - | - | - | - | - | - | - |
| Bank Alfalah Limited (a related party) | | 372,000 | - | - | 372,000 | - | - | - | - | - | - | - |
| Bank Al Habib Limited | | 207,500 | 10,000 | - | 85,000 | 132,500 | 7,069,996 | 9,290,900 | 2,220,904 | 1.54% | 1.71% | 0.01% |
| The Bank of Punjab | | 1,256,000 | - | - | 265,000 | 991,000 | 8,324,400 | 8,324,400 | - | 1.38% | 1.53% | 0.04% |
| Faysal Bank Limited | | 95,000 | 422,000 | - | 109,000 | 408,000 | 8,383,101 | 6,923,760 | (1,459,341) | 1.15% | 1.28% | 0.03% |
| Habib Bank Limited | | 278,500 | 119,000 | - | 149,500 | 248,000 | 26,105,016 | 30,347,760 | 4,242,744 | 5.03% | 5.60% | 0.02% |
| National Bank of Pakistan | | 101,500 | 44,500 | - | 101,500 | 44,500 | 1,653,780 | 1,627,365 | (26,415) | 0.27% | 0.30% | 0.00% |
| MCB Bank Limited | | 102,223 | 37,000 | - | 32,500 | 106,723 | 17,645,949 | 17,057,537 | (588,412) | 2.83% | 3.15% | 0.01% |
| Meezan Bank Limited | | 55,030 | 24,000 | 5,503 | - | 84,533 | 6,500,344 | 9,755,954 | 3,255,610 | 1.62% | 1.80% | 0.01% |
| United Bank Limited | | 235,000 | 161,000 | - | 128,000 | 268,000 | 29,273,863 | 32,749,600 | 3,475,737 | 5.43% | 6.04% | 0.02% |
| Habib Metropolitan Bank Limited | | - | 110,000 | - | 20,000 | 90,000 | 3,491,509 | 3,654,000 | 162,491 | 0.61% | 0.67% | 0.01% |
| | | | | | | | 108,447,958 | 119,731,276 | 11,283,318 | 19.86% | 22.08% | |
| Insurance | | | | | | | | | | | | |
| Adamjee Insurance Company Limited | | - | 220,000 | - | 46,000 | 174,000 | 6,696,902 | 7,215,780 | 518,878 | 1.20% | 1.33% | 0.05% |
| | | | | | | | 6,696,902 | 7,215,780 | 518,878 | 1.20% | 1.33% | |
| Cement | | | | | | | | | | | | |
| Attock Cement Pakistan Limited | | 30,000 | 20,500 | - | 11,700 | 38,800 | 5,142,422 | 6,977,016 | 1,834,594 | 1.16% | 1.29% | 0.03% |
| Cherat Cement Company Limited | | 57,000 | 48,500 | - | 76,000 | 29,500 | 3,334,378 | 5,232,710 | 1,898,332 | 0.87% | 0.96% | 0.02% |
| D. G. Khan Cement Company Limited | | 105,000 | 10,000 | - | 67,590 | 47,410 | 4,457,645 | 5,590,587 | 1,132,942 | 0.93% | 1.03% | 0.01% |
| Kohat Cement Company Limited | | 51,700 | 10,000 | - | 41,500 | 20,200 | 3,891,990 | 4,171,098 | 279,108 | 0.69% | 0.77% | 0.01% |
| Lucky Cement Limited | | 55,950 | 11,000 | - | 25,000 | 41,950 | 20,747,099 | 36,221,308 | 15,474,209 | 6.00% | 6.68% | 0.01% |
| Maple Leaf Cement Factory Limited | | 330,309 | 90,000 | - | 160,000 | 260,309 | 7,481,395 | 12,229,317 | 4,747,922 | 2.03% | 2.25% | 0.04% |
| Pioneer Cement Limited | | 77,000 | 67,000 | - | 66,000 | 78,000 | 6,130,524 | 10,223,460 | 4,092,936 | 1.69% | 1.89% | 0.03% |
| Power Cement Limited | | - | 347,500 | - | - | 347,500 | 3,797,335 | 3,339,475 | (457,860) | 0.55% | 0.62% | 0.03% |
| Fauji Cement Company Limited | | 4,000 | 440,000 | - | 28,000 | 416,000 | 9,358,161 | 9,568,000 | 209,839 | 1.59% | 1.76% | 0.03% |
| Flying Cement Company Limited | | - | 75,000 | - | 75,000 | - | - | - | - | - | - | - |
| | | | | | | | 64,340,949 | 93,552,971 | 29,212,022 | 15.51% | 17.25% | |
| Power generation and distribution | | | | | | | | | | | | |
| The Hub Power Company Limited | 5.1.1 | 464,091 | 112,000 | - | 259,000 | 317,091 | 23,332,564 | 25,262,640 | 1,930,076 | 4.19% | 4.66% | 0.02% |
| K Electric Limited (Face Value of Rs. 3.5) | | 922,500 | - | - | 922,500 | - | - | - | 0.00% | 0.00% | 0.00% | |
| Kot Addu Power Company Limited | | 4,000 | 140,000 | - | 54,000 | 90,000 | 2,492,627 | 3,991,500 | 1,498,873 | 0.66% | 0.74% | 0.01% |
| | | | | | | | 25,825,191 | 29,254,140 | 3,428,949 | 4.85% | 5.40% | |
| Oil and gas marketing companies | | | | | | | | | | | | |
| Hascol Petroleum Limited | | 256,565 | 243,000 | - | 495,739 | 3,826 | 53,309 | 34,166 | (19,143) | 0.01% | 0.01% | 0.00% |
| Pakistan State Oil Company Limited | | 72,620 | 24,000 | - | 58,500 | 38,120 | 6,357,003 | 8,548,410 | 2,191,407 | 1.42% | 1.58% | 0.01% |
| Sui Northern Gas Pipelines Limited | | 162,600 | 163,000 | - | 322,000 | 3,600 | 209,329 | 174,888 | (34,441) | 0.03% | 0.03% | 0.00% |
| Hi-Tech Lubricants Limited | | - | 37,000 | - | 37,000 | - | - | - | - | - | - | - |
| | | | | | | | 6,619,641 | 8,757,464 | 2,137,823 | 1.46% | 1.62% | |
| Oil and gas exploration companies | | | | | | | | | | | | |
| Mari Petroleum Company Limited | | 26,779 | - | - | 14,740 | 12,039 | 14,888,029 | 18,352,131 | 3,464,102 | 3.04% | 3.38% | 0.01% |
| Oil & Gas Development Company Limited | 5.1.1 | 243,700 | 105,000 | - | 163,000 | 185,700 | 19,704,319 | 17,647,071 | (2,057,248) | 2.92% | 3.25% | 0.00% |
| Pakistan Oilfields Limited | | 36,370 | 7,900 | - | 8,000 | 36,270 | 12,960,567 | 14,285,302 | 1,324,735 | 2.37% | 2.63% | 0.01% |
| Pakistan Petroleum Limited | | 258,556 | 118,500 | - | 159,500 | 217,556 | 19,171,157 | 18,890,387 | (280,770) | 3.13% | 3.48% | 0.01% |
| | | | | | | | 66,724,072 | 69,174,891 | 2,450,819 | 11.46% | 12.74% | |
| Refinery | | | | | | | | | | | | |
| Byco Petroleum Pakistan Limited | | - | 710,000 | - | 225,000 | 485,000 | 5,212,738 | 5,630,850 | 418,112 | 0.93% | 1.04% | 0.01% |
| | | | | | | | 5,212,738 | 5,630,850 | 418,112 | 0.93% | 1.04% | |
| Automobile assembler | | | | | | | | | | | | |
| Millat Tractors Limited | | 2,255 | 5,000 | 431 | 7,686 | - | - | - | - | - | - | - |
| Pak Suzuki Motor Company Limited | | 100 | 38,000 | - | 22,100 | 16,000 | 3,572,676 | 5,687,040 | 2,114,364 | 0.94% | 1.05% | 0.02% |
| Indus Motor Company Limited | | 90 | - | - | 90 | - | - | - | - | - | - | - |
| Honda Atlas Cars (Pakistan) Limited | | 15,500 | 10,200 | - | 25,700 | - | - | - | - | - | - | - |
| | | | | | | | 3,572,676 | 5,687,040 | 2,114,364 | 0.94% | 1.05% | |
| Automobile parts and accessories | | | | | | | | | | | | |
| Thal Limited (Face Value of Rs. 5) | | 27,650 | 2,500 | - | 11,400 | 18,750 | 6,110,629 | 7,927,125 | 1,816,496 | 1.31% | 1.46% | 0.02% |
| Panther Tyres Limited | | - | 95,023 | - | - | 95,023 | 6,457,513 | 6,568,940 | 111,427 | 1.09% | 1.21% | 0.03% |
| | | | | | | | 12,568,142 | 14,496,065 | 1,927,923 | 2.40% | 2.67% | |
| Textile composite | | | | | | | | | | | | |
| Gul Ahmed Textile Mills Limited | | 401,560 | 30,000 | 33,412 | 264,500 | 200,472 | 4,862,887 | 10,169,945 | 5,307,058 | 1.69% | 1.88% | 0.05% |
| Interloop Limited | | 111,875 | 83,000 | - | 53,500 | 141,375 | 7,850,143 | 9,900,491 | 2,050,348 | 1.64% | 1.83% | 0.02% |
| Kohinoor Textile Mills Limited | | 172,302 | 68,500 | - | 102,000 | 138,802 | 5,206,850 | 10,437,910 | 5,231,061 | 1.73% | 1.92% | 0.05% |
| Nishat Mills Limited | | 140,500 | 86,500 | - | 80,500 | 146,500 | 13,157,573 | 13,668,450 | 510,877 | 2.27% | 2.52% | 0.04% |
| | | | | | | | 31,077,453 | 44,176,796 | 13,099,344 | 7.33% | 8.15% | |
| Food and personal care products | | | | | | | | | | | | |
| At Tahur Limited | | 115,290 | - | 29 | 115,000 | 319 | 4,997 | 7,433 | 2,436 | 0.00% | 0.00% | 0.00% |
| Fauji Foods Limited | | 273,000 | - | - | 273,000 | - | - | - | - | - | - | - |
| Unity Foods Limited | | 223,000 | 1,012,753 | - | 943,500 | 292,253 | 6,075,508 | 13,011,103 | 6,935,595 | 2.16% | 2.40% | 0.05% |
| The Organic Meat Company Limited | | - | 42,890 | - | 42,890 | - | - | - | - | - | - | - |
| Frieslandcampina Engro Pakistan Limited | | 24,000 | - | - | 24,000 | - | - | - | - | - | - | - |
| | | | | | | | 6,080,505 | 13,018,536 | 6,938,031 | 2.16% | 2.40% | |

| Name of the investee company | Note | As at July 01, 2020 | Purchased during the year | Bonus / right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of | | Holding as a percentage of paid up capital of the investee company |
|--|------|---------------------|---------------------------|---|----------------------|---------------------|---------------------|--------------|--------------------------|---------------------------------|-----------------------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the fund | Total market value of investments | |
| | | | | | | (Rupees) | | | | | | |
| Engineering | | | | | | | | | | | | |
| Agha Steel Ind. Limited | | - | 270,000 | - | 28,000 | 242,000 | 8,523,018 | 8,162,660 | (360,358) | 1.35% | 1.51% | 0.04% |
| Aisha Steel Mills Limited | | - | 654,000 | - | 352,000 | 302,000 | 6,844,268 | 7,522,820 | 678,552 | 1.25% | 1.39% | 0.04% |
| International Industries Limited | | 44,900 | 15,000 | - | 59,900 | - | - | - | - | - | - | - |
| International Steels Limited | | 81,500 | 3,500 | - | 85,000 | - | - | - | - | - | - | - |
| Mughal Iron & Steel Industries Limited | | 201,000 | 69,000 | - | 246,000 | 24,000 | 2,299,400 | 2,505,600 | 206,200 | 0.42% | 0.46% | 0.01% |
| | | | | | | | 17,666,686 | 18,191,080 | 524,394 | 3.02% | 3.36% | |
| Pharmaceuticals | | | | | | | | | | | | |
| AGP Limited | | 33,500 | 70,500 | - | 58,500 | 45,500 | 5,091,688 | 5,338,515 | 246,827 | 0.88% | 0.98% | 0.02% |
| GlaxoSmithKline Pakistan Limited | | 11,700 | 20,000 | - | 31,700 | - | - | - | - | - | - | - |
| Highnoon Laboratories Limited | | 8,800 | 7,500 | 1,015 | 6,150 | 11,165 | 5,623,357 | 6,699,000 | 1,075,643 | 1.11% | 1.24% | 0.04% |
| Ferozsons Laboratories Limited | | - | 4,000 | - | 4,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| The Searle Company Limited | | 33,606 | 45,368 | - | 46,000 | 32,974 | 7,518,833 | 8,000,152 | 481,319 | 1.33% | 1.48% | 0.02% |
| | | | | | | | 18,233,878 | 20,037,667 | 1,803,789 | 3.32% | 3.70% | |
| Transport | | | | | | | | | | | | |
| Pakistan International Bulk Terminal | | - | 474,000 | - | 474,000 | - | - | - | - | - | - | - |
| Pakistan National Shipping Corporation | | 34,000 | 42,500 | - | 29,000 | 47,500 | 3,853,051 | 3,453,250 | (399,801) | 0.57% | 0.64% | 0.04% |
| | | | | | | | 3,853,051 | 3,453,250 | (399,801) | 0.57% | 0.64% | |
| Paper & Board | | | | | | | | | | | | |
| Century Paper and Board Mills Limited | | 52,000 | 30,000 | 11,600 | 93,600 | - | - | - | - | - | - | - |
| Miscellaneous | | | | | | | | | | | | |
| Synthetic Products Enterprises Limited | | 18,408 | 5 | - | 17,000 | 1,413 | 58,705 | 60,773 | 2,068 | 0.01% | 0.01% | 0.00% |
| Siddiqsons Tin Plate Limited | | - | 439,500 | - | 335,000 | 104,500 | 1,876,570 | 2,000,130 | 123,560 | 0.33% | 0.37% | 0.05% |
| | | | | | | | 1,935,275 | 2,060,903 | 125,628 | 0.34% | 0.38% | |
| Glass & Ceramic | | | | | | | | | | | | |
| Balochistan Glass Limited | | - | 400,000 | - | 205,000 | 195,000 | 1,706,689 | 3,096,600 | 1,389,911 | 0.51% | 0.57% | 0.07% |
| | | | | | | | 1,706,689 | 3,096,600 | 1,389,911 | 0.51% | 0.57% | |
| Technology & Communication | | | | | | | | | | | | |
| TPL Trakker Limited | | - | 416,000 | - | 416,000 | - | - | - | - | - | - | - |
| Systems Limited | | 119,550 | 18,200 | 3,525 | 104,500 | 36,775 | 7,187,015 | 20,602,091 | 13,415,075 | 3.41% | 3.80% | 0.03% |
| Avanceon Limited | | - | 58,000 | 11,600 | 69,600 | - | 4,652,100 | 6,380,928 | 1,728,828 | 1.06% | 1.18% | 0.03% |
| TRG Pakistan | | - | 62,000 | - | 13,000 | 49,000 | 7,103,748 | 8,150,170 | 1,046,422 | 1.35% | 1.50% | 0.01% |
| Pakistan Telecommunication Company Limited | | - | 170,000 | - | - | 170,000 | 2,019,650 | 2,012,800 | (6,850) | 0.33% | 0.37% | 0.00% |
| | | | | | | | 20,962,514 | 37,145,989 | 16,183,475 | 6.15% | 6.85% | |
| As at June 30, 2021 | | | | | | | 442,326,947 | 538,711,840 | 96,384,893 | | | |
| As at June 30, 2020 | | | | | | | 583,658,228 | 555,326,830 | (28,331,398) | | | |

5.1.1 The above investments include shares having a market value (in aggregate) amounting to Rs 25.07 million (2020: Rs 35.26 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

| Name of investee Company | 2021 | | 2020 | |
|---|------------------|------------|-----------------------|------------|
| | Number of shares | | Market Value (Rupees) | |
| Oil and Gas Development Company Limited | 180,000 | 17,105,400 | 180,000 | 35,261,500 |
| The Hub Power Company Limited | 100,000 | 7,967,000 | - | - |
| | | 25,072,400 | | 35,261,500 |

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated

by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2021, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

| Name of investee Company | 2021 | | 2020 | |
|--|--------------|--------------------------|--------------|--------------------------|
| | Bonus Shares | | Bonus Shares | |
| | Number | Market value (Rupees) | Number | Market value (Rupees) |
| Hascol Petroleum Limited | 3,826 | 34,166 | 3,826 | 52,034 |
| Kohinoor Textile Mills Limited | 1,260 | 94,752 | 1,260 | 44,743 |
| Mari Petroleum Company Limited | 64 | 97,561 | 64 | 79,146 |
| The Searle Company Limited | 3,179 | 771,289 | 3,179 | 633,352 |
| Synthetic Products Enterprises Limited | 1,295 | 55,689 | 1,295 | 53,838 |
| Pakistan State Oil Company Limited | 2,304 | 516,672 | 2,304 | 364,401 |
| Faysal Bank Limited | 5,100 | 86,547 | 5,100 | 71,043 |
| | | <u>1,656,676</u> | | <u>1,298,557</u> |

5.2 Market Treasury Bills - at fair value through profit or loss

| Particulars | Issue Date | Face Value | | | As at June 30, 2021 | | | Market value as a percentage of | | |
|----------------------------------|-------------------|---------------------|---------------------------|--------------------------------|---------------------|--------------------|--------------------|---------------------------------|------------------------|-----------------------------------|
| | | As at July 01, 2020 | Purchased during the year | Sold / Matured during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain / (loss) | net assets of the Fund | total market value of investments |
| ----- (Rupees) ----- | | | | | | | | | | |
| T-Bills 3 Months | April 09, 2020 | 70,000,000 | - | 70,000,000 | - | - | - | - | 0.00% | 0.00% |
| T-Bills 3 Months | April 23, 2020 | 70,000,000 | - | 70,000,000 | - | - | - | - | 0.00% | 0.00% |
| T-Bills 3 Months | November 19, 2020 | - | 150,000,000 | 150,000,000 | - | - | - | - | 0.00% | 0.00% |
| T-Bills 3 Months | January 14, 2021 | - | 100,000,000 | 100,000,000 | - | - | - | - | 0.00% | 0.00% |
| T-Bills 3 Months | January 28, 2021 | - | 85,000,000 | 85,000,000 | - | - | - | - | 0.00% | 0.00% |
| T-Bills 3 Months | February 25, 2021 | - | 50,000,000 | 50,000,000 | - | - | - | - | 0.00% | 0.00% |
| T-Bills 6 Months | February 25, 2021 | - | 35,000,000 | 35,000,000 | - | - | - | - | 0.00% | 0.00% |
| T-Bills 12 Months | October 10, 2019 | 2,000,000 | - | 2,000,000 | - | - | - | - | 0.00% | 0.00% |
| T-Bills 12 Months | October 24, 2019 | 68,000,000 | 52,000,000 | 120,000,000 | - | - | - | - | 0.00% | 0.00% |
| Total as at June 30, 2021 | | <u>210,000,000</u> | <u>472,000,000</u> | <u>682,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | | |
| Total as at June 30, 2020 | | | <u>2,021,000,000</u> | <u>1,811,000,000</u> | <u>210,000,000</u> | <u>207,132,019</u> | <u>208,290,663</u> | <u>1,158,644</u> | | |

5.3 Term finance certificates - at fair value through profit or loss

| Name of the investee company | Yield per annum | Secured / Unsecured | Maturity date | As at July 01, 2020 | Purchased during the year | Matured / sold during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealized gain / (loss) | Market value as a percentage of | | Investment as a percentage of issue size |
|---------------------------------------|-----------------------|---------------------|-------------------|--------------------------------------|---------------------------|--------------------------------|----------------------|------------------------------------|----------------------------------|--------------------------|---------------------------------|----------------------------------|--|
| | | | | | | | | | | | net assets of the Fund | total market value of investment | |
| | | | | ----- (Number of certificates) ----- | | | ----- (Rupees) ----- | | | | | | |
| The Bank of Punjab (refer note 5.3.1) | 6 Month Kibor + 1.00% | Unsecured | December 23, 2026 | 636 | - | 600 | 36 | 3,525,850 | 3,629,344 | 103,494 | 0.60% | 0.67% | 0.15% |
| The Bank of Punjab (refer note 5.3.1) | 6 Month Kibor + 1.25% | Unsecured | April 23, 2028 | 160 | - | 160 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Agritech Limited (refer note 5.3.2) | | | | 1,141 | - | - | 1,141 | - | - | - | - | - | - |
| Total as at June 30, 2021 | | | | | | | | <u>3,525,850</u> | <u>3,629,344</u> | <u>103,494</u> | | | |
| Total as at June 30, 2020 | | | | | | | | <u>78,610,751</u> | <u>76,263,916</u> | <u>(2,346,835)</u> | | | |

5.3.1 The terms and conditions of this sukuk are as follows:

| Name of the investee company | Rating | Principal unredeemed | Tenure (years) | Profit payments / principal redemptions | Maturity date | Rate of return |
|------------------------------|--------|----------------------|----------------|---|-------------------|----------------------|
| The Bank of Punjab- TFC-I | AA | 99,820 | 10 | Semi-annually | December 23, 2026 | 6 Month Kibor +1% |
| The Bank of Punjab- TFC-II | AA | 99,880 | 10 | Semi-annually | April 28, 2028 | 6 Month Kibor+ 1.25% |

5.3.2 This represents additional TFCs of Agritech Limited (Formerly Pak American Fertilizer Limited) received by the Fund through restructuring agreement reached between lender and Agritech Limited. Under such agreement, outstanding mark-up due on May 29, 2011 amounting to Rs. 7.61 million was settled in the form of zero coupon TFCs valuing Rs. 7.61 million. This investment has been recorded as 100% impaired since these securities have been received in lieu of suspended overdue mark-up to be recognised in income upon realisation.

5.4 Listed real estate investment trust units - at fair value through profit or loss

| Name of the investee company | As at July 01, 2020 | Purchased during the year | Bonus / right shares received during the year | Sold during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of | | Holding as a percentage of paid up capital of the investee company |
|---|---------------------|---------------------------|---|-----------------------------|---------------------|---------------------|----------------------|--------------------------|---------------------------------|-----------------------------------|--|
| | | | | | | Carrying value | Market value | Unrealised gain / (loss) | net assets of the Fund | total market value of investments | |
| | | | | ----- Number of units ----- | | | ----- (Rupees) ----- | | | | |
| Dolmen City REIT (face value of Rs.10 each) | 704 | - | - | - | 704 | 7,666 | 7,758 | 92 | 0.00% | 0.00% | 0.00% |
| As at June 30, 2021 | | | | | | <u>7,666</u> | <u>7,758</u> | <u>92</u> | | | |
| As at June 30, 2020 | | | | | | <u>7,160</u> | <u>7,666</u> | <u>507</u> | | | |

5.5 Non compliant investments

| Name of non compliant investment | Note | Type of investment | Value of Investment before provision | Provision balance as on July 01, 2020 | Provision during the year | Provision balance as on June 30, 2021 | Value of investment after provision | Fair value as a percentage of: | |
|----------------------------------|-------|---------------------------|--------------------------------------|---------------------------------------|---------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------|
| | | | | | | | | Net assets | Gross assets |
| ----- (Rupees) ----- | | | | | | | | | |
| Agritech Limited (IV issue) | 5.5.1 | Term finance certificates | 5,705,000 | (5,705,000) | - | (5,705,000) | - | - | - |

5.5.1 At the time of purchase / investment, the Term Finance Certificates were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules. However, subsequently they were defaulted or downgraded upon default to non investment grade and became non-compliant with the investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules and with the requirements of the Constitutive Documents. Disclosure of the non-compliance is made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

| 5.6 Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | Note | 2021 | 2020 |
|--|------|----------------------|----------------------|
| | | ----- (Rupees) ----- | |
| Market value of investments | | 542,348,942 | 839,889,075 |
| Less: Carrying value of investments | | <u>(445,860,463)</u> | <u>(869,408,158)</u> |
| | | <u>96,488,479</u> | <u>(29,519,083)</u> |

6 SECURITY DEPOSITS

| | | | |
|--|--|------------------|------------------|
| Central Depository Company of Pakistan Limited | | 100,000 | 100,000 |
| National Clearing Company of Pakistan Limited | | <u>2,500,000</u> | <u>2,500,000</u> |
| | | <u>2,600,000</u> | <u>2,600,000</u> |

7 DIVIDEND AND OTHER RECEIVABLES

| | | | |
|--|-----|------------------|------------------|
| Dividend receivable | | - | 99,000 |
| Mark-up / return receivable on: | | | |
| - Bank balances | | 24,861 | 44,481 |
| - Term finance certificates | | 6,822 | 403,052 |
| - Sukuk certificates | | - | - |
| -Term Deposit Receipts | | 2,219 | - |
| Advance tax | 7.1 | 460,857 | 195,317 |
| Advance against book building of shares | 7.2 | 1,600,362 | - |
| Security Margin with National Clearing Company of Pakistan Limited | | <u>-</u> | <u>1,120,150</u> |
| | | <u>2,095,121</u> | <u>1,862,000</u> |

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2021, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs 0.461 million (2020: Rs 0.195 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7.2 This represents advance payment amounting to 25 percent of the offer amount against book building of Citi Pharma Limited at an offer rate of Rs. 28 per share.

| 8 PAYABLE TO THE ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | Note | 2021 | 2020 |
|---|------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Management remuneration payable | 8.1 | 1,042,204 | 1,368,885 |
| Sindh sales tax payable on management remuneration | 8.2 | 752,553 | 795,017 |
| Federal excise duty payable on management remuneration | 8.3 | 5,888,310 | 5,888,310 |
| Payable against allocated expenses | 8.4 | 162,431 | 303,310 |
| Payable against selling and marketing expenses | 8.5 | 5,770,420 | 3,185,988 |
| Sales load payable | | <u>206,070</u> | <u>206,070</u> |
| | | <u>13,821,988</u> | <u>11,747,580</u> |

- 8.1 The Management Company has charged remuneration at the rate of 2% (2020: 2%) of the average net assets of the Fund during the year ended June 30, 2021. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2 During the year, an amount of Rs. 2.047 million (2020: Rs. 2.677 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2.089 million (2020: Rs. 2.786 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.89 million has been retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.55 (2020: Re 0.35).

- 8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the current year, the Management Company has charged such expenses to the Fund at the rate of 0.1% of the average net assets of the Fund.
- 8.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

| 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|---|------|------------------------------|------------------------------|
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9.1 | 104,121 | 136,788 |
| Sindh sales tax payable on Trustee remuneration | 9.2 | 13,546 | 18,286 |
| | | <u>117,667</u> | <u>155,074</u> |

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily NAV of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

| Net Assets (Rs.) | Tariff for the year ended June 30, 2021 |
|-----------------------|--|
| - up to Rs. 1 billion | 0.20% p.a. of Net Assets |
| - over Rs. 1 billion | Rs. 2 million plus 0.20% p.a. of Net Assets on amount exceeding Rs. 1 billion. |

- 9.2 During the year, an amount of Rs 0.205 million (2020: Rs. 0.257 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.209 million (2020: Rs. 0.264 million) was paid to the Trustee which acts as a collecting agent.

| 10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP) | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|--|------|------------------------------|------------------------------|
| Annual fee payable to the SECP | 10.1 | 157,379 | 205,882 |

- 10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| 11 ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2021 | 2020 |
|--|-------------|----------------------|-------------------|
| | | ----- (Rupees) ----- | |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 16,647,762 | 12,410,481 |
| Auditors' remuneration payable | | 854,549 | 665,742 |
| Withholding tax payable | | 12,465,164 | 476,646 |
| Brokerage expense payable | | 46,856 | 934,450 |
| Sales load payable | | 147,700 | 147,700 |
| Printing charges | | 102,830 | 99,126 |
| Rating fee payable | | 360,928 | 360,928 |
| Settlement charges | | 64,906 | 48,192 |
| Capital value tax | | 2,181 | 15,381 |
| Others | | 8,144 | 12,145 |
| | | <u>30,701,020</u> | <u>15,170,791</u> |

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Rs. 1.5601 (2020: Re 0.7453) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

| 13 PROFIT / MARK-UP INCOME | Note | 2021 | 2020 |
|--|-------------|----------------------|--------------------|
| | | ----- (Rupees) ----- | |
| Profit / mark-up on: | | | |
| - Market Treasury Bills | | 4,323,861 | 19,567,030 |
| - Term Finance certificates | | 4,274,271 | 12,626,856 |
| - Sukuk certificates | | - | 12,383,324 |
| - Pakistan Investment Bonds | | - | 1,408,407 |
| - Commercial papers | | - | 3,529,232 |
| - Bank balances | | 5,903,980 | 10,321,470 |
| - Other Income | | 57,229 | 35,404 |
| | | <u>14,559,341</u> | <u>59,871,723</u> |
| 14 AUDITORS' REMUNERATION | | | |
| Audit fee | | 400,000 | 400,000 |
| Review and other certifications | | 227,000 | 227,000 |
| Out of pocket expenses | | 72,571 | 72,521 |
| Sindh sales tax | | 55,966 | 55,962 |
| | | <u>755,537</u> | <u>755,483</u> |
| 15 CASH AND CASH EQUIVALENTS | | | |
| Bank balances | 4 | 105,179,325 | 16,747,348 |
| Market Treasury Bills (with original maturity of 3 months or less) | 5.2 | - | 139,782,650 |
| | | <u>105,179,325</u> | <u>156,529,998</u> |

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 5.01% which includes 0.84% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. The TER excluding government levies is 4.17% which is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit holders' fund

| | Note | 2021 | | | | | | | | | |
|--|--------|---------------------|---|---------------------|---|---------------------|---------------------|---|---------------------|---|-------------------------------------|
| | | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed/ conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed/ conversion out / transfer out | Net asset value as at June 30, 2021 |
| | | (Units) | | | | | (Rupees) | | | | |
| Associated companies / undertakings | | | | | | | | | | | |
| Bank Alfalah Limited - Employees | | | | | | | | | | | |
| Provident Fund | 18.1.1 | 3,216,211 | - | - | 3,216,211 | - | 160,708,596 | - | 191,154,887 | - | - |
| MAB Investment Incorporated | 18.1.1 | 12,541 | - | 1,440 | - | 13,981 | 626,652 | - | 82,229 | - | 790,546 |
| Key management personnel | | | | | | | | | | | |
| Head of Corporate Sales | 18.1.1 | 4,696 | - | 539 | - | 5,235 | 234,651 | - | 30,795 | - | 296,009 |
| Unit holder holding 10% or more units | | | | | | | | | | | |
| PSOCL Workmen Staff Pension Fund | 18.1.1 | 1,131,052 | - | 152,838 | - | 1,283,890 | 56,516,746 | - | 8,725,391 | - | 72,596,661 |
| Individual | 18.1.1 | 1,210,829 | - | 139,075 | - | 1,349,904 | 60,503,067 | - | 7,939,693 | - | 76,329,377 |

| 2020 | | | | | | | | | | |
|--|---|---------------------|---|---------------------|---------------------|---|---------------------|---|-------------------------------------|-------------|
| As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed/ conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed/ conversion out / transfer out | Net asset value as at June 30, 2020 | |
| (Units) | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | |
| Bank Alfalah Limited - Employees | | | | | | | | | | |
| Provident Fund | 3,147,311 | - | 68,900 | - | 3,216,211 | 159,200,126 | - | 3,442,824 | - | 160,708,596 |
| MAB Investment Incorporated | 12,498 | - | 43 | - | 12,541 | 115,883 | - | 2,129 | - | 626,652 |
| Key management personnel | | | | | | | | | | |
| Head of Corporate Sales | 4,625 | - | 71 | - | 4,696 | 233,948 | - | 3,538 | - | 234,651 |
| Chief Executive Officer | 15,859 | - | 295 | - | 16,154 | 802,192 | - | 14,737 | - | 807,188 |

18.1.1 This reflects the position of related party / connected party status as at June 30, 2021.

18.2 Other transactions

| | 2021 | 2020 |
|---|----------------------|-------------|
| | ----- (Rupees) ----- | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Remuneration of Management Company | 15,748,727 | 20,572,300 |
| Sindh sales tax on remuneration of the Management Company | 2,047,335 | 2,676,762 |
| Allocated expenses | 787,389 | 1,018,977 |
| Selling and marketing expenses | 10,132,283 | 6,585,117 |
| Sales load | - | 82 |
| Alfalah GHP Income Fund | | |
| Term finance certificates - sold | 34,944,000 | 12,022,292 |
| Pakistan Investment Bonds - sold | - | 22,175,875 |
| Market Treasury Bills - sold | 198,870,866 | - |
| Market Treasury Bills - purchased | 74,215,979 | 231,196,855 |
| Alfalah GHP Income Multiplier Fund | | |
| Term finance certificates - sold | - | 10,034,406 |
| Market Treasury Bills - purchased | - | 43,865,856 |
| Alfalah GHP Islamic Income Fund | | |
| Sukuk certificates - purchased | - | 20,000,000 |
| Sukuk - sold | - | 63,351,262 |
| Alfalah GHP Sovereign Fund | | |
| Market Treasury Bills - sold | - | 195,848,000 |
| Market Treasury Bills - purchased | - | 503,216,260 |
| Term finance certificates - sold | - | 3,973,226 |
| Alfalah GHP Money Market Fund | | |
| Market Treasury Bills - sold | 49,185,400 | 170,496,590 |
| Market Treasury Bills - purchased | 83,150,135 | 9,953,560 |
| Alfalah GHP Cash Fund | | |
| Market Treasury Bills - purchased | 84,393,185 | 29,132,190 |
| Alfalah GHP Capital Preservation Fund - II | | |
| Market Treasury Bills - sold | - | 17,748,120 |
| Bank Alfalah Limited | | |
| Profit on bank balances | 5,700,784 | 6,176,989 |
| Pakistan Investment Bonds - purchased | - | 88,759,175 |
| Bank charges | 30,678 | 99,307 |
| Sales load | 147,700 | 1,967 |

| | 2021 | 2020 |
|--|----------------------|-----------|
| | ----- (Rupees) ----- | |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of Central Depository Company of Pakistan - Trustee | 1,574,875 | 1,895,240 |
| Sindh sales tax on remuneration of the Trustee | 204,734 | 257,249 |
| Settlement charges | 386,229 | - |

18.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

| | | |
|--|-----------|-----------|
| Management remuneration payable | 1,042,204 | 1,368,885 |
| Sindh sales tax payable on management remuneration | 752,553 | 795,017 |
| Payable against allocated expenses | 162,431 | 303,310 |
| Payable against selling and marketing expenses | 5,770,420 | 3,185,988 |
| Federal excise duty payable on management remuneration | 5,888,310 | 5,888,310 |
| Sales load payable | 206,070 | 206,070 |

Bank Alfalah Limited

| | | |
|--------------------|------------|------------|
| Bank balance | 69,185,042 | 14,827,118 |
| Profit receivable | 2,622 | 369 |
| Sales load payable | 147,700 | 147,700 |

Other related party

Central Depository Company of Pakistan Limited - Trustee

| | | |
|---|---------|---------|
| Payable to Central Depository Company of Pakistan Limited - Trustee | 104,121 | 136,788 |
| Sindh sales tax payable on Trustee remuneration | 13,546 | 18,286 |
| Security deposit | 100,000 | 100,000 |

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021 all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

| Particulars | 2021 | | |
|--------------------------------|----------------------|--------------------------------------|--------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- (Rupees) ----- | | |
| Financial assets | | | |
| Bank balances | 105,179,325 | - | 105,179,325 |
| Investments | - | 542,348,942 | 542,348,942 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Dividend and other receivables | 1,634,264 | - | 1,634,264 |
| | <u>109,413,589</u> | <u>542,348,942</u> | <u>651,762,531</u> |

| Particulars | 2021 | | |
|---|--------------------------------------|-------------------|-------------------|
| | At fair value through profit or loss | At amortised cost | Total |
| | ----- (Rupees) ----- | | |
| Financial liabilities | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | - | 13,821,988 | 13,821,988 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 117,667 | 117,667 |
| Accrued expenses and other liabilities | - | 1,585,913 | 1,585,913 |
| Dividend Payable | - | 4,029,555 | 4,029,555 |
| | <u>-</u> | <u>19,555,123</u> | <u>19,555,123</u> |

| Particulars | 2020 | | |
|--------------------------------|-------------------|--------------------------------------|--------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | (Rupees) | | |
| Financial assets | | | |
| Bank balances | 16,747,348 | - | 16,747,348 |
| Investments | - | 839,889,075 | 839,889,075 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Dividend and other receivables | 1,666,683 | - | 1,666,683 |
| | <u>21,014,031</u> | <u>839,889,075</u> | <u>860,903,106</u> |

| Particulars | 2020 | | |
|---|--------------------------------------|-------------------|-------------------|
| | At fair value through profit or loss | At amortised cost | Total |
| | (Rupees) | | |
| Financial liabilities | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | - | 11,747,580 | 11,747,580 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 155,074 | 155,074 |
| Payable against purchase of investments | - | 1,699,286 | 1,699,286 |
| Accrued expenses and other liabilities | - | 2,268,283 | 2,268,283 |
| Dividend Payable | - | 44,412 | 44,412 |
| | <u>-</u> | <u>15,914,635</u> | <u>15,914,635</u> |

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Funds's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal risk management policies and investment guidelines established by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments as at June 30, 2021 is as follows:

| | 2021 | 2020 |
|--|--------------------|--------------------|
| | -----Rupees----- | |
| Variable rate instruments (financial asset) | | |
| Bank balances | 105,179,325 | 16,747,348 |
| Term finance certificates | 3,629,344 | 76,263,916 |
| | <u>108,808,669</u> | <u>93,011,264</u> |
| Fixed rate instruments (financial assets) | | |
| Market Treasury Bills | - | 208,290,663 |
| | <u>-</u> | <u>208,290,663</u> |

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 1.08 million (2020: Rs. 0.93 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. Nil (2020: Rs.2.08 million) and consequently statement of movement in unit holder's fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for the financial instruments recognised in the statement of assets and liabilities is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

| 2021 | | | | | |
|---|----------------------------------|--|--------------------|---|-------------|
| Effective yield / interest rate | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | Total |
| | Upto three months | More than three months and upto one year | More than one year | | |
| (%) | (Rupees) | | | | |
| On-balance sheet financial instruments | | | | | |
| Financial assets | | | | | |
| Bank balances | 5.50% - 7.70% | 105,179,325 | - | - | 105,179,325 |
| Investments | | | | | |
| - Equity securities and real estate and investment trust units | | - | - | 538,719,598 | 538,719,598 |
| - Market Treasury Bills | | - | - | - | - |
| - Term finance certificates | 8.60% - 8.69% | - | 3,629,344 | - | 3,629,344 |
| Security deposits | | - | - | 2,600,000 | 2,600,000 |
| Dividend and other receivables | | - | - | 1,634,264 | 1,634,264 |
| | | 105,179,325 | 3,629,344 | 542,953,862 | 651,762,531 |
| Financial liabilities | | | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | | - | - | 13,821,988 | 13,821,988 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | 117,667 | 117,667 |
| Accrued expenses and other liabilities | | - | - | 1,585,913 | 1,585,913 |
| Dividend Payable | | - | - | 4,029,555 | 4,029,555 |
| | | - | - | 19,555,123 | 19,555,123 |
| On-balance sheet gap (a) | | 105,179,325 | 3,629,344 | 523,398,739 | 632,207,408 |
| Off-balance sheet financial instruments | | | | | |
| Off-balance sheet gap (b) | | - | - | - | - |
| Total interest rate sensitivity gap (a+b) | | 105,179,325 | 3,629,344 | 523,398,739 | 632,207,408 |
| Cumulative interest rate sensitivity gap | | 105,179,325 | 108,808,669 | 108,808,669 | |

| Effective yield / interest rate | 2020 | | | | Total |
|---------------------------------|----------------------------------|--|--------------------|---|-------|
| | Exposed to yield / interest risk | | | Not exposed to yield / interest rate risk | |
| | Upto three months | More than three months and upto one year | More than one year | | |

(%)

(Rupees)

On-balance sheet financial instruments

Financial assets

| | | | | | | |
|--|----------------|--------------------|-------------------|----------|--------------------|--------------------|
| Bank balances | 6.50% - 8.00% | 16,747,348 | - | - | - | 16,747,348 |
| Investments | | | | | | |
| - Equity securities and real estate and investment trust units | | - | - | - | 555,334,496 | 555,334,496 |
| - Sukuk certificates | 8.24% - 13.34% | 139,782,650 | 68,508,013 | - | - | 208,290,663 |
| - Term finance certificates | 9.50% - 14.77% | 76,263,916 | - | - | - | 76,263,916 |
| - Pakistan investment bonds | | - | - | - | - | - |
| Receivable against sale of investments | | - | - | - | - | - |
| Security deposits | | - | - | - | 2,600,000 | 2,600,000 |
| Dividend and other receivables | | - | - | - | 1,666,683 | 1,666,683 |
| Sub total | | 232,793,914 | 68,508,013 | - | 559,601,179 | 860,903,106 |

Financial liabilities

| | | | | | | |
|---|--|----------|----------|----------|-------------------|-------------------|
| Payable to the Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 11,747,580 | 11,747,580 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 155,074 | 155,074 |
| Payable against purchase of investments | | - | - | - | 1,699,286 | 1,699,286 |
| Accrued expenses and other liabilities | | - | - | - | 2,268,283 | 2,268,283 |
| Dividend Payable | | - | - | - | 44,412 | 44,412 |
| Sub total | | - | - | - | 15,914,635 | 15,914,635 |

On-balance sheet gap (a)

| | | | | | |
|--|-------------|------------|---|-------------|-------------|
| | 232,793,914 | 68,508,013 | - | 543,686,544 | 844,988,471 |
|--|-------------|------------|---|-------------|-------------|

Off-balance sheet financial instruments

| | | | | | |
|--|---|---|---|---|---|
| | - | - | - | - | - |
|--|---|---|---|---|---|

Off-balance sheet gap (b)

| | | | | | |
|--|---|---|---|---|---|
| | - | - | - | - | - |
|--|---|---|---|---|---|

Total interest rate sensitivity gap (a+b)

| | | | | | |
|--|-------------|------------|---|-------------|-------------|
| | 232,793,914 | 68,508,013 | - | 543,686,544 | 844,988,471 |
|--|-------------|------------|---|-------------|-------------|

Cumulative interest rate sensitivity gap

| | | | | | |
|--|-------------|-------------|-------------|--|--|
| | 232,793,914 | 301,301,927 | 301,301,927 | | |
|--|-------------|-------------|-------------|--|--|

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investment in equity securities classified as 'at fair value through profit or loss'. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Trust Deed. The NBFC Regulations also limit:

- Investment in individual equity securities to the lower of:
 - 10% of net assets of the Fund or the index weight of the security subject to the limit of 15% percent, whichever is higher; and
 - 10% of the issued capital of the investee company
- Exposure to any one sector upto 30% of the net assets of the Fund or index weight of the security whichever is higher, subject to a maximum of 35%.

In case of 1% increase / decrease in KSE 100 index on June 30, 2021, with all other variables held constant, the net income / loss and the net assets of the Fund would increase / decrease by Rs 5.387 million (2020: Rs 5.553 million) as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|--------------------------------|--|--------------------|--|-------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure | Balance as per statement of assets and liabilities | Maximum exposure |
| | Rupees | | | |
| Bank balances | 105,179,325 | 105,179,325 | 16,747,348 | 16,747,348 |
| Investments | 542,348,942 | 3,629,344 | 839,889,075 | 76,263,916 |
| Security deposits | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 |
| Dividend and other receivables | 1,634,264 | 1,634,264 | 1,666,683 | 1,666,683 |
| | <u>651,762,531</u> | <u>113,042,933</u> | <u>860,903,106</u> | <u>97,277,947</u> |

The difference in the balance as per the Statement of Assets and Liabilities and maximum exposure is due to the fact that investments in listed equity securities, listed real estate investment trust units and Government securities of Rs. 538.720 million (2020: Rs.763.625 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2021 and June 30, 2020.

20.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of dividends receivable on equity securities and investment in term finance certificates and sukuk certificates. Credit risk on dividend receivable is minimal due to statutory protection.

Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Name of Bank | Rating agency | Rating | 2021 | 2020 |
|---------------------------------|---------------|-----------|----------------------------------|-------------|
| | | | Percentage of total bank balance | |
| Habib Bank Limited | VIS | A1+ / AAA | 0.01% | 0.05% |
| National Bank of Pakistan | PACRA | A1+ / AAA | 0.04% | 3.65% |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 65.78% | 88.53% |
| Allied Bank Limited | PACRA | A1+ / AAA | 0.05% | 0.28% |
| Bank Al Habib Limited | PACRA | A1+ / AAA | 0.01% | 0.06% |
| JS Bank Limited | PACRA | A1+ / AA- | 0.01% | 2.56% |
| Habib Metropolitan Bank Limited | PACRA | A1+ / AA+ | 0.02% | 0.12% |
| Zarai Taraqati Bank Limited | VIS | A1+ / AAA | 0.10% | 0.51% |
| Soneri Bank Limited | PACRA | A1+ / AA- | 0.06% | 0.29% |
| Silk Bank Limited | VIS | A2 / A- | 0.63% | 3.93% |
| The Bank of Punjab | PACRA | A1+ / AA+ | 33.29% | 0.00% |
| Central Depository Company | N/A | N/A | 0.00% | 0.02% |
| | | | <u>100%</u> | <u>100%</u> |

20.2.3 Investment in debt instruments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2021 with entities having following credit ratings:

| Name of Entity | Rating Agency | Rating | 2021 | 2020 |
|--------------------|---------------|-----------|-----------------------------|-------------|
| | | | Percentage of total balance | |
| The Bank of Punjab | PACRA | A1+ / AA+ | 100% | 100% |
| | | | <u>100%</u> | <u>100%</u> |

Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2021.

20.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

| 2021 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | With no fixed maturity | Total |
|---|---------------------------|--------------------------|---------------------------|-------------------------|------------------------------|-----------------------------------|--------------------|
| Rupees | | | | | | | |
| Financial assets | | | | | | | |
| Bank balances | 105,179,325 | - | - | - | - | - | 105,179,325 |
| Investments | - | - | - | - | 3,629,344 | 538,719,598 | 542,348,942 |
| Security deposits | - | - | - | - | - | 2,600,000 | 2,600,000 |
| Dividend and other receivables | 1,634,264 | - | - | - | - | - | 1,634,264 |
| | 106,813,589 | - | - | - | 3,629,344 | 541,319,598 | 651,762,531 |
| Financial liabilities | | | | | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | 13,821,988 | - | - | - | - | - | 13,821,988 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 117,667 | - | - | - | - | - | 117,667 |
| Accrued expenses and other liabilities | 1,585,913 | - | - | - | - | - | 1,585,913 |
| Dividend Payable | 4,029,555 | - | - | - | - | - | 4,029,555 |
| | 19,555,123 | - | - | - | - | - | 19,555,123 |
| Net financial assets | 87,258,466 | - | - | - | 3,629,344 | 541,319,598 | 632,207,408 |
| Rupees | | | | | | | |
| 2020 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | With no fixed maturity | Total |
| Rupees | | | | | | | |
| Financial assets | | | | | | | |
| Bank balances | 16,747,348 | - | - | - | - | - | 16,747,348 |
| Investments | - | - | 284,554,579 | - | - | 555,334,496 | 839,889,075 |
| Security deposits | - | - | - | - | - | 2,600,000 | 2,600,000 |
| Dividend and other receivables | 1,666,683 | - | - | - | - | - | 1,666,683 |
| | 18,414,031 | - | 284,554,579 | - | - | 557,934,496 | 860,903,106 |
| Financial liabilities | | | | | | | |
| Payable to the Alfalah GHP Investment Management Limited - Management Company | 11,747,580 | - | - | - | - | - | 11,747,580 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 155,074 | - | - | - | - | - | 155,074 |
| Payable against purchase of investments | 1,699,286 | - | - | - | - | - | 1,699,286 |
| Accrued expenses and other liabilities | 2,268,283 | - | - | - | - | - | 2,268,283 |
| Dividend Payable | 44,412 | - | - | - | - | - | 44,412 |
| | 15,914,635 | - | - | - | - | - | 15,914,635 |
| Net financial assets | 2,499,396 | - | 284,554,579 | - | - | 557,934,496 | 844,988,471 |

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair values:

| | 2021 | | | Total |
|--|--------------------|--------------------|----------|--------------------|
| | Level 1 | Level 2 | Level 3 | |
| Financial assets 'at fair value through profit or loss' | (Rupees) | | | |
| Investments | | | | |
| Listed equity securities | 538,711,840 | - | - | 538,711,840 |
| Listed real estate investment trust units | 7,758 | - | - | 7,758 |
| Term finance certificates | - | 3,629,344 | - | 3,629,344 |
| Market Treasury Bills | - | - | - | - |
| | <u>538,719,598</u> | <u>3,629,344</u> | <u>-</u> | <u>542,348,942</u> |
| | (Rupees) | | | |
| Financial assets 'at fair value through profit or loss' | | | | |
| Investments | | | | |
| Listed equity securities | 555,326,830 | - | - | 555,326,830 |
| Listed real estate investment trust units | 7,666 | - | - | 7,666 |
| Term finance certificates | - | 76,263,916 | - | 76,263,916 |
| Market Treasury Bills | - | 208,290,663 | - | 208,290,663 |
| | <u>555,334,496</u> | <u>284,554,579</u> | <u>-</u> | <u>839,889,075</u> |

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

24 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

25 GENERAL

25.1 Figures have been rounded off to the nearest rupee.

25.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 1926 | 5,247,523 | 296,717,494 | 49% |
| Associated Co./ Directors | | | | 0% |
| Insurance Co. | | | | 0% |
| Retirement & Other Funds | 91 | 3,722,402 | 210,480,612 | 35% |
| Others | 59 | 1,701,279 | 96,197,638 | 16% |
| | 2076 | 10,671,204 | 603,395,744 | 100% |

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 436 | 7,104,768 | 355,025,398 | 67% |
| Associated Co./ Directors | | | | 0% |
| Insurance Co. | | | | 0% |
| Retirement & Other Funds | 19 | 6,995,897 | 349,570,000 | 42% |
| Others | 12 | 2,551,412 | 127,480,000 | 15% |
| | 467 | 16,652,076 | 832,075,398 | 124% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|--|--------------|
| | 30 June 2021 |
| | % |
| Al Habib Capital Markets Limited | 11 |
| Foundation Securities Limited | 9 |
| Shajar Capital Pakistan Private Limited | 8 |
| Arif Habib Limited | 7 |
| Next Capital Limited | 6 |
| EFG Hermes Pakistan Limited | 6 |
| Taurus Securities Limited | 5 |
| BMA Capital Management Limited | 5 |
| Topline Securities (Pvt) Limited | 5 |
| JS Global Capital Limited | 4 |
| | 30 June 2020 |
| | % |
| Next Capital Limited | 13 |
| Al Habib Capital Markets Limited | 12 |
| Foundation Securities Limited | 11 |
| Alfalah Securities (Private) Limited | 9 |
| Optimus Capital Management (Pvt) Limited | 8 |
| Inter Market Securities Limited | 6 |
| BMA Capital Management Limited | 4 |
| Taurus Securities Limited | 4 |
| Insight Securities (Private) Limited | 4 |
| Summit Capital (Private) Limited | 3 |

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi"

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

| Name of Director | Number of Meetings | | | Meeting not attended |
|---------------------------|--------------------|----------|---------------|----------------------|
| | Held | Attended | Leave Granted | |
| Hanspeter Beier | 4 | 3 | 1 | 1 |
| Syed Ali Sultan | 4 | 4 | - | - |
| Ms. Maheen Rahman | 4 | 2 | Resigned | Resigned |
| Mr. Abid Naqvi | 4 | 3 | 1 | 1 |
| Mr. Tufail Jawed Ahmad | 4 | 3 | 1 | 1 |
| Ms. Mehreen Ahmed | 4 | 4 | - | - |
| Ms. Dominique Liana Russo | 4 | 1 | Resigned | Resigned |
| Mr. Edward Phillip Hurt | 4 | 1 | 3 | 3 |
| Mr. Tanveer Awan | 3 | 3 | - | - |
| Mr. Nabeel Malik | 2 | 2 | - | - |

**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 - AGVF

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|---|-------------------------|-----------------|-----------------|-----------------|-----------------|
| | (Rupees in '000) | | | | |
| Net Assets | 603,396 | 832,075 | 1,276,525 | 2,137,367 | 2,089,196 |
| NAV per unit | 56.5443 | 49.9683 | 50.5829 | 61.9813 | 70.4655 |
| Selling price per unit | 58.4612 | 51.6622 | 52.2977 | 72.8543 | 72.8543 |
| Redemption price per unit | 56.5443 | 49.9683 | 50.5829 | 61.9813 | 70.4655 |
| Highest selling price per unit | 68.4639 | 98.8316 | 66.4491 | 87.9451 | 91.2799 |
| Highest redemption price per unit | 66.2191 | 60.0667 | 64.2703 | 85.0615 | 88.2870 |
| Lowest selling price per unit | 51.6622 | 44.5942 | 51.4357 | 60.3693 | 66.1035 |
| Lowest redemption price per unit | 49.9683 | 43.1320 | 49.7492 | 58.3899 | 63.9361 |
| Total interim 1st distribution per unit | 7.71 | 0.83 | Nil | Nil | 8.46 |
| Total interim 2nd distribution per unit | Nil | 0.26 | Nil | Nil | 103.89% |
| Interim 1st distribution date | 25-Jun-21 | 26-Jun-20 | Nil | Nil | 22-Jun-17 |
| Interim 2nd distribution date | Nil | 30-Jun-20 | Nil | Nil | 29-Jun-17 |
| Final distribution per unit | Nil | Nil | Nil | Nil | Nil |
| Final distribution date | Nil | Nil | Nil | Nil | N/A |
| Annualized returns | 28.45% | 0.94% | -8.80% | -12.04% | 26.18% |
| Income distribution | 15.44% | 2.18% | Nil | Nil | 14.98% |
| Weighted avg. portfolio duration | N/A | N/A | N/A | N/A | N/A |

Return since inception is **9.58%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Value Fund**

| Nature of Meeting | Meeting Date | Resolutions | Holding | %age Holding | Favour | Against | Abstain |
|--|--------------|--|---------|--------------|--------|---------|---------|
| Pakistan Petroleum Limited | | | | | | | |
| EOGM | 23-Dec-20 | To elect ten directors for a term of three years in accordance with Section 159 of the Companies Act, 2017. | 345,056 | 0.01% | ✓ | | |
| Habib Metropolitan Bank Limited | | | | | | | |
| EOGM | 17-Mar-21 | To approve, as recommended by the Board of Directors, final dividend @ 25% (Rs. 2,50 per share) in the form of cash for the year ended December 31, 2020, in addition to already paid 20% (Rs. 2 per share) Interim Dividend in the form of cash for the year ended December | 90,000 | 0.01% | ✓ | | |
| | | To appoint Auditors for the financial year ending December 31, 2021 | | | | | |
| | | To receive, consider and adopt the Audited Accounts, standalone as well as consolidated, of the Bank for the year ended December 31, 2020 together with the Directors' and Auditors' reports thereon | | | | | |
| Engro Corporation Limited | | | | | | | |
| EOGM | 22-Apr-21 | Approved Quarterly Financial Accounts for period ended March 31, 2021. | 80,380 | 0.01% | ✓ | | |



**Alfalah GHP
Prosperity Planning Fund**

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Registrar: | Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | Not Yet Rated |

Alfalah GHP Prosperity Planning Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Fund of Funds Scheme

Investment Objective

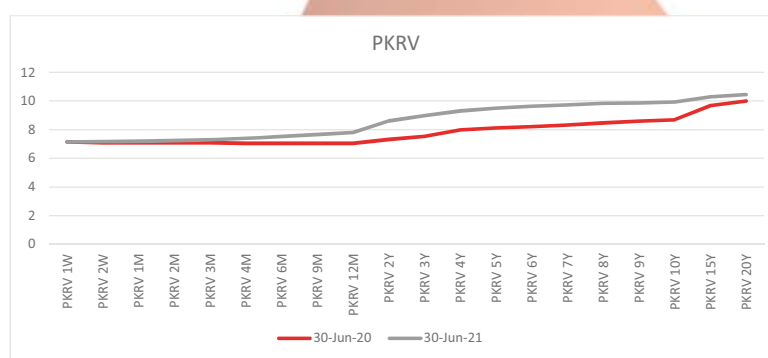
Alfalah GHP Prosperity Planning Fund is an Open-ended Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Collective Investment Scheme in line with the risk tolerance of the investor.

Money Market Review:-

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



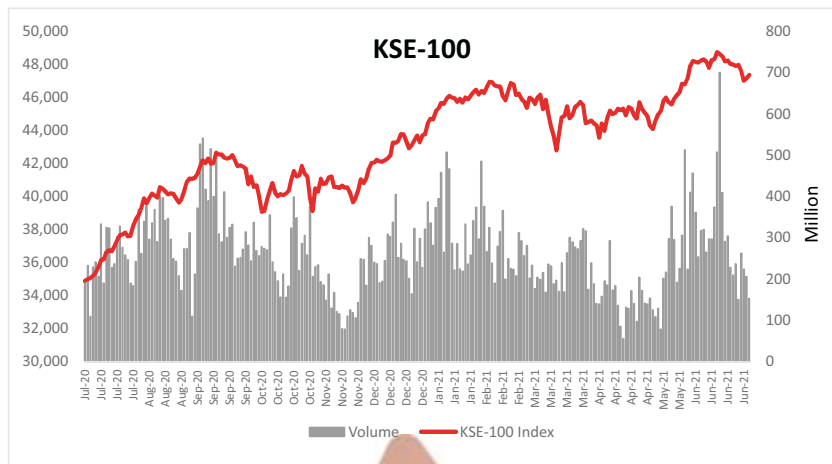
Equity Market Review

During FY21, the benchmark index posted a mammoth return of 37.6% (highest in last seven years) on account of strong rebound in economy. During the year, the index peaked at 48,726 level in mid Jun'21 but in latter part of the month profit taking was witnessed due to which the index closed at 47,356 points. Average trading volume of all-share index also improved by 165%YoY to 519.6 million shares. Market capitalization of Technology, Refineries and Engineering sectors escalated by 182%, 172% and 136% respectively compared to last year close.

Multiple positives staged the comeback of local bourse from close of last year which included; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) decline in local Covid-19 cases.

The gradual reopening of economy post 1st wave of COVID-19 reflected in large scale manufacturing which grew by 14.57%YoY during 11MFY21. The healthy signs were evident in demand side indicators as sales continue to grow for cement, automobile and petroleum product's sales. As a result, corporate earnings registered robust growth in FY21.

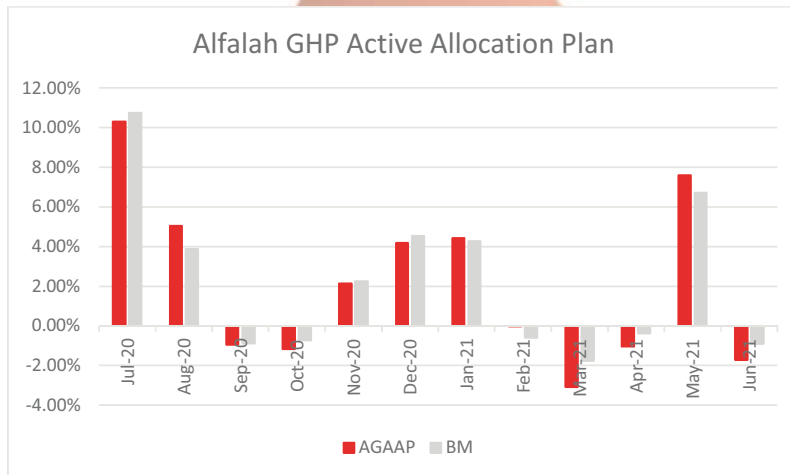
Going forward, ever improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive



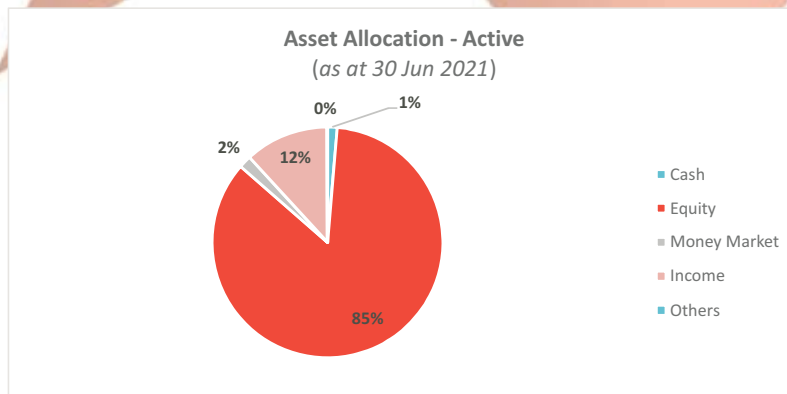
Active Allocation Plan

During the period under review, Alfalah GHP Prosperity Planning Fund - Active posted a return of 27.74% as compared to its benchmark of 29.73%.

AGPPF-Active Return Vs Benchmark:



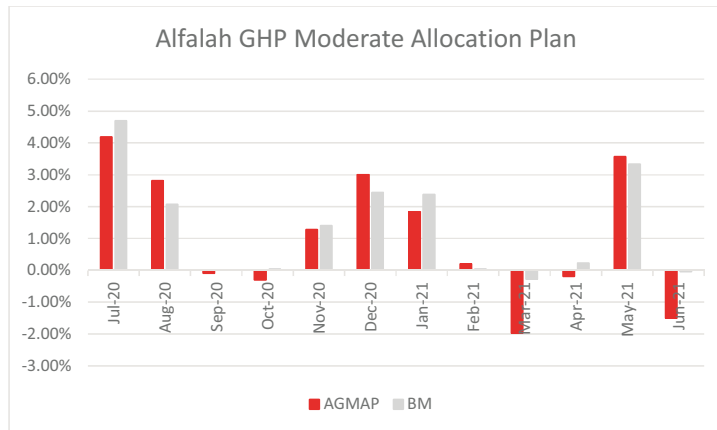
Assets Allocation/Portfolio quality:



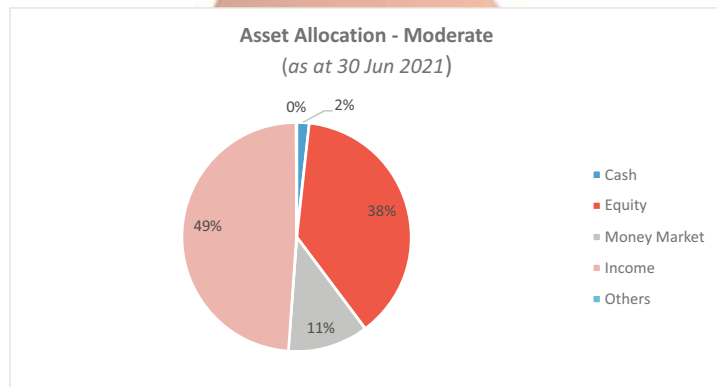
Moderate Allocation Plan

During the period under review, Alfalah GHP Prosperity Planning Fund - Moderate posted a return of 13.42% as compared to its benchmark of 17.48%.

AGPPF-Moderate Return Vs Benchmark:

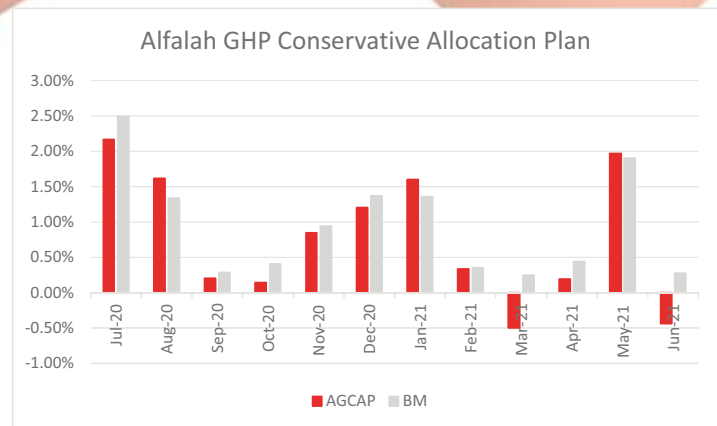


Assets Allocation/Portfolio quality:

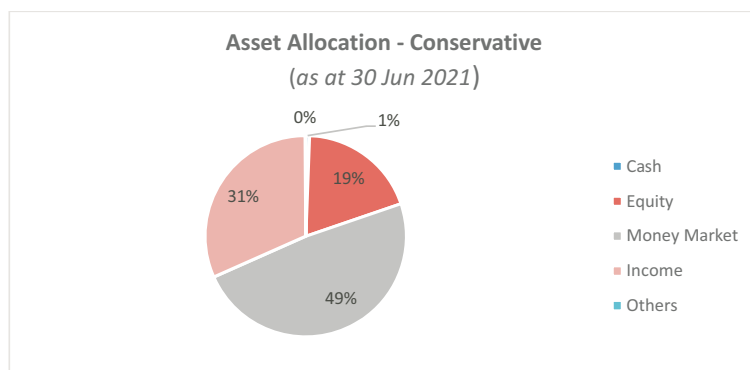


Conservative Allocation Plan:

During the period under review, Alfalah GHP Prosperity Planning Fund - Conservative posted a return of 9.71% as compared to its benchmark of 12.01%.



Assets Allocation/Portfolio quality:



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



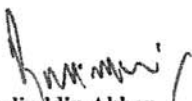
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

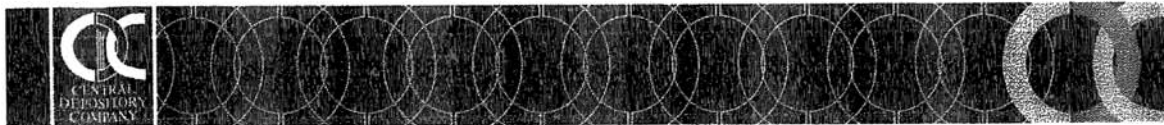
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 17, 2021



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Prosperity Planning Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Prosperity Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|--|---|
| 1 | Net Asset Value (NAV) (Refer notes 5 to the financial statements) | |
| | Investments constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs 552.26 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Tested the design and operating effectiveness of the key controls for valuation of investments;▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 30 September, 2021

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

| | 2021 | | | 2020 | | | Total | Total |
|---|-------------------------------|------------------------------|--------------------------|------------------------|------------------------------|--------------------------|--------------------|-------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | | |
| Assets | ----- (Rupees) ----- | | | | | | | |
| Bank balances | 2,467,100 | 1,198,259 | 3,126,470 | 2,492,409 | 1,923,733 | 3,219,456 | 7,635,598 | |
| Investments | 179,660,680 | 198,540,741 | 174,061,104 | 139,662,919 | 184,090,165 | 202,267,567 | 526,020,651 | |
| Preliminary expenses and floatation cost | - | - | - | 2,629 | 154,343 | 41,338 | 198,310 | |
| Mark-up receivable on bank balances | 5,218 | - | - | 13,444 | 6,905 | 7,085 | 27,434 | |
| Prepayments and other receivables | 102,472 | 115,259 | 110,253 | 88,551 | 113,686 | 108,514 | 310,751 | |
| Total assets | 182,235,470 | 199,854,259 | 177,297,827 | 559,387,556 | 186,288,832 | 205,643,960 | 534,192,744 | |
| Liabilities | ----- (Rupees) ----- | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 358,056 | 360,669 | 227,705 | 308,071 | 313,163 | 177,487 | 798,721 | |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 42,805 | 39,382 | 47,110 | 31,804 | 30,143 | 38,823 | 100,770 | |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 33,589 | 38,316 | 38,877 | 30,222 | 36,001 | 46,439 | 112,662 | |
| Accrued expenses and other liabilities | 2,895,539 | 7,045,788 | 5,288,287 | 1,896,212 | 6,568,473 | 4,233,638 | 12,698,323 | |
| Total liabilities | 3,329,989 | 7,484,155 | 5,601,979 | 2,266,309 | 6,947,780 | 4,496,387 | 13,710,476 | |
| Net assets attributable to unit holders | 178,905,481 | 192,370,104 | 171,695,848 | 542,971,433 | 179,341,052 | 201,147,573 | 520,482,268 | |
| Unit holders' fund (as per statement attached) | 178,905,481 | 192,370,104 | 171,695,848 | 542,971,433 | 179,341,052 | 201,147,573 | 520,482,268 | |
| Contingencies and commitments | ----- (Number of units) ----- | | | | | | | |
| | 1,788,790 | 1,855,399 | 1,752,405 | 1,427,191 | 1,743,863 | 2,044,495 | | |
| Number of units in issue | ----- (Rupees) ----- | | | | | | | |
| | 100,0148 | 103,6812 | 97,9772 | 98,0903 | 102,8413 | 98,3850 | | |

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | | | |
|--|------------------------|------------------------------|--------------------------|-------------|------------------------|------------------------------|--------------------------|--------------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| Income | | | | | | | | |
| Mark-up income on bank balances | 126,602 | 108,191 | 153,499 | 388,292 | 404,707 | 412,095 | 512,036 | 1,328,838 |
| Gain on sale of investments - net | 5,401,969 | 2,253,395 | 8,422,755 | 16,078,119 | 5,183,651 | 2,232,648 | 5,518,856 | 12,935,155 |
| Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | 6,678,801 | 1,026,066 | 2,456,225 | 10,161,092 | (15,132,020) | (4,676,195) | (5,153,414) | (24,961,629) |
| Dividend income | 27,917,055 | 15,171,112 | 15,414,491 | 58,502,658 | 10,113,418 | 19,929,634 | 19,604,788 | 49,647,840 |
| Total income | 40,124,427 | 18,558,764 | 26,446,970 | 85,130,161 | 569,756 | 17,898,182 | 20,482,266 | 38,950,204 |
| Expenses | | | | | | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 331 | 704 | - | 1,035 | 13,143 | 19,941 | 9,122 | 42,206 |
| Sindh sales tax on remuneration of the Management Company | 44 | 92 | - | 136 | 1,709 | 2,592 | 1,186 | 5,487 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 117,787 | 133,584 | 139,087 | 390,458 | 64,732 | 88,662 | 106,586 | 260,000 |
| Sindh sales tax on remuneration of the Trustee | 15,312 | 17,366 | 18,081 | 50,759 | 8,418 | 11,526 | 13,856 | 33,800 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 33,589 | 38,316 | 38,877 | 110,782 | 30,256 | 36,026 | 46,464 | 112,746 |
| Amortisation of preliminary expenses and floatation costs | 2,629 | 154,343 | 41,338 | 198,310 | 24,888 | 651,846 | 206,790 | 883,524 |
| Auditors' remuneration | 127,760 | 163,669 | 183,570 | 474,999 | 125,274 | 160,910 | 180,375 | 466,559 |
| Annual listing fee | 3,590 | 4,598 | 5,156 | 13,344 | 7,384 | 9,487 | 10,632 | 27,503 |
| Printing charges | - | 194,840 | 194,195 | 556,971 | 151,760 | 175,679 | 232,325 | 559,764 |
| Allocated expenses | - | - | - | - | - | 191 | - | 191 |
| NCCPL Charges | 793,108 | 357,024 | 516,532 | 1,666,664 | 2,672 | 334,422 | 393,234 | 730,328 |
| Provision for Sindh Workers' Welfare Fund | 26 | 69 | 71 | 166 | 3,102 | 13,515 | 4,401 | 21,018 |
| Bank charges | 1,262,112 | 1,064,605 | 1,136,907 | 3,463,624 | 438,781 | 1,510,768 | 1,213,853 | 3,163,402 |
| Total expenses | 38,862,315 | 17,494,159 | 25,310,063 | 81,666,537 | 130,975 | 16,387,414 | 19,268,413 | 35,786,802 |
| Net income for the year before taxation | | | | | | | | |
| Taxation | - | - | - | - | - | - | - | - |
| Net income for the year after taxation | 38,862,315 | 17,494,159 | 25,310,063 | 81,666,537 | 130,975 | 16,387,414 | 19,268,413 | 35,786,802 |
| Allocation of net income for the year | | | | | | | | |
| Net income for the year after taxation | 38,862,315 | 17,494,159 | 25,310,063 | 81,666,537 | 130,975 | 16,387,414 | 19,268,413 | 35,786,802 |
| Income already paid on units redeemed | (10,530) | (107,930) | (6,446,198) | (6,564,658) | - | (489,773) | (5,857,795) | (6,347,568) |
| | 38,851,785 | 17,386,229 | 18,863,865 | 75,101,879 | 130,975 | 15,897,641 | 13,410,618 | 29,439,234 |
| Accounting income available for distribution | | | | | | | | |
| - Relating to capital gain | 12,080,770 | 3,279,461 | 10,878,980 | 26,239,211 | - | - | 231,188 | 231,188 |
| - Excluding capital gain | 26,771,015 | 14,106,768 | 7,984,885 | 48,862,668 | 130,975 | 15,897,641 | 13,179,430 | 29,208,046 |
| | 38,851,785 | 17,386,229 | 18,863,865 | 75,101,879 | 130,975 | 15,897,641 | 13,410,618 | 29,439,234 |

Note

Mark-up income on bank balances
Gain on sale of investments - net
Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net
Dividend income
Total income

Expenses
Remuneration of Alfalah GHP Investment Management Limited - Management Company
Sindh sales tax on remuneration of the Management Company
Remuneration of Central Depository Company of Pakistan Limited - Trustee
Sindh sales tax on remuneration of the Trustee
Annual fee to the Securities and Exchange Commission of Pakistan
Amortisation of preliminary expenses and floatation costs
Auditors' remuneration
Annual listing fee
Printing charges
Allocated expenses
NCCPL Charges
Provision for Sindh Workers' Welfare Fund
Bank charges
Total expenses

Net income for the year before taxation
Taxation

Net income for the year after taxation
Allocation of net income for the year
Net income for the year after taxation
Income already paid on units redeemed

Accounting income available for distribution
- Relating to capital gain
- Excluding capital gain

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

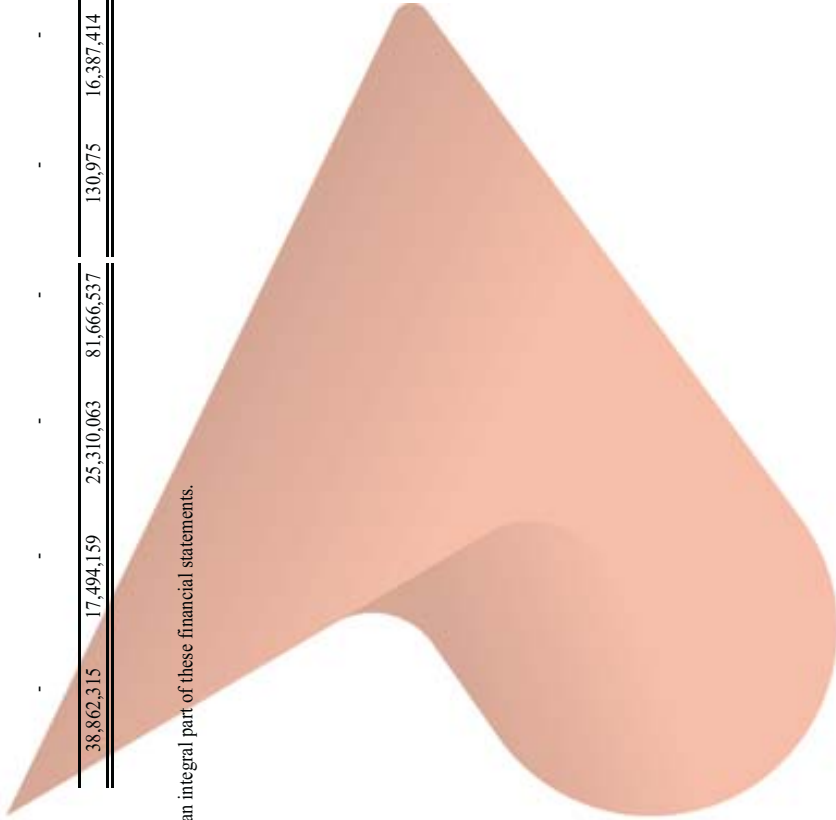
Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|--|------------------------|------------------------------|--------------------------|------------------------|------------------------------|--------------------------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan |
| Net income for the year after taxation | 38,862,315 | 17,494,159 | 25,310,063 | 130,975 | 16,387,414 | 19,268,413 |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | <u>38,862,315</u> | <u>17,494,159</u> | <u>25,310,063</u> | <u>130,975</u> | <u>16,387,414</u> | <u>19,268,413</u> |
| | | | 81,666,537 | | | 35,786,802 |

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.



Chief Executive Officer

Chief Financial Officer

Director

For Alfalah GHP Investment Management Limited
 (Management Company)

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | | | | | | | |
|--|------------------------|------------------|--------------|------------------------------|----------------------|--------------|--------------------------|----------------------|--------------|--------------|
| | Active Allocation Plan | | | Conservative Allocation Plan | | | Moderate Allocation Plan | | | |
| | Capital value | Accumulated loss | Total | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total | Total |
| Net assets at the beginning of the year | 154,642,063 | (14,648,420) | 139,993,643 | 158,376,970 | 20,964,082 | 179,341,052 | 196,743,791 | 4,403,782 | 201,147,573 | 520,482,268 |
| Issuance of units: | | | | | | | | | | |
| AAP: 362,027 (2020: 1,459) CAP: 136,666 (2020: 115,146) | | | | | | | | | | |
| MAP: 469,934 (2020: 126,439) | | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 35,511,337 | - | 35,511,337 | 14,054,909 | - | 14,054,909 | 46,234,457 | - | 46,234,457 | 95,800,703 |
| - Element of income | 1,063,214 | - | 1,063,214 | 244,482 | - | 244,482 | 3,022,448 | - | 3,022,448 | 4,330,144 |
| Total proceeds on issuance of units | 36,574,551 | - | 36,574,551 | 14,299,391 | - | 14,299,391 | 49,256,905 | - | 49,256,905 | 100,130,847 |
| Redemption of units: | | | | | | | | | | |
| AAP: 428 (2020: 3,685) CAP: 25,130 (2020: 83,888) | | | | | | | | | | |
| MAP: 762,024 (2020: 701,498) | | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 41,983 | - | 41,983 | 2,584,402 | - | 2,584,402 | 74,971,731 | - | 74,971,731 | 77,598,116 |
| - Element of (income) / loss | (39) | 10,530 | 10,491 | 68,454 | 107,930 | 176,384 | 1,511,629 | 6,446,198 | 7,957,827 | 8,144,702 |
| Total payments on redemption of units | 41,944 | 10,530 | 52,474 | 2,652,856 | 107,930 | 2,760,786 | 76,483,360 | 6,446,198 | 82,929,558 | 85,742,818 |
| Total comprehensive income for the year | - | 38,862,315 | 38,862,315 | - | 17,494,159 | 17,494,159 | - | 25,310,063 | 25,310,063 | 81,666,537 |
| Final distribution for the year ended June 30, 2021 @ Rs 25.5514 per unit (Active allocation plan) on June 30, 2021 | (40,218) | (36,432,336) | (36,472,554) | - | - | - | - | - | - | (36,472,554) |
| Final distribution for the year ended June 30, 2021 @ Rs 9.1594 per unit (Conservative allocation plan) on June 30, 2021 | - | - | - | (59,372) | (15,944,340) | (16,003,712) | - | - | - | (16,003,712) |
| Final distribution for the year ended June 30, 2021 @ Rs 13.6649 per unit (Moderate allocation plan) on June 30, 2021 | (40,218) | (36,432,336) | (36,472,554) | (59,372) | (15,944,340) | (16,003,712) | (1,510,723) | (19,578,412) | (21,089,135) | (21,089,135) |
| Net assets at the end of the year | 191,134,452 | (12,228,971) | 178,905,481 | 169,964,133 | 22,405,971 | 192,370,104 | 168,006,613 | 3,689,235 | 171,695,848 | 542,971,433 |
| (Accumulated loss) / undistributed income brought forward | | | | | | | | | | |
| - Realised income / (loss) | 483,600 | - | 483,600 | 25,640,277 | (4,676,195) | 20,964,082 | - | 9,557,196 | (5,153,414) | 24,407,868 |
| - Unrealised loss | (15,132,020) | - | (15,132,020) | - | - | - | - | 4,403,782 | - | (10,728,238) |
| Accounting income available for distribution | 12,080,770 | - | 12,080,770 | 3,279,461 | - | 3,279,461 | - | 10,878,980 | - | 22,958,951 |
| - Relating to capital gains | 26,771,015 | - | 26,771,015 | 14,106,768 | - | 14,106,768 | - | 7,984,885 | - | 34,791,653 |
| - Excluding capital gains | 38,851,785 | - | 38,851,785 | 17,386,229 | - | 17,386,229 | - | 18,863,865 | - | 57,715,618 |
| Final distribution for the year ended June 30, 2021 @ Rs 25.5514 per unit (Active allocation plan) on June 30, 2021 | (36,432,336) | - | (36,432,336) | - | - | - | - | - | - | (36,432,336) |
| Final distribution for the year ended June 30, 2021 @ Rs 9.1594 per unit (Conservative allocation plan) on June 30, 2021 | - | - | - | - | (15,944,340) | (16,003,712) | - | - | - | (31,948,452) |
| Final distribution for the year ended June 30, 2021 @ Rs 13.6649 per unit (Moderate allocation plan) on June 30, 2021 | - | - | - | - | - | - | - | - | (19,578,412) | (19,578,412) |
| (Accumulated loss) / undistributed income carried forward | | | | | | | | | | |
| (Accumulated loss) / undistributed income carried forward | (12,228,971) | - | (12,228,971) | 22,405,971 | - | 22,405,971 | - | 3,689,235 | - | 26,095,206 |
| - Realised (loss) / income | (18,907,772) | - | (18,907,772) | 21,379,905 | - | 21,379,905 | - | 1,233,010 | - | 22,612,915 |
| - Unrealised income / (loss) | 6,678,801 | - | 6,678,801 | 1,026,066 | - | 1,026,066 | - | 2,456,225 | - | 10,161,092 |
| Net assets value per unit at the beginning of the year | 98,0992 | - | 98,0992 | 108,8413 | - | 108,8413 | - | 98,3850 | - | 106,7343 |
| Net assets value per unit at the end of the year | 100,0148 | - | 100,0148 | 103,6812 | - | 103,6812 | - | 97,9772 | - | 101,6584 |

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
 (Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

| | Active Allocation Plan | | Conservative Allocation Plan | | Moderate Allocation Plan | | Total | | | |
|---|------------------------|------------------|------------------------------|----------------------|--------------------------|----------------------|-------------|--------------|--------------|--------------|
| | Capital Value | Accumulated loss | Capital Value | Undistributed Income | Capital Value | Undistributed Income | | | | |
| Net assets at the beginning of the year | 172,393,762 | (14,648,501) | 157,745,261 | 155,145,589 | 20,687,792 | 175,833,301 | 252,884,253 | 3,876,009 | 256,760,262 | 590,338,824 |
| Issuance of units: | | | | | | | | | | |
| AAP: 1,459 (2019: 34,320) CAP: 115,146 (2019: 793,566) | | | | | | | | | | |
| MAP: 126,439 (2019: 231,356) | | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 144,323 | - | 144,323 | 11,822,051 | - | 11,822,051 | 12,393,146 | - | 12,393,146 | 24,359,520 |
| - Element of (loss) / income | (412) | - | (412) | 22,215 | - | 22,215 | 13,941 | - | 13,941 | 35,744 |
| Total proceeds on issuance of units | 143,911 | - | 143,911 | 11,844,266 | - | 11,844,266 | 12,407,087 | - | 12,407,087 | 24,395,264 |
| Redemption of units: | | | | | | | | | | |
| AAP: 168,956 (2019: 3,130,960) CAP: 83,888 | | | | | | | | | | |
| 2019: (2,533,967) MAP: 701,498 (2019: 2,857,586) | | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 16,712,992 | - | 16,712,992 | 8,612,789 | - | 8,612,789 | 68,758,589 | - | 68,758,589 | 94,084,370 |
| - Element of (loss) / income | 1,182,618 | - | 1,182,618 | 16 | - | 16 | 489,773 | - | 489,773 | 5,646,735 |
| Total payments on redemption of units | 17,895,610 | - | 17,895,610 | 8,612,805 | - | 8,612,805 | 68,547,549 | - | 68,547,549 | 74,403,534 |
| Total comprehensive income for the year | - | 130,975 | 130,975 | - | 16,387,414 | 16,387,414 | - | 19,288,413 | 19,288,413 | 35,786,802 |
| Final distribution for the year ended June 30, 2020 @ Re 0.918 per unit (Active allocation plan) on June 29, 2020 | (130,894) | (130,894) | (130,894) | - | - | - | - | - | - | (130,894) |
| Final distribution for the year ended June 30, 2020 @ Rs 9.542 per unit (Conservative allocation plan) on June 29, 2020 | - | - | - | (15,621,351) | (15,621,351) | (15,621,351) | - | - | - | (15,621,351) |
| Final distribution for the year ended June 30, 2020 @ Rs 6.7166 per unit (Moderate allocation plan) on June 29, 2020 | - | (130,894) | (130,894) | - | (15,621,351) | (15,621,351) | - | (12,882,845) | (12,882,845) | (12,882,845) |
| Net assets at the end of the year | 154,642,063 | (14,648,420) | 139,993,643 | 158,376,970 | 20,964,082 | 179,341,052 | 196,743,791 | 4,403,782 | 201,147,573 | 520,482,268 |
| (Accumulated loss) / undistributed income brought forward | | | | | | | | | | |
| - Realised income / (loss) | (5,647,071) | | | 23,901,236 | | | | 16,912,187 | | |
| - Unrealised loss | (9,001,430) | | | (3,213,444) | | | | (13,036,178) | | |
| Accounting income available for distribution | | | | 20,687,792 | | | | 3,876,009 | | |
| - Relating to capital gains | | | | | | | | | | |
| - Excluding capital gains | | | | 15,897,641 | | | | 231,188 | | |
| Final distribution for the year ended June 30, 2020 @ Re 0.918 per unit (Active allocation plan) on June 29, 2020 | (130,894) | | | - | | | | - | | |
| Final distribution for the year ended June 30, 2020 @ Rs 9.542 per unit (Conservative allocation plan) on June 29, 2020 | - | | | (15,621,351) | | | | - | | |
| Final distribution for the year ended June 30, 2020 @ Rs 6.7166 per unit (Moderate allocation plan) on June 29, 2020 | - | | | - | | | | (12,882,845) | | |
| (Accumulated loss) / undistributed income carried forward | | | | | | | | | | |
| - Realised (loss) / income | 483,600 | | | 25,640,277 | | | | 9,557,196 | | |
| - Unrealised income / (loss) | (15,137,020) | | | (4,676,195) | | | | (5,153,414) | | |
| Net assets value per unit at the beginning of the year | 98,9102 | | | 102,6701 | | | | 98,0168 | | |
| Net assets value per unit at the end of the year | 98,0903 | | | 102,8413 | | | | 98,3850 | | |

For Alfalah GHP Investment Management Limited
 (Management Company)

Director

Chief Financial Officer

Chief Executive Officer

The annexed notes from 1 to 21 and ancure form an integral part of these financial statements.

ALFALAH GHP PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | | |
|--|------------------------|--------------------------|--------------|------------------------|------------------------------|--------------------------|---------------|
| | Active Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Net income for the year before taxation | 38,862,315 | 17,494,159 | 25,310,063 | 81,666,537 | 16,387,414 | 19,268,413 | 35,786,802 |
| Adjustments for: | | | | | | | |
| Amortisation of preliminary expenses and floatation costs | 2,629 | 154,343 | 41,338 | 198,310 | 651,846 | 206,790 | 883,524 |
| Unrealised gain / (loss) on revaluation of investments classified as financial assets at fair value through profit or loss - net | (6,678,801) | (1,026,066) | (2,456,225) | (10,161,092) | 4,676,195 | 5,153,414 | 24,961,629 |
| Provision for Sindh Workers Welfare Fund | 793,108 | 357,024 | 516,532 | 1,666,664 | 334,422 | 393,234 | 730,328 |
| | 32,979,251 | 16,979,460 | 23,411,708 | 73,370,419 | 15,290,555 | 22,049,877 | 62,362,283 |
| (Increase) / decrease in assets | | | | | | | |
| Investments - net | (33,318,960) | (13,424,510) | 30,662,688 | (1,749,233) | (13,304,111) | 47,976,423 | 32,923,079 |
| Mark-up receivable on bank balances | 8,226 | 6,905 | 7,085 | 22,216 | (6,905) | (7,085) | (22,624) |
| Prepayments and other receivables | (13,921) | (1,573) | (1,739) | 1,320 | 372 | (1,135) | 557 |
| | (33,324,655) | (13,419,178) | 30,668,034 | (1,756,547) | (13,310,644) | 47,968,203 | 32,901,012 |
| Increase / (decrease) in liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 49,985 | 47,506 | 50,218 | (98,739) | (65,127) | (132,297) | (296,163) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11,001 | 9,239 | 8,287 | (13,006) | (5,958) | (16,704) | (35,668) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 3,367 | 2,315 | (7,562) | (1,880) | (175,299) | (260,761) | (661,377) |
| Accrued expenses and other liabilities | 206,219 | 120,291 | 538,117 | 864,627 | 3,542,903 | 495,069 | 4,062,108 |
| | 270,572 | 179,351 | 589,060 | (312,926) | 3,296,519 | 85,307 | 3,068,900 |
| | (74,832) | 3,739,633 | 54,668,802 | 13,221,082 | 12,035,752 | 73,075,361 | 98,332,195 |
| Net cash (used in) / generated from operating activities | | | | | | | |
| | 36,534,333 | 14,240,019 | 47,746,182 | 143,911 | 11,844,266 | 12,407,087 | 24,395,264 |
| Amounts received against issuance of units - net of refund of capital | (52,474) | (2,760,786) | (82,929,558) | (17,895,610) | (9,102,578) | (74,405,344) | (101,403,532) |
| Payments made against redemption of units | (36,432,336) | (15,944,340) | (19,578,412) | (130,894) | (15,621,351) | (12,882,845) | (28,635,090) |
| Dividend paid | 49,523 | (4,465,107) | (54,761,788) | (17,882,593) | (12,879,663) | (74,881,102) | (105,643,358) |
| Net decrease in cash and cash equivalents during the year | (25,309) | (725,474) | (92,986) | (4,661,511) | (843,911) | (1,805,741) | (7,311,163) |
| Cash and cash equivalents at beginning of the year | 2,492,409 | 1,923,733 | 3,219,456 | 7,153,920 | 2,767,644 | 5,025,197 | 14,946,761 |
| Cash and cash equivalents at end of the year | 2,467,100 | 1,198,259 | 3,126,470 | 6,791,829 | 1,923,733 | 3,219,456 | 7,635,598 |

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 07, 2015 between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) under the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/SMCW/AGPPF/30/2015 dated July 30, 2015 and Offering Document was approved by SECP vide its letter No. SCD/AMCW/AGPPF/29/2015 dated July 30, 2015.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'Fund of Funds' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The investment objectives and policy are explained in the Fund's offering document. Presently, the following allocation plans are offered:
- a. Alfalah GHP Active Allocation Plan
 - b. Alfalah GHP Conservative Allocation Plan
 - c. Alfalah GHP Moderate Allocation Plan
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has submitted Collective Investment Scheme Trust Deed to Registrar (acting under the Trust Act) for registration to fulfill the requirement for registration of Trust Deed under the Trust Act.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting standards that are effective in the current year

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investments (notes 3.2.1 and 5)
- Provision for Sindh Workers' Welfare Fund (note 10.1)
- Impairment of financial assets (note 3.2.3)
- Taxation (notes 3.7 and 14)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments held 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentational currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentational currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.2.3 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.12 Revenue recognition

- Gain or losses arising on sale of investments classified as financial assets 'at fair value through profit or loss' are recognized in the income statement in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances is recognised on accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Regulations.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4. BANK BALANCES

| | Note | 2021 | | | | 2020 | | | |
|------------------|------|------------------------|------------------------------|--------------------------|-----------|------------------------|------------------------------|--------------------------|-----------|
| | | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| | | (Rupees) | | | | (Rupees) | | | |
| Savings accounts | 4.1 | 2,467,100 | 1,198,259 | 3,126,470 | 6,791,829 | 2,492,409 | 1,923,733 | 3,219,456 | 7,635,598 |

- 4.1 These accounts carry profit at the rates ranging between 5.50% to 7.90% (2020: 5.5% to 9.5%) per annum. These include bank balance of Rs. 6.165 million (2020: Rs. 6.917 million) maintained with Bank Alfalah Limited (a related party), carrying profit at the rate of 7.70% (2020 6.5%) per annum.

5. INVESTMENTS

| | Note | 2021 | | | | 2020 | | | |
|----------------------------------|------|------------------------|------------------------------|--------------------------|-------------|------------------------|------------------------------|--------------------------|-------------|
| | | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| | | (Rupees) | | | | (Rupees) | | | |
| Units of open-ended mutual funds | 5.1 | 179,660,680 | 198,540,741 | 174,061,104 | 552,262,525 | 139,662,919 | 184,090,165 | 202,267,567 | 526,020,651 |

- 5.1 Financial assets at fair value through profit or loss' - Units of open-ended mutual funds

Active Allocation Plan

| Particulars | As at July 1, 2020 | Issued during the year | Redeemed during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of | |
|-------------------------------------|--------------------|------------------------|--------------------------|---------------------|---------------------|--------------------|--------------------------|---------------------------------|-------------------|
| | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets | Total investments |
| | | | | | | | | | |
| | | | | | (No. of Units) | | | % | |
| Alfalah GHP Alpha Fund* | 978,889 | 718,122 | 251,222 | 1,445,789 | 85,705,753 | 86,516,030 | 810,277 | 48.36% | 48.16% |
| Alfalah GHP Cash Fund* | 42 | 2 | 44 | - | - | - | - | 0.00% | 0.00% |
| Alfalah GHP Stock Fund* | 553,785 | 195,645 | 143,250 | 606,180 | 62,574,320 | 68,512,112 | 5,937,792 | 38.30% | 38.13% |
| Alfalah GHP Sovereign Fund* | 4,538 | 186 | 4,724 | - | - | - | - | 0.00% | 0.00% |
| Alfalah GHP Money Market Fund* | 8,206 | 334,603 | 309,809 | 33,000 | 3,245,662 | 3,241,833 | (3,829) | 1.81% | 1.80% |
| Alfalah GHP Income Fund* | 89 | 6 | - | 95 | 10,721 | 10,776 | 55 | 0.01% | 0.01% |
| Alfalah GHP Income Multiplier Fund* | 629,266 | - | 226,506 | 402,760 | 21,445,423 | 21,379,929 | (65,494) | 11.95% | 11.90% |
| As at June 30, 2021 | | | | | 172,981,879 | 179,660,680 | 6,678,801 | 100.43% | 100.00% |
| As at June 30, 2020 | | | | | 154,794,939 | 139,662,919 | (15,132,020) | 99.76% | 100.00% |

* These represent investments held in related parties i.e. funds under common management.

Conservative Allocation Plan

| Particulars | As at July 1, 2020 | Issued during the year | Redeemed during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of | |
|-------------------------------------|--------------------|------------------------|--------------------------|---------------------|---------------------|--------------------|--------------------------|---------------------------------|-------------------|
| | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets | Total investments |
| | | | | | | | | | |
| Alfalah GHP Alpha Fund* | 223,182 | 278,394 | 106,040 | 395,536 | 23,887,653 | 23,668,886 | (218,767) | 12.30% | 11.92% |
| Alfalah GHP Cash Fund* | 100,447 | 6,996 | - | 107,443 | 53,718,938 | 53,740,873 | 21,935 | 27.94% | 27.07% |
| Alfalah GHP Stock Fund* | 128,144 | 61,729 | 60,465 | 129,408 | 13,975,388 | 14,625,986 | 650,598 | 7.60% | 7.37% |
| Alfalah GHP Sovereign Fund* | 250,077 | 19,020 | 37,300 | 231,797 | 24,151,839 | 24,743,504 | 591,665 | 12.86% | 12.46% |
| Alfalah GHP Money Market Fund* | 402,781 | 165,841 | 126,867 | 441,755 | 43,378,625 | 43,397,338 | 18,713 | 22.56% | 21.86% |
| Alfalah GHP Income Fund* | 83,755 | 5,380 | - | 89,135 | 10,048,972 | 10,097,516 | 48,544 | 5.25% | 5.09% |
| Alfalah GHP Income Multiplier Fund* | 641,244 | - | 108,749 | 532,495 | 28,353,260 | 28,266,638 | (86,622) | 14.69% | 14.23% |
| As at June 30, 2021 | | | | | 197,514,675 | 198,540,741 | 1,026,066 | 103.20% | 100.00% |
| As at June 30, 2020 | | | | | 188,766,360 | 184,090,165 | (4,676,195) | 102.64% | 100.00% |

* These represent investments held in related parties i.e. funds under common management.

Moderate Allocation Plan

| Particulars | As at July 1, 2020 | Issued during the year | Redeemed during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market value as a percentage of | |
|-------------------------------------|--------------------|------------------------|--------------------------|---------------------|---------------------|--------------------|--------------------------|---------------------------------|-------------------|
| | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets | Total investments |
| | | | | | | | | | |
| Alfalah GHP Alpha Fund* | 662,796 | 425,503 | 367,795 | 720,504 | 42,324,536 | 43,114,979 | 790,443 | 25.11% | 24.77% |
| Alfalah GHP Cash Fund* | 14,860 | 1,034 | - | 15,894 | 7,946,678 | 7,949,920 | 3,242 | 4.63% | 4.57% |
| Alfalah GHP Stock Fund* | 252,990 | 106,637 | 144,384 | 215,243 | 23,012,447 | 24,327,292 | 1,314,845 | 14.17% | 13.98% |
| Alfalah GHP Sovereign Fund* | 447,570 | 18,578 | 165,140 | 301,008 | 32,034,993 | 32,131,585 | 96,592 | 18.71% | 18.46% |
| Alfalah GHP Money Market Fund* | 94,094 | 192,405 | 162,454 | 124,045 | 12,194,337 | 12,185,987 | (8,350) | 7.10% | 7.00% |
| Alfalah GHP Income Fund* | 2,414 | 155 | - | 2,569 | 289,626 | 291,023 | 1,397 | 0.17% | 0.17% |
| Alfalah GHP Income Multiplier Fund* | 1,467,679 | 11,261 | 460,539 | 1,018,401 | 53,802,262 | 54,060,318 | 258,056 | 31.49% | 31.05% |
| As at June 30, 2021 | | | | | 171,604,879 | 174,061,104 | 2,456,225 | 101.38% | 100.00% |
| As at June 30, 2020 | | | | | 207,420,981 | 202,267,567 | (5,153,414) | 100.56% | 100.00% |

* These represent investments held in related parties i.e. funds under common management.

5.2 Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net

| Note | 2021 | | | | 2020 | | | | |
|-------------------------------------|------------------------|------------------------------|--------------------------|------------------|------------------------|------------------------------|--------------------------|--------------------|---------------------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | |
| | (Rupees) | | | | (Rupees) | | | | |
| Market value of investments | 5.1 | 179,660,680 | 198,540,741 | 174,061,104 | 552,262,525 | 139,662,919 | 184,090,165 | 202,267,567 | 526,020,651 |
| Less: Carrying value of investments | 5.1 | (172,981,879) | (197,514,675) | (171,604,879) | (542,101,433) | (154,794,939) | (188,766,360) | (207,420,981) | (550,982,280) |
| | | <u>6,678,801</u> | <u>1,026,066</u> | <u>2,456,225</u> | <u>10,161,092</u> | <u>(15,132,020)</u> | <u>(4,676,195)</u> | <u>(5,153,414)</u> | <u>(24,961,629)</u> |

6. PRELIMINARY EXPENSES AND FLOATATION COSTS

| Note | 2021 | | | | 2020 | | | | |
|--------------------------------------|------------------------|------------------------------|--------------------------|----------|------------------------|------------------------------|--------------------------|-----------|-----------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | |
| | (Rupees) | | | | (Rupees) | | | | |
| Balance at the beginning of the year | | 2,629 | 154,343 | 41,338 | 198,310 | 27,517 | 806,189 | 248,128 | 1,081,834 |
| Less: amortisation during the year | | (2,629) | (154,343) | (41,338) | (198,310) | (24,888) | (651,846) | (206,790) | (883,524) |
| Balance at the end of the year | 6.1 | - | - | - | - | 2,629 | 154,343 | 41,338 | 198,310 |

6.1 This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the SECP, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years effective from September 12, 2015, i.e. after the end of initial period of the Fund. Formation cost is divided amongst the Active Allocation plan, Moderate Allocation plan and Conservative Allocation Plan according to the ratios of their pre IPO investments.

7. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

| Note | 2021 | | | | 2020 | | | | |
|--|------------------------|------------------------------|--------------------------|----------------|------------------------|------------------------------|--------------------------|----------------|----------------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | |
| | (Rupees) | | | | (Rupees) | | | | |
| Management remuneration payable | 7.1 | 10,692 | - | 742 | 11,434 | 11,403 | - | 742 | 12,145 |
| Sindh sales tax payable on management remuneration | 7.2 | 1,898 | - | 1,609 | 3,507 | 1,898 | - | 1,609 | 3,507 |
| Payable against allocated expenses | 7.3 | 87,668 | 96,095 | 93,016 | 276,779 | 36,972 | 48,589 | 42,798 | 128,359 |
| Federal excise duty payable on management remuneration | 7.4 | 5,557 | 6,924 | 10,873 | 23,354 | 5,557 | 6,924 | 10,873 | 23,354 |
| Sales load payable | | 252,241 | 257,650 | 121,465 | 631,356 | 252,241 | 257,650 | 121,465 | 631,356 |
| | | <u>358,056</u> | <u>360,669</u> | <u>227,705</u> | <u>946,430</u> | <u>308,071</u> | <u>313,163</u> | <u>177,487</u> | <u>798,721</u> |

7.1 The Management Company has charged remuneration at the rate of 1% (2020: 1%) of average annual net assets of the Fund during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.

7.2 During the year, Sindh sales tax on management remuneration has been charged at the rate of 13% (June 30, 2020: 13%).

7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The Management Company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the fund for allocation of such expenses to the Fund.

7.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.023 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements, the net asset value of the Fund as at June 30, 2021 would have been higher by Re 0.0031 per unit (2020: Re 0.0039), Re 0.0037 per unit (2020: Re 0.0039) and Re 0.0062 per unit (2020: Re 0.0053) for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

| | Note | 2021 | | | | 2020 | | | |
|--|------|------------------------|------------------------------|--------------------------|----------------|------------------------|------------------------------|--------------------------|----------------|
| | | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| | | (Rupees) | | | | (Rupees) | | | |
| Remuneration of the trustee | 8.1 | 37,281 | 34,147 | 41,670 | 113,098 | 27,544 | 25,971 | 34,335 | 87,850 |
| Sindh sales tax payable on remuneration of the Trustee | 8.2 | 5,524 | 5,235 | 5,440 | 16,199 | 4,260 | 4,172 | 4,488 | 12,920 |
| | | <u>42,805</u> | <u>39,382</u> | <u>47,110</u> | <u>129,297</u> | <u>31,804</u> | <u>30,143</u> | <u>38,823</u> | <u>100,770</u> |

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

| Net Assets (Rs.) | Tariff |
|---------------------------------|--|
| Up to Rs 1,000 million | 0.10% p.a. of net assets |
| From Rs 1,000 million and above | Rs 1 million plus 0.075% p.a. of net assets exceeding Rs 1 billion |

8.2 During the year, an amount of Rs. 0.05 million (2020: Rs. 0.03 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

| | 2021 | | | | 2020 | | | |
|--------------------|------------------------|------------------------------|--------------------------|---------|------------------------|------------------------------|--------------------------|---------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| | (Rupees) | | | | (Rupees) | | | |
| Annual fee payable | 33,589 | 38,316 | 38,877 | 110,782 | 30,222 | 36,001 | 46,439 | 112,662 |

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the securities and Exchange commission of Pakistan (SECP).

The SECP vide SRO no. 685 (1) / 2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% of net assets during the year.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

| | Note | 2021 | | | | 2020 | | | |
|---|------|------------------------|------------------------------|--------------------------|-------------------|------------------------|------------------------------|--------------------------|-------------------|
| | | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| | | (Rupees) | | | | (Rupees) | | | |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 2,102,997 | 1,872,403 | 3,418,305 | 7,393,705 | 1,309,889 | 1,515,379 | 2,901,773 | 5,727,041 |
| Rating fee payable | | 303,171 | 183,068 | 485,820 | 972,059 | 303,171 | 242,045 | 485,820 | 1,031,036 |
| Printing charges payable | | 89,446 | - | 72,013 | 161,459 | 94,394 | - | 78,820 | 173,214 |
| Auditors' remuneration payable | | 125,003 | 99,527 | 204,025 | 428,555 | 101,316 | 51,163 | 158,643 | 311,122 |
| Withholding tax payable | | 263,197 | 4,730,615 | 559,146 | 5,552,958 | 67,408 | 4,624,575 | 518,584 | 5,210,567 |
| Capital gain tax payable | | - | 68,892 | 503,320 | 572,212 | 393 | 44,028 | 44,364 | 88,785 |
| Listing fee | | 11,725 | - | 2,480 | 14,205 | 19,641 | - | 2,456 | 22,097 |
| Sales load payable | | - | 91,283 | 43,178 | 134,461 | - | 91,283 | 43,178 | 134,461 |
| | | <u>2,895,539</u> | <u>7,045,788</u> | <u>5,288,287</u> | <u>15,229,614</u> | <u>1,896,212</u> | <u>6,568,473</u> | <u>4,233,638</u> | <u>12,698,323</u> |

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act. Since the Fund has started operations with effect from September 12, 2015 therefore, the provision has been recognised from September 12, 2015 to June 30, 2021.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from September 12, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Rs. 1.1757 (2020: Rs. 0.92) per unit, Rs. 1.0092 (2020: Rs. 0.85) per unit and Rs. 1.9506 (2020: Rs. 1.42) per unit for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

12. AUDITORS' REMUNERATION

| | 2021 | | | | 2020 | | | |
|---------------------------------|------------------------|------------------------------|--------------------------|----------------|------------------------|------------------------------|--------------------------|----------------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| | (Rupees) | | | | (Rupees) | | | |
| Annual audit fee | 59,402 | 75,942 | 85,144 | 220,488 | 59,402 | 75,942 | 85,144 | 220,488 |
| Review and other certifications | 44,550 | 56,674 | 61,236 | 162,460 | 44,550 | 56,674 | 61,236 | 162,460 |
| Out of pocket expenses | 14,344 | 18,929 | 23,592 | 56,865 | 12,043 | 16,374 | 20,634 | 49,051 |
| | 118,296 | 151,545 | 169,972 | 439,813 | 115,995 | 148,990 | 167,014 | 431,999 |
| Sindh sales tax on services | 9,464 | 12,124 | 13,598 | 35,186 | 9,279 | 11,920 | 13,361 | 34,560 |
| | <u>127,760</u> | <u>163,669</u> | <u>183,570</u> | <u>474,999</u> | <u>125,274</u> | <u>160,910</u> | <u>180,375</u> | <u>466,559</u> |

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 are 0.75%, 0.55% and 0.58% (2020: 0.29%, 0.53% and 0.81%) which includes 0.50%, 0.22% and 0.29% (2020: 0.03%, 0.20% and 0.19%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc in Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds.

14. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding limited, Bank Alfalah Limited and MAB Investment Incorporation being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and their close relatives and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, and other associated companies and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

15.1 Unit Holders' Fund

| | | 2021 | | | | | | | | | | |
|--|---|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|-------------|
| | | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2021 | |
| Note | | (Units) | | | | | (Rupees) | | | | | |
| - Active Allocation Plan | | | | | | | | | | | | |
| Associated companies / undertakings | | | | | | | | | | | | |
| | Bank Alfalah Limited - Employees Gratuity Fund | 15.1.1 | 1,065,450 | - | 269,351 | - | 1,334,801 | 104,510,310 | - | 27,184,332 | - | 133,499,855 |
| - Conservative Allocation Plan | | | | | | | | | | | | |
| Unit holder holding 10% or more units | | | | | | | | | | | | |
| | Additional Registrar (Judicial) / Deputy Registrar Judicial | 15.1.1 | 1,726,987 | - | 106,613 | - | 1,833,600 | 177,605,588 | - | 11,072,714 | - | 190,109,848 |
| - Moderate Allocation Plan | | | | | | | | | | | | |
| Unit holder holding 10% or more units | | | | | | | | | | | | |
| | Attock Cement Pakistan Limited - Provident Fund | 15.1.1 | 557,752 | - | 77,467 | - | 635,219 | 54,874,431 | - | 7,621,630 | - | 62,236,979 |
| | Attock Cement Pakistan Limited - Pension Fund | 15.1.1 | 333,960 | - | 46,384 | - | 380,344 | 32,856,655 | - | 4,563,522 | - | 37,265,040 |
| | Attock Cement Pakistan Limited - Gratuity Fund | 15.1.1 | 166,884 | 129,877 | 41,218 | - | 337,979 | 16,418,882 | 14,282,852 | 4,055,198 | - | 33,114,236 |

| | | 2020 | | | | | | | | | | |
|--|---|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|-------------|
| | | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2020 | |
| | | (Units) | | | | | (Rupees) | | | | | |
| - Active Allocation Plan | | | | | | | | | | | | |
| Associated companies / undertakings | | | | | | | | | | | | |
| | Bank Alfalah Limited - Employees Gratuity Fund | | 1,064,454 | - | 996 | - | 1,065,450 | 105,295,037 | - | 97,717 | - | 104,510,310 |
| - Conservative Allocation Plan | | | | | | | | | | | | |
| Unit holder holding 10% or more units | | | | | | | | | | | | |
| | Additional Registrar (Judicial) / Deputy Registrar Judicial | | 1,621,497 | - | 105,490 | - | 1,726,987 | 166,479,259 | - | 10,830,629 | - | 177,605,588 |
| - Moderate Allocation Plan | | | | | | | | | | | | |
| Unit holder holding 10% or more units | | | | | | | | | | | | |
| | Pakistan Services Limited Employees Provident Fund | | 333,745 | - | 22,844 | - | 356,589 | 34,265,633 | - | 2,241,631 | - | 35,083,009 |
| | Gurmani Foundation | | 275,013 | - | 12,973 | - | 287,986 | 27,017,425 | - | 1,273,762 | - | 28,333,503 |
| | Attock Cement Pakistan Limited - Provident Fund | | 522,021 | - | 35,731 | - | 557,752 | 51,302,606 | - | 3,506,206 | - | 54,874,431 |
| | Attock Cement Pakistan Limited - Pension Fund | | 312,565 | - | 21,395 | - | 333,960 | 30,717,916 | - | 2,099,374 | - | 32,856,655 |

15.1.1 This reflects the position of related party / connected persons status as at June 30, 2021.

15.2 Other transactions

| | | 2021 | | | | 2020 | | | |
|---|---|------------------------|------------------------------|--------------------------|---------|------------------------|------------------------------|--------------------------|---------|
| | | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| | | (Rupees) | | | | (Rupees) | | | |
| Associated companies / undertakings | | | | | | | | | |
| Alfalah GHP Investment Management Limited - Management Company | | | | | | | | | |
| | Remuneration of the Management Company | 331 | 704 | - | 1,035 | 13,143 | 19,941 | 9,122 | 42,206 |
| | Sindh sales tax on remuneration of the Management Company | 44 | 92 | - | 136 | 1,709 | 2,592 | 1,186 | 5,487 |
| | Allocated expenses | 167,936 | 194,840 | 194,195 | 556,971 | 151,760 | 175,679 | 232,325 | 559,764 |

| | 2021 | | | | 2020 | | | |
|---|------------------------|------------------------------|--------------------------|---------|------------------------|------------------------------|--------------------------|-----------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| | (Rupees) | | | | (Rupees) | | | |
| Bank Alfalah Limited | | | | | | | | |
| Profit / mark-up income on bank balances | 126,602 | 108,191 | 153,499 | 388,292 | 386,923 | 385,780 | 497,698 | 1,270,401 |
| Bank charges | 25 | 25 | 25 | 75 | 1,899 | 11,590 | 3,372 | 16,861 |
| Other related parties | | | | | | | | |
| Central Depository Company of Pakistan Limited - Trustee | | | | | | | | |
| Remuneration of the Trustee | 117,787 | 133,584 | 139,087 | 390,458 | 64,752 | 88,662 | 106,586 | 260,000 |
| Sindh sales tax on remuneration of the Trustee | 15,312 | 17,366 | 18,081 | 50,759 | 8,418 | 11,526 | 13,856 | 33,800 |

15.3 Other balances

| | 2021 | | | | 2020 | | | |
|---|------------------------|------------------------------|--------------------------|-----------|------------------------|------------------------------|--------------------------|-----------|
| | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total | Active Allocation Plan | Conservative Allocation Plan | Moderate Allocation Plan | Total |
| | (Rupees) | | | | (Rupees) | | | |
| Associated companies / undertakings | | | | | | | | |
| Alfalah GHP Investment Management Limited - Management Company | | | | | | | | |
| Management remuneration payable | 10,692 | - | 742 | 11,434 | 11,403 | - | 742 | 12,145 |
| Sindh sales tax payable on management remuneration | 1,898 | - | 1,609 | 3,507 | 1,898 | - | 1,609 | 3,507 |
| Payable against allocated expenses | 87,668 | 96,095 | 93,016 | 276,779 | 36,972 | 48,589 | 42,798 | 128,359 |
| Federal excise duty payable on management remuneration | 5,557 | 6,924 | 10,873 | 23,354 | 5,557 | 6,924 | 10,873 | 23,354 |
| Sales load payable | 252,241 | 257,650 | 121,465 | 631,356 | 252,241 | 257,650 | 121,465 | 631,356 |
| Bank Alfalah Limited | | | | | | | | |
| Bank balances | 2,221,074 | 957,703 | 2,985,982 | 6,164,759 | 2,215,472 | 1,654,687 | 3,046,937 | 6,917,096 |
| Sales load payable | - | 91,283 | 43,178 | 134,461 | - | 91,283 | 43,178 | 134,461 |
| Other related party | | | | | | | | |
| Central Depository Company of Pakistan Limited - Trustee | | | | | | | | |
| Trustee remuneration payable | 37,281 | 34,147 | 41,670 | 113,098 | 27,544 | 25,971 | 34,335 | 87,850 |
| Sindh sales tax payable on Trustee remuneration | 5,524 | 5,235 | 5,440 | 16,199 | 4,260 | 4,172 | 4,488 | 12,920 |

16. FINANCIAL INSTRUMENTS BY CATEGORY

| Particulars | 2021 | | | 2020 | | |
|--|-------------------|--------------------------------------|--------------------|-------------------|--------------------------------------|--------------------|
| | At amortised cost | At fair value through profit or loss | Total | At amortised cost | At fair value through profit or loss | Total |
| | (Rupees) | | | (Rupees) | | |
| Financial assets | | | | | | |
| Bank balances | 6,791,829 | - | 6,791,829 | 7,635,598 | - | 7,635,598 |
| Investments | - | 552,262,525 | 552,262,525 | - | 526,020,651 | 526,020,651 |
| Mark-up receivable on bank balances | 5,218 | - | 5,218 | 27,434 | - | 27,434 |
| Other receivables | 304,305 | - | 304,305 | 304,305 | - | 304,305 |
| | <u>7,101,352</u> | <u>552,262,525</u> | <u>559,363,877</u> | <u>7,967,337</u> | <u>526,020,651</u> | <u>533,987,988</u> |
| Financial liabilities | | | | | | |
| Payable to the Management Company | 946,430 | - | 946,430 | 798,721 | - | 798,721 |
| Payable to the Trustee | 129,297 | - | 129,297 | 100,770 | - | 100,770 |
| Accrued expenses and other liabilities | 1,710,739 | - | 1,710,739 | 1,671,930 | - | 1,671,930 |
| | <u>2,786,466</u> | <u>-</u> | <u>2,786,466</u> | <u>2,571,421</u> | <u>-</u> | <u>2,571,421</u> |

17. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

17.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

17.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

| | Note | 2021 | 2020 |
|---|------|------------------|------------------|
| Variable rate instruments (financial assets) | | -----Rupees----- | |
| Bank balances | 4 | <u>6,791,829</u> | <u>7,635,598</u> |

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 67,918 (2020: Rs. 76,356) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

| Particulars | 2021 | | | | | Total |
|---|-------------------------|--------------------------|---|--------------------|-----------------------------------|--------------------|
| | Effective interest rate | Exposed to interest risk | | | Not exposed to interest rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| (Rupees) | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.5% - 7.90% | 6,791,829 | - | - | - | 6,791,829 |
| Investments | | - | - | - | 552,262,525 | 552,262,525 |
| Mark-up receivable on bank balances | | - | - | - | 5,218 | 5,218 |
| Other receivables | | - | - | - | 304,305 | 304,305 |
| Sub-total | | <u>6,791,829</u> | <u>-</u> | <u>-</u> | <u>552,572,048</u> | <u>559,363,877</u> |
| Financial liabilities | | | | | | |
| Payable to the Management Company | | - | - | - | 946,430 | 946,430 |
| Payable to the Trustee | | - | - | - | 129,297 | 129,297 |
| Accrued expenses and other liabilities | | - | - | - | 1,710,739 | 1,710,739 |
| Sub-total | | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,786,466</u> | <u>2,786,466</u> |
| On-balance sheet gap | | <u>6,791,829</u> | <u>-</u> | <u>-</u> | <u>549,785,582</u> | <u>556,577,411</u> |
| Total interest rate sensitivity gap | | <u>6,791,829</u> | <u>-</u> | <u>-</u> | <u>549,785,582</u> | <u>556,577,411</u> |
| Cumulative interest rate sensitivity gap | | <u>6,791,829</u> | <u>6,791,829</u> | <u>6,791,829</u> | | |

| Particulars | 2020 | | | | | Total |
|---|-------------------------|--------------------------|---|--------------------|-----------------------------------|--------------------|
| | Effective interest rate | Exposed to interest risk | | | Not exposed to interest rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| (Rupees) | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 5.5%-9.5% | 7,635,598 | - | - | - | 7,635,598 |
| Investments | | - | - | - | 526,020,651 | 526,020,651 |
| Mark-up receivable on bank balances | | - | - | - | 27,434 | 27,434 |
| Other receivables | | - | - | - | 304,305 | 304,305 |
| Sub-total | | <u>7,635,598</u> | <u>-</u> | <u>-</u> | <u>526,352,390</u> | <u>533,987,988</u> |
| Financial liabilities | | | | | | |
| Payable to the Management Company | | - | - | - | 798,721 | 798,721 |
| Payable to the Trustee | | - | - | - | 100,770 | 100,770 |
| Accrued expenses and other liabilities | | - | - | - | 1,671,930 | 1,671,930 |
| Sub-total | | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,571,421</u> | <u>2,571,421</u> |
| On-balance sheet gap | | <u>7,635,598</u> | <u>-</u> | <u>-</u> | <u>523,780,969</u> | <u>531,416,567</u> |
| Total interest rate sensitivity gap | | <u>7,635,598</u> | <u>-</u> | <u>-</u> | <u>523,780,969</u> | <u>531,416,567</u> |
| Cumulative interest rate sensitivity gap | | <u>7,635,598</u> | <u>7,635,598</u> | <u>7,635,598</u> | | |

17.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds which are categorized as equity schemes. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2021. The analysis is based on the assumption that PSX index increased / decreased by 1%, with all other variables held constant.

As at June 30, 2021, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

| <i>Effect due to increase / decrease in KSE 100 index</i> | 2021 | 2021 |
|---|------------------|------------------|
| | -----Rupees----- | |
| Investments and net assets | <u>2,607,653</u> | <u>1,883,556</u> |
| Income statement | <u>2,607,653</u> | <u>1,883,556</u> |

17.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

17.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|-------------------------------------|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Bank balances | 6,791,829 | 6,791,829 | 7,635,598 | 7,635,598 |
| Investments | 552,262,525 | - | 526,020,651 | - |
| Mark-up receivable on bank balances | 5,218 | 5,218 | 27,434 | 27,434 |
| Other receivables | 304,305 | 304,305 | 304,305 | 304,305 |
| | <u>559,363,877</u> | <u>7,101,352</u> | <u>533,987,988</u> | <u>7,967,337</u> |

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 552.263 million (2020: Rs 526.02 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2021 and June 30, 2020.

17.2.2 Credit quality of financial assets

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Name of bank | Rating Agency | Rating (Short Term / Long Term) | 2021 | 2020 |
|---------------------------|---------------|---------------------------------|----------------------------|----------------|
| | | | %age of total bank balance | |
| JS Bank Limited | PACRA | A1+ / AA- | 3.09% | 2.75% |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 90.76% | 90.59% |
| Allied Bank Limited | PACRA | A1+ / AAA | 0.93% | 0.82% |
| National Bank of Pakistan | PACRA | A1+ / AAA | 5.22% | 5.84% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

17.2.3 Open end mutual fund - Quoted

The Fund had investments at June 30, 2021 with open end mutual funds having following ratings:

| Name of open end mutual funds | Rating Agency | Rating | 2021 | 2020 |
|--------------------------------------|---------------|-----------|-----------------------------|----------------|
| | | | Percentage of total balance | |
| Alfalalah GHP Alpha Fund | Not Rated | Not Rated | 27.76% | 18.98% |
| Alfalalah GHP Cash Fund | PACRA | AA(f) | 11.17% | 10.96% |
| Alfalalah GHP Stock Fund | Not Rated | Not Rated | 19.46% | 16.82% |
| Alfalalah GHP Sovereign Fund | PACRA | AA-(f) | 10.30% | 14.24% |
| Alfalalah GHP Money Market Fund | PACRA | AA+(f) | 10.65% | 9.42% |
| Alfalalah GHP Income Fund | PACRA | A+(f) | 1.88% | 1.84% |
| Alfalalah GHP Income Multiplier Fund | PACRA | A+(f) | 18.78% | 27.74% |
| Alfalalah GHP Islamic Stock Fund | Not Rated | Not Rated | 0.00% | 0.00% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

17.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

| | 2021 | | | | | Total |
|---|------------------|---|--|--------------------|--|--------------------|
| | Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year | Financial instruments with no fixed maturity | |
| | Rupees | | | | | |
| Financial assets | | | | | | |
| Bank balances | 6,791,829 | - | - | - | - | 6,791,829 |
| Investments | - | - | - | - | 552,262,525 | 552,262,525 |
| Mark-up receivable on bank balances | 5,218 | - | - | - | - | 5,218 |
| Other receivables | 304,305 | - | - | - | - | 304,305 |
| | 7,101,352 | - | - | - | 552,262,525 | 559,363,877 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 946,430 | - | - | - | - | 946,430 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 129,297 | - | - | - | - | 129,297 |
| Accrued expenses and other liabilities | 1,710,739 | - | - | - | - | 1,710,739 |
| | 2,786,466 | - | - | - | - | 2,786,466 |
| Net financial assets | <u>4,314,886</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>552,262,525</u> | <u>556,577,411</u> |

| | ----- 2020 ----- | | | | | Total |
|---|--------------------|---|--|--------------------|--|--------------------|
| | Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year | Financial instruments with no fixed maturity | |
| | ----- Rupees ----- | | | | | |
| Financial assets | | | | | | |
| Bank balances | 7,635,598 | - | - | - | - | 7,635,598 |
| Investments | - | - | - | - | 526,020,651 | 526,020,651 |
| Mark-up receivable on bank balances | 27,434 | - | - | - | - | 27,434 |
| Other receivables | 304,305 | - | - | - | - | 304,305 |
| | <u>7,967,337</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>526,020,651</u> | <u>533,987,988</u> |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 798,721 | - | - | - | - | 798,721 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 100,770 | - | - | - | - | 100,770 |
| Accrued expenses and other liabilities | 1,671,930 | - | - | - | - | 1,671,930 |
| | <u>2,571,421</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,571,421</u> |
| Net financial assets | <u>5,395,916</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>526,020,651</u> | <u>531,416,567</u> |

17.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

| | ----- 2021 ----- | | | |
|--|--------------------|--------------------|----------|--------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | ----- Rupees ----- | | | |
| Financial assets 'at fair value through profit or loss' - net | | | | |
| - Open end mutual funds - Quoted | - | 552,262,525 | - | 552,262,525 |
| | <u>-</u> | <u>552,262,525</u> | <u>-</u> | <u>552,262,525</u> |
| | ----- 2020 ----- | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | ----- Rupees ----- | | | |
| Financial assets 'at fair value through profit or loss' - net | | | | |
| - Open end mutual funds - Quoted | - | 526,020,651 | - | 526,020,651 |
| | <u>-</u> | <u>526,020,651</u> | <u>-</u> | <u>526,020,651</u> |

17.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

The Fund's objective when managing net assets attributable to unit holders is to safe guard the Fund's ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

18. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure I to the financial statements.

19. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

20. GENERAL

20.1 Rounding off

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

20.2 Impact of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

20.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Active Allocation Plan

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 48 | 47,304 | 4,731,064 | 3% |
| Associated Co./ Directors | 0 | - | - | 0% |
| Banks/Dfis | 0 | - | - | 0% |
| Insurance Co. | 0 | - | - | 0% |
| Retirement & Other Funds | 11 | 1,741,487 | 174,174,444 | 97% |
| Others | 0 | - | - | 0% |
| | 59 | 1,788,790 | 178,905,508 | 100% |

Conservative Allocation Plan

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 121 | 21,799 | 2,260,181 | 1% |
| Associated Co./ Directors | 0 | - | - | 0% |
| Banks/Dfis | 0 | - | - | 0% |
| Insurance Co. | 0 | - | - | 0% |
| Retirement & Other Funds | 0 | - | - | 0% |
| Others | 4 | 1,833,600 | 190,109,841 | 99% |
| | 125 | 1,855,399 | 192,370,022 | 100% |

Moderate Allocation Plan

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 159 | 230,132 | 22,579,594 | 13% |
| Associated Co./ Directors | 0 | - | - | 0% |
| Banks/Dfis | 0 | - | - | 0% |
| Insurance Co. | 0 | - | - | 0% |
| Retirement & Other Funds | 14 | 1,522,273 | 149,359,072 | 87% |
| Others | 0 | - | - | 0% |
| | 173 | 1,752,405 | 171,938,666 | 100% |

**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**

Active Allocation Plan

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 8 | 37,121 | 3,644,330 | 3% |
| Associated Co./ Directors | 0 | - | - | 0% |
| Banks/Dfis | 0 | - | - | 0% |
| Insurance Co. | 0 | - | - | 0% |
| Retirement & Other Funds | 4 | 1,390,070 | 136,350,000 | 97% |
| Others | 0 | - | - | 0% |
| | 12 | 1,427,191 | 139,994,330 | 100% |

Conservative Allocation Plan

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 31 | 7,928 | 815,403 | 0% |
| Associated Co./ Directors | 0 | - | - | 0% |
| Banks/Dfis | 0 | - | - | 0% |
| Insurance Co. | 0 | - | - | 0% |
| Retirement & Other Funds | 0 | - | - | 0% |
| Others | 2 | 1,735,935 | 178,525,651 | 100% |
| | 33 | 1,743,863 | 179,341,054 | 100% |

Moderate Allocation Plan

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 38 | 351,280 | 34,557,642 | 17% |
| Associated Co./ Directors | 0 | - | - | 0% |
| Banks/Dfis | 0 | - | - | 0% |
| Insurance Co. | 0 | - | - | 0% |
| Retirement & Other Funds | 9 | 1,693,216 | 166,590,000 | 83% |
| Others | 0 | - | - | 0% |
| | 47 | 2,044,495 | 201,147,642 | 100% |

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi"

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

| Name of Director | Number of Meetings | | | Meeting not attended |
|---------------------------|--------------------|----------|---------------|----------------------|
| | Held | Attended | Leave Granted | |
| Hanspeter Beier | 4 | 3 | 1 | 1 |
| Syed Ali Sultan | 4 | 4 | - | - |
| Ms. Maheen Rahman | 4 | 2 | Resigned | Resigned |
| Mr. Abid Naqvi | 4 | 3 | 1 | 1 |
| Mr. Tufail Jawed Ahmad | 4 | 3 | 1 | 1 |
| Ms. Mehreen Ahmed | 4 | 4 | - | - |
| Ms. Dominique Liana Russo | 4 | 1 | Resigned | Resigned |
| Mr. Edward Phillip Hurt | 4 | 1 | 3 | 3 |
| Mr. Tanveer Awan | 3 | 3 | - | - |
| Mr. Nabeel Malik | 2 | 2 | - | - |

**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 - AGPPF

| | 30 June 2021 | | | 30 June 2020 | | |
|-------------------------------------|-----------------------------------|---|-------------------------------------|-----------------------------------|---|-------------------------------------|
| | Active Allocation Plan 178,905 | Conservative Allocation Plan 192,370 | Moderate Allocation Plan 171,696 | Active Allocation Plan 139,994 | Conservative Allocation Plan 179,341 | Moderate Allocation Plan 201,147 |
| Net Assets | 100,0148 | 103,6812 | 97,9772 | 98,1821 | 102,8412 | 98,3850 |
| NAV per unit | 102.2751 | 104.8528 | 99.6379 | 100.4010 | 104.0033 | 100.0526 |
| Selling price per unit | 100.0148 | 103.6812 | 97.9772 | 98.1821 | 102.8412 | 98.3850 |
| Redemption price per unit | 132.6557 | 115.2550 | 116.2564 | 112.0671 | 113.9832 | 110.5608 |
| Highest selling price per unit | 129.7239 | 113.9672 | 114.3187 | 109.5904 | 112.7096 | 108.7180 |
| Highest redemption price per unit | 101.7601 | 104.2863 | 99.6379 | 83.5783 | 103.8900 | 97.4945 |
| Lowest selling price per unit | 99.5111 | 103.1210 | 97.9772 | 81.7312 | 102.7292 | 95.8695 |
| Lowest redemption price per unit | NIL | NIL | NIL | 0.09 | 9.54 | 6.72 |
| Total interim distribution per unit | NIL | NIL | NIL | June 30, 2020 | June 28, 2020 | June 28, 2020 |
| Interim distribution date | 25.55 | 9.16 | 13.67 | Nil | Nil | Nil |
| Final distribution per unit | 30-Jun-21 | 30-Jun-21 | 30-Jun-21 | N/A | N/A | N/A |
| Final distribution date | 27.74% | 9.71% | 13.42% | -0.75% | 9.48% | 7.25% |
| Annualized returns | 26.02% | 8.91% | 13.89% | 0.00 | 9.29% | 0.07 |
| Income distribution | NIL | NIL | NIL | N/A | N/A | N/A |
| Weighted avg. portfolio duration | | | | | | |

AAP - Return since inception is 5.34%

CAP - Return since inception is 6.48%

MAP - Return since inception is 6.01%



Alfalah
GHP Islamic Prosperity
Planning Fund

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmad Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Shariah Advisor: | Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |

Alfalah GHP Islamic Prosperity Planning Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Shariah Compliant Fund of Funds Scheme

Investment Objective

Alfalah GHP Islamic Prosperity Planning Fund is an Open-ended Shariah Complaint Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah complaint Mutual funds in line with the risk tolerance of the investor.

Accomplishment of Objective

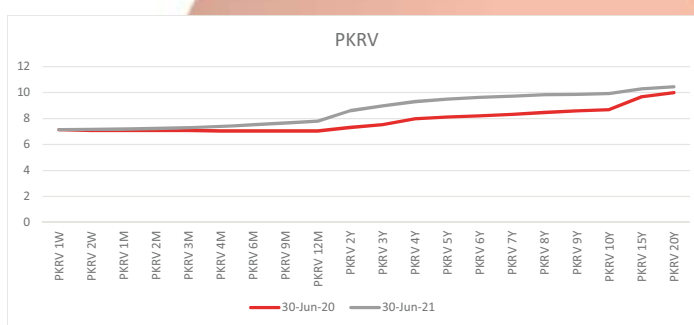
The Fund has achieved its objective of generating higher return by investing in a mix of underlying fixed income and equity based mutual funds within the guidelines provided under NBFC rules.

Money Market Review:-

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



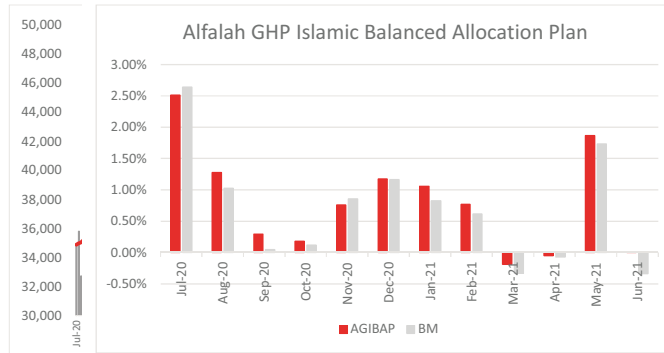
Equity Market Review

During FY21, the benchmark index posted a mammoth return of 37.6% (highest in last seven years) on account of strong rebound in economy. During the year, the index peaked at 48,726 level in mid Jun'21 but in latter part of the month profit taking was witnessed due to which the index closed at 47,356 points. Average trading volume of all-share index also improved by 165%YoY to 519.6 million shares. Market capitalization of Technology, Refineries and Engineering sectors escalated by 182%, 172% and 136% respectively compared to last year close.

Multiple positives staged the comeback of local bourse from close of last year which included; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) decline in local Covid-19 cases.

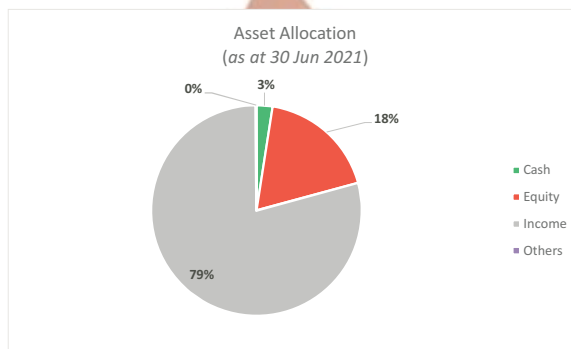
The gradual reopening of economy post 1st wave of COVID-19 reflected in large scale manufacturing which grew by 14.57%YoY during 11MFY21. The healthy signs were evident in demand side indicators as sales continue to grow for cement, automobile and petroleum product's sales. As a result, corporate earnings registered robust growth in FY21.

Going forward, ever improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.



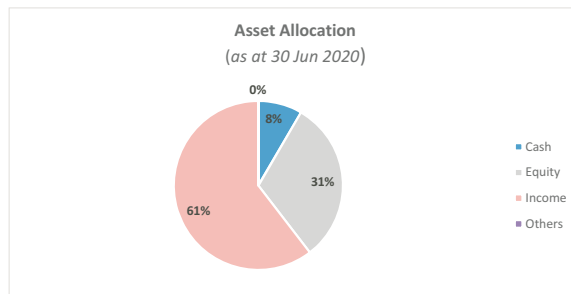
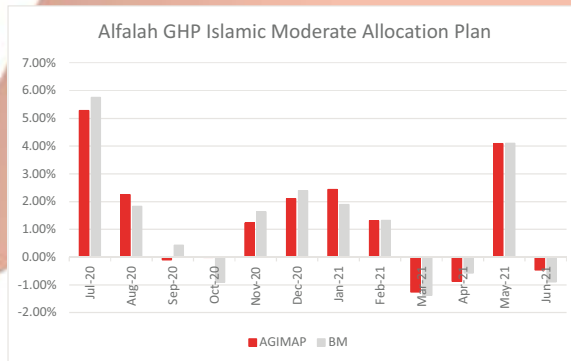
Islamic Balance Fund:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Balanced posted a return of 10.06% as compared to its benchmark of 8.56%.



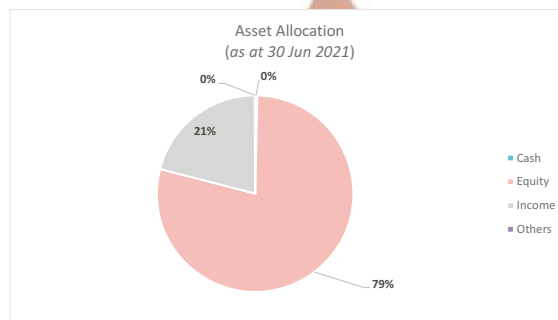
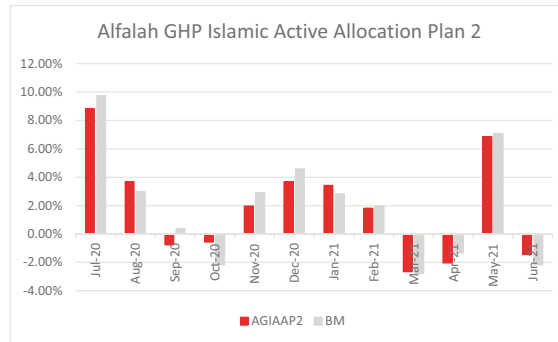
Islamic Moderate Fund:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active posted a return of 17.00% as compared to its benchmark of 16.50%.



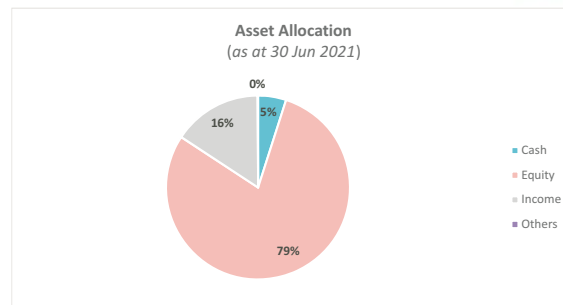
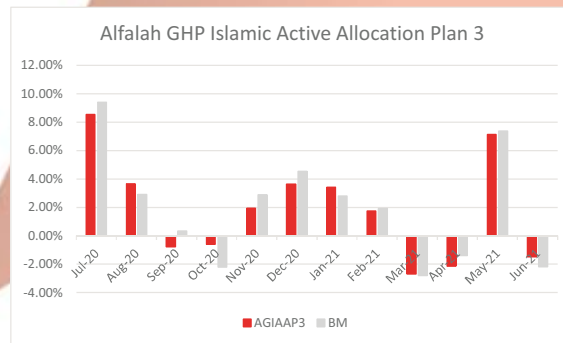
Islamic Active Fund - II:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active II posted a return of 1.26% as compared to its benchmark of -1.76%.



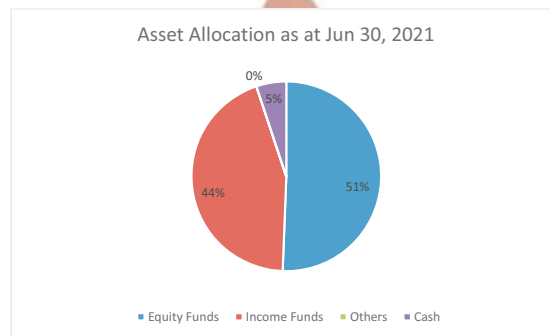
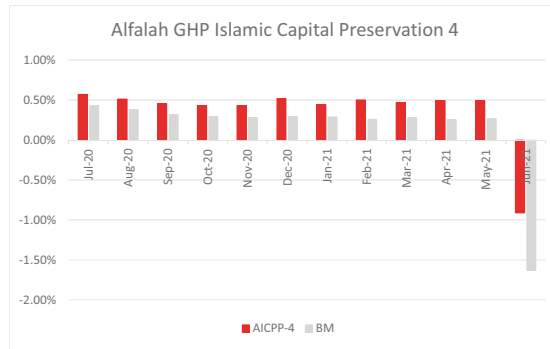
Islamic Active Fund - III:

During the period under review, Alfalah GHP Prosperity Planning Fund - Active III posted a return of 23.91% as compared to its benchmark of 25.3%.



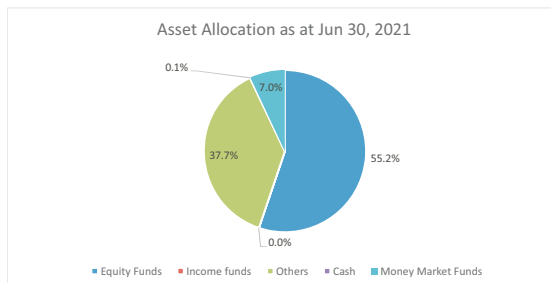
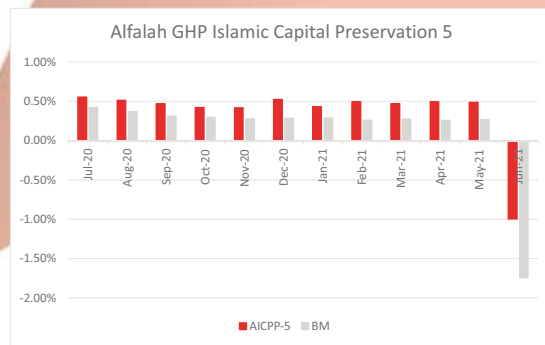
Alfalsh Islamic Capital Preservation Plan 4

The fund generated a return of 4.49% against the benchmark which generated 1.69%.



Alfalsh Islamic Capital Preservation Plan 5

The fund generated a return of 4.36% against the benchmark which generated 1.57%.



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

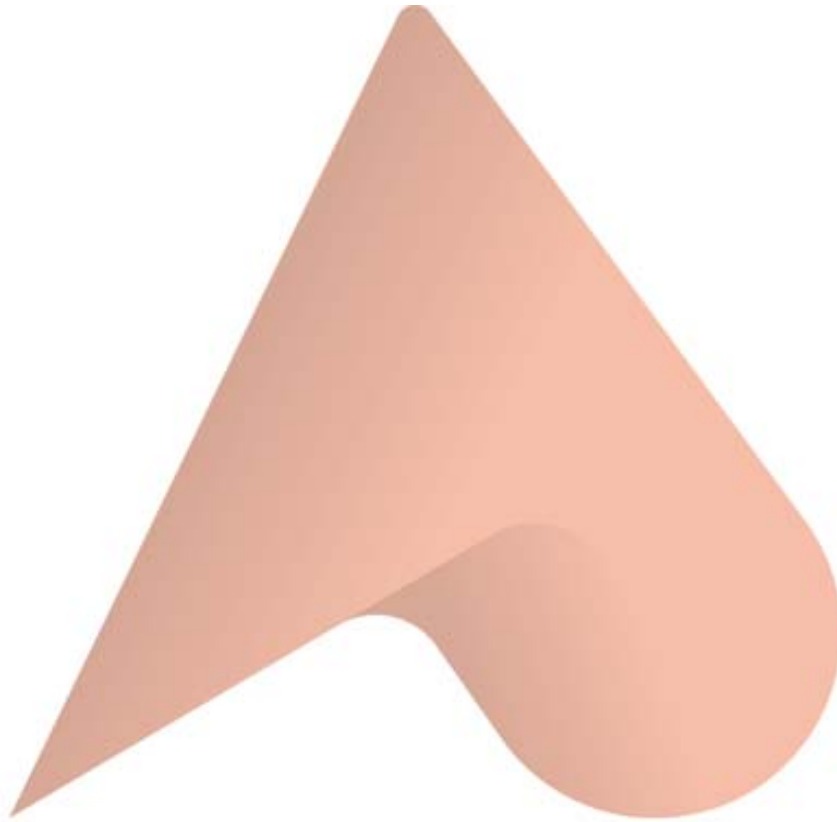
There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.



**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



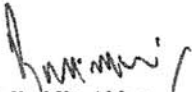
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

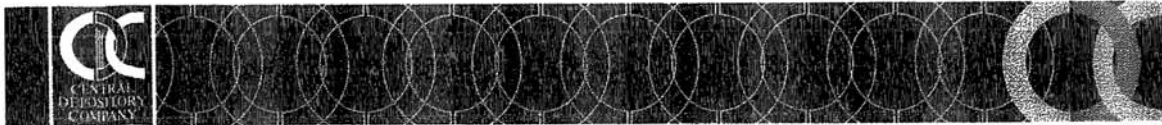
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 17, 2021



INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS OF ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

Introduction

We were engaged by the Board of Directors of **Alfalaha GHP Investment Management Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **Alfalaha GHP Islamic Prosperity Planning Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2021, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed in respect of investments made by the Fund. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed in respect of investments made by the Fund.

Management's Responsibility for Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed in respect of investments made by the Fund, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprised the following:

- checking compliance with respect to making investments of the Fund in accordance with Shariah Principles.
- checking that the Shariah Advisor has certified that the investments made during the year ended June 30, 2021 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed statement, presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed in respect of investments made by the Fund for the year ended June 30, 2021.

A. F. Ferguson & Co.
Chartered Accountants
Dated: September 30, 2021
Karachi



Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Prosperity Planning Fund ('AGIPPF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we have checked following avenues presented to us by the Management in which AGIPPF made Investment during the period from July 1, 2020 to June 30, 2021.

| Investment Head | Investment Avenue |
|-------------------------|--|
| Shariah Compliant Funds | Alfalsh GHP Islamic Dedicated Equity Fund Alfalsh GHP Islamic Income Fund |

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2021, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

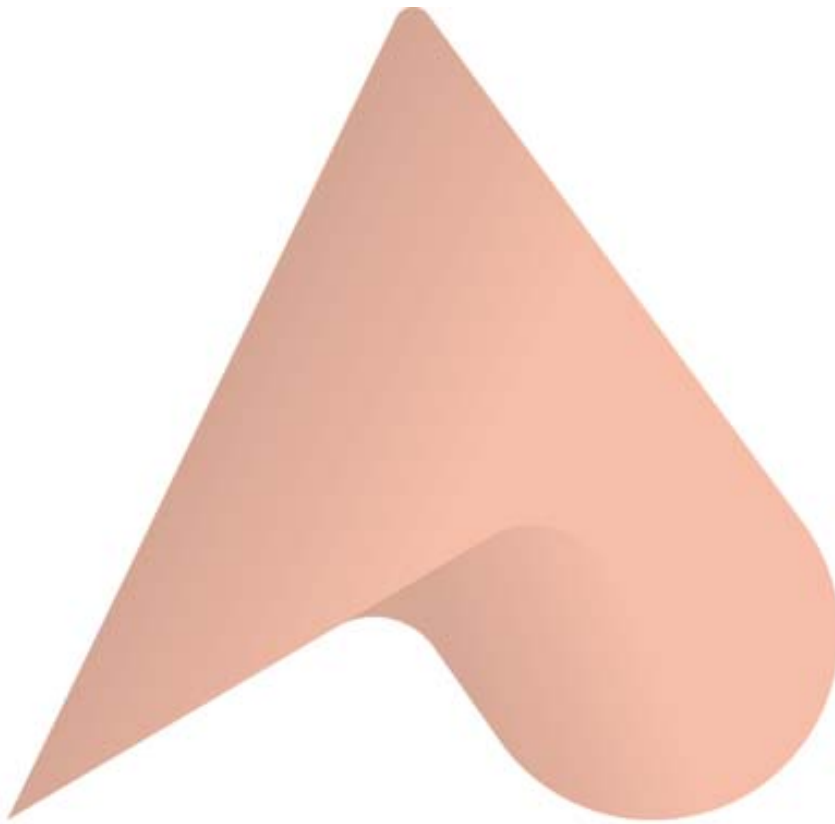
Alfalsh GHP Investment Management Ltd
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahgdp.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Prosperity Planning Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2021. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 30, 2021

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Prosperity Planning Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Prosperity Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|---|
| 1 | Net Asset Value (NAV) (Refer notes 5 to the financial statements) | |
| | Investments constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 848.90 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none">Tested the design and operating effectiveness of the key controls for valuation of investments;Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 30 September, 2021

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

| | | 2021 | | | | | | |
|---|----|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--------------------|
| | | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| Assets | | | | | | | | |
| Bank balances | 4 | 5,286,725 | 5,619,575 | 1,394,936 | 3,732,844 | 2,807,040 | 1,861,862 | 20,702,982 |
| Investments | 5 | 71,276,204 | 222,584,233 | 405,843,000 | 72,162,259 | 52,319,068 | 24,718,271 | 848,903,035 |
| Preliminary expenses and floatation costs | 6 | - | - | - | - | - | - | - |
| Profit receivable on bank balances | | 4,411 | 34,418 | 213,650 | 9,403 | 6,784 | 18,752 | 287,418 |
| Advances, prepayments and other receivable | | - | 207,550 | 83 | 39,808 | 2,730 | - | 250,171 |
| Total assets | | 76,567,340 | 228,445,776 | 407,451,669 | 75,944,314 | 55,135,622 | 26,598,885 | 870,143,606 |
| Liabilities | | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 7 | 418,744 | 246,699 | 130,887 | 276,902 | 79,220 | 97,579 | 1,250,031 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8 | 82,384 | 21,828 | 27,267 | 36,332 | 5,056 | 19,028 | 191,895 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 9 | 14,293 | 46,935 | 78,417 | 15,311 | 13,071 | 5,684 | 173,711 |
| Payable against redemption of units | | - | 92,430 | - | - | 600,404 | 68,953 | 761,787 |
| Dividend payable | | - | 16,994 | - | - | 938,280 | 855 | 956,129 |
| Accrued and other liabilities | 10 | 12,792,379 | 15,945,579 | 13,001,362 | 1,964,092 | 2,601,195 | 1,198,305 | 47,502,912 |
| Total liabilities | | 13,307,800 | 16,370,465 | 13,237,933 | 2,292,637 | 4,237,226 | 1,390,404 | 50,836,465 |
| Net assets attributable to unit holders | | 63,259,540 | 212,075,311 | 394,213,736 | 73,651,677 | 50,898,396 | 25,208,481 | 819,307,141 |
| Unit holders' funds (as per the statement attached) | | 63,259,540 | 212,075,311 | 394,213,736 | 73,651,677 | 50,898,396 | 25,208,481 | 819,307,141 |
| Contingencies and commitments | 11 | | | | | | | |
| Number of units in issue | 18 | 612,287 | 2,114,368 | 4,053,825 | 840,771 | 510,471 | 252,984 | |
| | | (Rupees) | | | | | | |
| Net asset value per unit | | 103.3169 | 100.3020 | 97.2449 | 87.6002 | 99.7087 | 99.6445 | |

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

| | | 2020 | | | | | | |
|---|----|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--------------------|
| | | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| | | ----- (Rupees) ----- | | | | | | |
| Assets | | | | | | | | |
| Bank balances | 4 | 6,882,171 | 5,341,838 | 5,614,203 | 10,593,799 | 2,624,098 | 2,635,981 | 33,692,090 |
| Investments | 5 | 75,016,738 | 236,573,737 | 348,743,689 | 59,871,065 | 86,062,396 | 27,386,572 | 833,654,197 |
| Preliminary expenses and floatation costs | 6 | - | 54,753 | - | - | - | - | 54,753 |
| Profit receivable on bank balances | | 12,247 | 709,257 | 230,856 | 107,150 | 33,703 | 166,481 | 1,259,694 |
| Advances, prepayments and other receivable | | - | 207,550 | 3,700 | 39,808 | 651 | - | 251,709 |
| Total assets | | 81,911,156 | 242,887,135 | 354,592,448 | 70,611,822 | 88,720,848 | 30,189,034 | 868,912,443 |
| Liabilities | | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 7 | 539,763 | 253,928 | 131,211 | 293,171 | 85,079 | 101,721 | 1,404,873 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8 | 78,634 | 22,563 | 23,546 | 30,555 | 5,827 | 15,719 | 176,844 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 9 | 30,886 | 55,586 | 75,133 | 36,677 | 24,021 | 9,132 | 231,435 |
| Payable against redemption of units | | - | - | - | - | 24,210 | 68,953 | 93,163 |
| Dividend payable | | - | 16,994 | - | - | 555,008 | - | 572,002 |
| Accrued and other liabilities | 10 | 11,162,938 | 11,586,476 | 4,173,713 | 1,290,029 | 1,988,996 | 996,915 | 31,199,067 |
| Total liabilities | | 11,812,221 | 11,935,547 | 4,403,603 | 1,650,432 | 2,683,141 | 1,192,440 | 33,677,384 |
| Net assets attributable to unit holders | | <u>70,098,935</u> | <u>230,951,588</u> | <u>350,188,845</u> | <u>68,961,390</u> | <u>86,037,707</u> | <u>28,996,594</u> | <u>835,235,059</u> |
| Unit holders' funds (as per the statement attached) | | <u>70,098,935</u> | <u>230,951,588</u> | <u>350,188,845</u> | <u>68,961,390</u> | <u>86,037,707</u> | <u>28,996,594</u> | <u>835,235,059</u> |
| Contingencies and commitments | | | | | | | | |
| Number of units in issue | 11 | 711,315 | 2,323,132 | 3,887,459 | 848,504 | 858,027 | 289,219 | |
| | | ----- (Rupees) ----- | | | | | | |
| Net asset value per unit | | <u>98.5484</u> | <u>99.4139</u> | <u>90.0817</u> | <u>81.2741</u> | <u>100.2739</u> | <u>100.2583</u> | |

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| For the year ended June 30, 2021 | | | | | | | | |
|--|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|------------------|--------------------|
| | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| Note | (Rupees) | | | | | | | |
| Income | | | | | | | | |
| Profit on bank balances | 97,301 | 388,015 | 109,659 | 214,955 | 140,543 | 55,391 | 1,005,864 | |
| Unrealised gain / (loss) on revaluation of investments classified as financial assets "at fair value through profit or loss" - net | 5.2 | 4,106,241 | 4,480,366 | 36,285,994 | 7,634,229 | (3,296,824) | (1,735,574) | 47,474,432 |
| Gain on sale of investments - net | | 2,048,512 | 2,597,223 | 11,652,085 | 1,864,888 | 125,920 | 35,136 | 18,323,764 |
| Dividend income | | 5,601,374 | 16,432,870 | 39,177,676 | 6,990,060 | 6,427,556 | 3,036,238 | 77,665,774 |
| Other income | | - | - | - | - | - | - | - |
| Total income | | 11,853,428 | 23,898,474 | 87,225,414 | 16,704,132 | 3,397,195 | 1,391,191 | 144,469,834 |
| Expenses | | | | | | | | |
| Remuneration of Alfalah GHP Investment Management Limited | | | | | | | | |
| - Management Company | 7.1 | 848 | - | 864 | 70,261 | 19,723 | 10,700 | 102,396 |
| Sindh sales tax on remuneration of the Management Company | 7.2 | 110 | - | 112 | 9,134 | 2,564 | 1,391 | 13,311 |
| Remuneration of Central Depository Company of Pakistan | | | | | | | | |
| - Trustee | 8.1 | 50,266 | 164,265 | 274,411 | 51,713 | 46,980 | 19,870 | 607,505 |
| Sindh sales tax on remuneration of the Trustee | 8.2 | 6,535 | 21,354 | 35,673 | 6,723 | 6,107 | 2,583 | 78,975 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 9 | 14,318 | 46,935 | 78,417 | 15,336 | 13,071 | 5,684 | 173,761 |
| Amortisation of preliminary expenses and floatation costs | 6 | - | 54,753 | - | - | - | - | 54,753 |
| Shariah advisory fee | | 6,603 | 22,201 | 33,551 | 6,571 | 8,331 | 2,858 | 80,115 |
| Auditors' remuneration | 12 | 87,036 | 287,556 | 436,168 | 85,780 | 107,004 | 36,128 | 1,039,672 |
| Annual listing fee | | 1,820 | 6,205 | 15,147 | 1,540 | 3,438 | 737 | 28,887 |
| Annual rating fee | | - | - | - | - | - | - | - |
| Printing charges | | 1,982 | 7,573 | 12,432 | 2,600 | 1,953 | 1,070 | 27,610 |
| Bank charges | | 1,250 | 800 | 75 | 849 | 1,072 | 25 | 4,071 |
| Allocated expenses | 7.3 | 70,434 | 234,677 | 392,010 | 75,321 | 65,240 | 28,413 | 866,095 |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 232,245 | 461,043 | 1,718,931 | 327,566 | 62,434 | 25,635 | 2,827,854 |
| Total expenses | | 473,447 | 1,307,362 | 2,997,791 | 653,394 | 337,917 | 135,094 | 5,905,005 |
| Net income for the year before taxation | | 11,379,981 | 22,591,112 | 84,227,623 | 16,050,738 | 3,059,278 | 1,256,097 | 138,564,829 |
| Taxation | 14 | - | - | - | - | - | - | - |
| Net income for the year after taxation | | 11,379,981 | 22,591,112 | 84,227,623 | 16,050,738 | 3,059,278 | 1,256,097 | 138,564,829 |
| Allocation of net income for the year | | | | | | | | |
| Net income for the year after taxation | | 11,379,981 | 22,591,112 | 84,227,623 | 16,050,738 | 3,059,278 | 1,256,097 | 138,564,829 |
| Income already paid on units redeemed | | (2,003,909) | (2,860,903) | (5,216,312) | (1,777,551) | (830,916) | (198,573) | (12,888,164) |
| | | 9,376,072 | 19,730,209 | 79,011,311 | 14,273,187 | 2,228,362 | 1,057,524 | 125,676,665 |
| Accounting income available for distribution | | | | | | | | |
| - Relating to capital gains | | 6,154,753 | 7,077,589 | 47,938,079 | 9,499,117 | - | - | 70,669,538 |
| - Excluding capital gains | | 3,221,319 | 12,652,620 | 31,073,232 | 4,774,070 | 2,228,362 | 1,057,524 | 55,007,127 |
| | | 9,376,072 | 19,730,209 | 79,011,311 | 14,273,187 | 2,228,362 | 1,057,524 | 125,676,665 |

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| For the year ended June 30, 2020 | | | | | | | |
|--|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------------------|
| | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| Income | (Rupees) | | | | | | |
| Profit on bank balances | 3,143,480 | 4,486,608 | 5,968,345 | 1,622,071 | 874,326 | 550,824 | 16,645,654 |
| Unrealised gain / (loss) on revaluation of investments classified as financial assets "at fair value through profit or loss" - net | 5.2 (3,083,953) | (3,605,499) | (24,449,464) | (4,874,619) | (1,264,816) | (402,770) | (37,681,121) |
| Gain / (loss) on sale of investments - net | 4,600,853 | 6,583,448 | 6,214,389 | 8,883,318 | (342,295) | 1,043,741 | 26,983,454 |
| Dividend income | 8,773,527 | 20,328,218 | 20,782,464 | 5,661,753 | 6,019,788 | 3,337,927 | 64,903,677 |
| Other income | - | - | - | - | 4,805,033 | - | 4,805,033 |
| Total income / (loss) | 13,433,907 | 27,792,775 | 8,515,734 | 11,292,523 | 10,092,036 | 4,529,722 | 75,656,697 |
| Expenses | | | | | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 7.1 271,026 | 491,329 | 618,241 | 233,113 | 97,659 | 61,568 | 1,772,936 |
| Sindh sales tax on remuneration of the Management Company | 7.2 35,233 | 63,876 | 80,372 | 37,008 | 12,712 | 7,997 | 237,198 |
| Remuneration of Central Depository Company of Pakistan - Trustee | 8.1 107,750 | 195,792 | 262,862 | 123,749 | 84,252 | 31,919 | 806,324 |
| Sindh sales tax on remuneration of the Trustee | 8.2 14,014 | 25,453 | 34,165 | 17,363 | 10,955 | 4,149 | 106,099 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 9 30,911 | 55,611 | 75,133 | 36,702 | 24,046 | 9,132 | 231,535 |
| Amortisation of preliminary expenses and floatation costs | 6 - | 58,194 | - | - | - | - | 58,194 |
| Shariah advisory fee | 6,718 | 22,113 | 33,552 | 6,603 | 8,237 | 10,213 | 87,436 |
| Auditors' remuneration | 12 87,328 | 287,447 | 436,124 | 85,834 | 107,068 | 36,084 | 1,039,885 |
| Annual listing fee | 1,848 | 6,081 | 9,227 | 1,816 | 2,265 | 3,964 | 25,201 |
| Annual rating fee | - | - | - | - | - | - | - |
| Printing charges | 4,199 | 13,821 | 20,970 | 4,127 | 5,148 | 3,554 | 51,819 |
| Bank charges | 3,756 | 3,720 | 25 | 5,643 | - | 5,610 | 18,754 |
| Allocated expenses | 7.3 151,962 | 276,383 | 375,642 | 160,015 | 119,895 | 45,585 | 1,129,482 |
| Provision for Sindh Workers' Welfare Fund | 10.1 254,384 | 525,859 | 131,388 | 211,611 | 192,396 | 86,199 | 1,401,837 |
| Total expenses | 969,129 | 2,025,679 | 2,077,701 | 923,584 | 664,633 | 305,974 | 6,966,700 |
| Net income for the year before taxation | 12,464,778 | 25,767,096 | 6,438,033 | 10,368,939 | 9,427,403 | 4,223,748 | 68,689,997 |
| Taxation | 14 - | - | - | - | - | - | - |
| Net income for the year after taxation | 12,464,778 | 25,767,096 | 6,438,033 | 10,368,939 | 9,427,403 | 4,223,748 | 68,689,997 |
| Allocation of net income for the year | | | | | | | |
| Net income for the year after taxation | 12,464,778 | 25,767,096 | 6,438,033 | 10,368,939 | 9,427,403 | 4,223,748 | 68,689,997 |
| Income already paid on units redeemed | (8,502,503) | (6,326,216) | (2,106) | (648,511) | (3,385,672) | (2,064,898) | (20,929,906) |
| | 3,962,275 | 19,440,880 | 6,435,927 | 9,720,428 | 6,041,731 | 2,158,850 | 47,760,091 |
| Accounting income available for distribution | | | | | | | |
| - Relating to capital gains | 1,516,900 | 2,977,949 | - | 4,008,699 | - | 640,971 | 9,144,519 |
| - Excluding capital gains | 2,445,375 | 16,462,931 | 6,435,927 | 5,711,729 | 6,041,731 | 1,517,879 | 38,615,572 |
| | 3,962,275 | 19,440,880 | 6,435,927 | 9,720,428 | 6,041,731 | 2,158,850 | 47,760,091 |

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

| For the year ended June 30, 2021 | | | | | | | |
|--|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|------------------|--------------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| (Rupees) | | | | | | | |
| Net income for the year before taxation | 11,379,981 | 22,591,112 | 84,227,623 | 16,050,738 | 3,059,278 | 1,256,097 | 138,564,829 |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | 11,379,981 | 22,591,112 | 84,227,623 | 16,050,738 | 3,059,278 | 1,256,097 | 138,564,829 |

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

| For the year ended June 30, 2020 | | | | | | | |
|--|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|------------------|-------------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| (Rupees) | | | | | | | |
| Net income for the year before taxation | 12,464,778 | 25,767,096 | 6,438,033 | 10,368,939 | 9,427,403 | 4,223,748 | 68,689,997 |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | 12,464,778 | 25,767,096 | 6,438,033 | 10,368,939 | 9,427,403 | 4,223,748 | 68,689,997 |

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | Islamic Moderate Allocation Plan | | | Islamic Balanced Allocation Plan | | | Islamic Active Allocation Plan II | | |
|---|----------------------------------|-------------------------|-------------------|----------------------------------|------------------------------|--------------------|-----------------------------------|-------------------------|--------------------|
| | For the year ended | | | For the year ended | | | For the year ended | | |
| | Capital Value | Undistrib- uted loss | Total | Capital Value | Undistrib- uted income | Total | Capital Value | Undistrib- uted loss | Total |
| ----- Rupees----- | | | ----- Rupees----- | | | ----- Rupees----- | | | |
| Net assets at the beginning of the year | 103,631,689 | (33,532,754) | 70,098,935 | 152,836,230 | 78,115,358 | 230,951,588 | 537,184,309 | (186,995,464) | 350,188,845 |
| Issuance of units (refer note 18) | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year / period) | 15,210,153 | - | 15,210,153 | 15,401,299 | - | 15,401,299 | 42,987,069 | - | 42,987,069 |
| - Element of income | 1,013,448 | - | 1,013,448 | 189,075 | - | 189,075 | 3,836,244 | - | 3,836,244 |
| Total proceeds on issuance of units | 16,223,601 | - | 16,223,601 | 15,590,374 | - | 15,590,374 | 46,823,313 | - | 46,823,313 |
| Redemption of units (refer note 18) | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 24,969,201 | - | 24,969,201 | 36,155,341 | - | 36,155,341 | 28,000,540 | - | 28,000,540 |
| - Element of loss | 740,954 | 2,003,909 | 2,744,863 | 44,440 | 2,860,903 | 2,905,343 | 1,222 | 5,216,312 | 5,217,534 |
| Total payments on redemption of units | 25,710,155 | 2,003,909 | 27,714,064 | 36,199,781 | 2,860,903 | 39,060,684 | 28,001,762 | 5,216,312 | 33,218,074 |
| Total comprehensive income for the year | - | 11,379,981 | 11,379,981 | - | 22,591,112 | 22,591,112 | - | 84,227,623 | 84,227,623 |
| Final distribution for the year ended June 30, 2021 @ | | | | | | | | | |
| Rs 12.0278 per unit (Islamic Moderate Allocation Plan), | - | (6,728,913) | (6,728,913) | - | - | - | - | - | - |
| Rs 9.1196 per unit (Islamic Balanced Allocation Plan), | - | - | - | (1,770) | (17,995,309) | (17,997,079) | - | - | - |
| Rs 15.0438 per unit (Islamic Active Allocation Plan II), | - | - | - | - | - | - | (397) | (53,807,574) | (53,807,971) |
| Rs 13.2285 per unit (Islamic Active Allocation Plan III), | - | - | - | - | - | - | - | - | - |
| Rs 5.0917 per unit (Islamic Capital Preservation Plan IV) and | - | - | - | - | - | - | - | - | - |
| Rs 5.0202 per unit (Islamic Capital Preservation Plan V) | - | - | - | - | - | - | - | - | - |
| on June 30, 2021 | - | - | - | - | - | - | - | - | - |
| Net income for the year less distribution | - | 4,651,068 | 4,651,068 | (1,770) | 4,595,803 | 4,594,033 | (397) | 30,420,049 | 30,419,652 |
| Net assets at the end of the year | 94,145,135 | (30,885,595) | 63,259,540 | 132,225,053 | 79,850,258 | 212,075,311 | 556,005,463 | (161,791,727) | 394,213,736 |
| (Accumulated loss) / undistributed income brought forward | | | | | | | | | |
| - Realised (loss) / income | | (30,448,801) | | | 81,720,857 | | | (162,546,000) | |
| - Unrealised loss | | (3,083,953) | | | (3,605,499) | | | (24,449,464) | |
| | | <u>(33,532,754)</u> | | | <u>78,115,358</u> | | | <u>(186,995,464)</u> | |
| Accounting income available for distribution | | | | | | | | | |
| - Relating to capital gains | | 6,154,753 | | | 7,077,589 | | | 47,938,079 | |
| - Excluding capital gains | | 3,221,319 | | | 12,652,620 | | | 31,073,232 | |
| | | <u>9,376,072</u> | | | <u>19,730,209</u> | | | <u>79,011,311</u> | |
| Distribution during the year | | (6,728,913) | | | (17,995,309) | | | (53,807,574) | |
| Undistributed (loss) / income carried forward | | <u>(30,885,595)</u> | | | <u>79,850,258</u> | | | <u>(161,791,727)</u> | |
| (Accumulated loss) / undistributed income carried forward | | | | | | | | | |
| - Realised (loss) / income | | (34,991,836) | | | 75,369,892 | | | (198,077,721) | |
| - Unrealised loss | | 4,106,241 | | | 4,480,366 | | | 36,285,994 | |
| | | <u>(30,885,595)</u> | | | <u>79,850,258</u> | | | <u>(161,791,727)</u> | |
| Net asset value per unit at the beginning of the year | | | (Rupees) | | | (Rupees) | | | (Rupees) |
| | | | 98.5484 | | | 99.4139 | | | 90.0817 |
| Net asset value per unit at the end of the year | | | <u>103.3169</u> | | | <u>100.3020</u> | | | <u>97.2449</u> |

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

| | Islamic Moderate Allocation Plan | | | Islamic Balanced Allocation Plan | | | Islamic Active Allocation Plan II | | |
|---|-------------------------------------|---------------------|-------------------|-------------------------------------|--------------------|--------------------|-------------------------------------|----------------------|--------------------|
| | For the year ended June 30, 2020 | | | For the year ended June 30, 2020 | | | For the year ended June 30, 2020 | | |
| | Capital Value | Undistributed loss | Total | Capital Value | Undistributed loss | Total | Capital Value | Undistributed loss | Total |
| | Rupees | | | Rupees | | | Rupees | | |
| Net assets at the beginning of the year | 327,469,619 | (33,786,745) | 293,682,874 | 289,884,325 | 77,817,168 | 367,701,493 | 597,893,576 | (186,994,596) | 410,898,980 |
| Issuance of units (refer note 18) | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year / period) | 3,227,190 | - | 3,227,190 | 19,043,319 | - | 19,043,319 | 9,295,397 | - | 9,295,397 |
| - Element of income | 7,154 | - | 7,154 | 274,153 | - | 274,153 | 3,402 | - | 3,402 |
| Total proceeds on issuance of units | 3,234,344 | - | 3,234,344 | 19,317,472 | - | 19,317,472 | 9,298,799 | - | 9,298,799 |
| Redemption of units (refer note 18) | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 227,068,609 | - | 227,068,609 | 156,113,581 | - | 156,113,581 | 67,886,901 | - | 67,886,901 |
| - Element of loss | 3,665 | 8,502,503 | 8,506,168 | 251,986 | 6,326,216 | 6,578,202 | 2,121,165 | 2,106 | 2,123,271 |
| Total payments on redemption of units | 227,072,274 | 8,502,503 | 235,574,777 | 156,365,567 | 6,326,216 | 162,691,783 | 70,008,066 | 2,106 | 70,010,172 |
| Total comprehensive income for the year | - | 12,464,778 | 12,464,778 | - | 25,767,096 | 25,767,096 | - | 6,438,033 | 6,438,033 |
| Final distribution for the year ended June 30, 2020 @ | | | | | | | | | |
| Rs 5.4490 per unit (Islamic Moderate Allocation Plan), | - | (3,708,284) | (3,708,284) | - | - | - | - | - | - |
| Rs 8.8238 per unit (Islamic Balanced Allocation Plan), | - | - | - | - | (19,142,690) | (19,142,690) | - | - | - |
| Rs 0.3125 per unit (Islamic Active Allocation Plan II), | - | - | - | - | - | - | - | (6,436,795) | (6,436,795) |
| Rs 12.6758 per unit (Islamic Active Allocation Plan III), | - | - | - | - | - | - | - | - | - |
| Rs 7.3595 per unit (Islamic Capital Preservation Plan IV) and | - | - | - | - | - | - | - | - | - |
| Rs 7.8755 per unit (Islamic Capital Preservation Plan V) on June 30, 2020 | - | - | - | - | - | - | - | - | - |
| Net income for the year less distribution | - | 8,756,494 | 8,756,494 | - | 6,624,406 | 6,624,406 | - | 1,238 | 1,238 |
| Net assets at the end of the year | 103,631,689 | (33,532,754) | 70,098,935 | 152,836,230 | 78,115,358 | 230,951,588 | 537,184,309 | (186,995,464) | 350,188,845 |
| (Accumulated loss) / undistributed income brought forward | | | | | | | | | |
| - Realised (loss) / income | | (25,248,006) | | | 88,100,976 | | | (178,614,972) | |
| - Unrealised loss | | (8,538,739) | | | (10,283,808) | | | (8,379,624) | |
| | | (33,786,745) | | | 77,817,168 | | | (186,994,596) | |
| Accounting income available for distribution | | | | | | | | | |
| - Relating to capital gains | | 1,516,900 | | | 2,977,949 | | | - | |
| - Excluding capital gains | | 2,445,375 | | | 16,462,931 | | | 6,435,927 | |
| | | 3,962,275 | | | 19,440,880 | | | 6,435,927 | |
| Distribution during the year | | (3,708,284) | | | (19,142,690) | | | (6,436,795) | |
| Undistributed (loss) / income carried forward | | (33,532,754) | | | 78,115,358 | | | (186,995,464) | |
| (Accumulated loss) / undistributed income carried forward | | | | | | | | | |
| - Realised (loss) / income | | (30,448,801) | | | 81,720,857 | | | (162,546,000) | |
| - Unrealised loss | | (3,083,953) | | | (3,605,499) | | | (24,449,464) | |
| | | (33,532,754) | | | 78,115,358 | | | (186,995,464) | |
| | | | | | | | | | |
| | | | | | | | | | |
| Net asset value per unit at the beginning of the year | | | (Rupees) 98.1864 | | | (Rupees) 99.2760 | | | (Rupees) 90.6267 |
| Net asset value per unit at the end of the year | | | 98.5484 | | | 99.4139 | | | 90.0817 |

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
 (Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

| | Islamic Active Allocation Plan III | | | Islamic Capital Preservation Plan IV | | | Islamic Capital Preservation Plan V | | | Total |
|---|-------------------------------------|-------------------------|-------------|--------------------------------------|---------------------------|-------------|-------------------------------------|---------------------------|------------|---------------|
| | For the year ended June 30, 2020 | | | For the year ended June 30, 2020 | | | For the year ended June 30, 2020 | | | |
| | Capital Value | Undistrib- uted loss | Total | Capital Value | Undistrib- uted income | Total | Capital Value | Undistrib- uted income | Total | |
| | Rupees | | | Rupees | | | Rupees | | | Rupees |
| Net assets at the beginning of the year | 680,616,943 | (78,302,194) | 602,314,749 | 173,423,239 | 328,812 | 173,752,051 | 55,778,967 | 97,332 | 55,876,299 | 1,904,226,446 |
| Issuance of units (refer note 18) | | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year / period) | 10,227,962 | - | 10,227,962 | 5,691,713 | - | 5,691,713 | 1,830,418 | - | 1,830,418 | 49,315,999 |
| - Element of income | (1,333,709) | - | (1,333,709) | 36,618 | - | 36,618 | 1,313 | - | 1,313 | (1,011,071) |
| Total proceeds on issuance of units | 8,894,253 | - | 8,894,253 | 5,728,331 | - | 5,728,331 | 1,831,729 | - | 1,831,731 | 48,304,928 |
| Redemption of units (refer note 18) | | | | | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 533,654,017 | - | 533,654,017 | 93,473,207 | - | 93,473,207 | 28,732,289 | - | 28,732,289 | 1,106,928,604 |
| - Element of loss | (8,953,016) | 648,511 | (9,601,527) | 6,976 | 3,385,672 | 3,392,648 | 32 | 2,064,898 | 2,064,930 | 32,266,746 |
| Total payments on redemption of units | 542,607,033 | 648,511 | 543,255,544 | 93,480,183 | 3,385,672 | 96,865,856 | 28,732,321 | 2,064,898 | 30,797,219 | 1,139,195,350 |
| Total comprehensive income for the year | - | 10,368,939 | 10,368,939 | - | 9,427,403 | 9,427,403 | - | 4,223,748 | 4,223,748 | 68,689,997 |
| Final distribution for the year ended June 30, 2020 @ | | | | | | | | | | |
| Rs 5.4490 per unit (Islamic Moderate Allocation Plan), | - | - | - | - | - | - | - | - | - | (3,708,284) |
| Rs 8.8238 per unit (Islamic Balanced Allocation Plan), | - | - | - | - | - | - | - | - | - | (19,142,690) |
| Rs 0.3125 per unit (Islamic Active Allocation Plan II), | - | - | - | - | - | - | - | - | - | (6,436,795) |
| Rs 12.6758 per unit (Islamic Active Allocation Plan III), | - | (9,361,007) | (9,361,007) | - | - | - | - | - | - | (9,361,007) |
| Rs 7.3595 per unit (Islamic Capital Preservation Plan IV) and | - | - | - | (6,004,222) | (6,004,222) | - | - | - | - | (6,004,222) |
| Rs 7.8755 per unit (Islamic Capital Preservation Plan V) on June 30, 2020 | - | - | - | - | - | - | (2,137,965) | (2,137,965) | - | (2,137,965) |
| Net income for the year less distribution | - | 1,007,932 | 1,007,932 | - | 3,423,181 | 3,423,181 | - | 2,085,783 | 2,085,783 | 21,899,034 |
| Net assets at the end of the year | 146,904,163 | (77,942,773) | 68,961,390 | 85,671,387 | 366,321 | 86,037,707 | 28,878,375 | 118,217 | 28,996,594 | 835,235,059 |
| (Accumulated loss) / undistributed income brought forward | | | | | | | | | | |
| - Realised (loss) / income | | (68,013,131) | | | 2,286,590 | | | 1,614,774 | | |
| - Unrealised loss | | (10,289,063) | | | (1,957,778) | | | (1,517,442) | | |
| | | (78,302,194) | | | 328,812 | | | 97,332 | | |
| Accounting income available for distribution | | | | | | | | | | |
| - Relating to capital gains | | 4,008,699 | | | - | | | 640,971 | | |
| - Excluding capital gains | | 5,711,729 | | | 6,041,731 | | | 1,517,879 | | |
| | | 9,720,428 | | | 6,041,731 | | | 2,158,850 | | |
| Distribution during the year | | (9,361,007) | | | (6,004,222) | | | (2,137,965) | | |
| Undistributed (loss) / income carried forward | | (77,942,773) | | | 366,321 | | | 118,217 | | |
| (Accumulated loss) / undistributed income carried forward | | | | | | | | | | |
| - Realised (loss) / income | | (73,068,154) | | | 1,631,137 | | | 520,987 | | |
| - Unrealised loss | | (4,874,619) | | | (1,264,816) | | | (402,770) | | |
| | | (77,942,773) | | | 366,321 | | | 118,217 | | |
| Net asset value per unit at the beginning of the year | | | (Rupees) | | (Rupees) | | | (Rupees) | | |
| | | | 92.9739 | | 100.1956 | | | 100.1816 | | |
| Net asset value per unit at the end of the year | | | 81.2741 | | 100.2739 | | | 100.2583 | | |

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
 (Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| For the year ended June 30, 2021 | | | | | | | |
|--|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------------|---------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| Note ----- (Rupees) ----- | | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Net income for the year before taxation | 11,379,981 | 22,591,112 | 84,227,623 | 16,050,738 | 3,059,278 | 1,256,097 | 138,564,829 |
| Adjustments for: | | | | | | | |
| Amortisation of preliminary expenses and floatation costs | - | 54,753 | - | - | - | - | 54,753 |
| Unrealised gain / (loss) on revaluation of investments classified as financial assets "at fair value through profit or loss" - net | (4,106,241) | (4,480,366) | (36,285,994) | (7,634,229) | 3,296,824 | 1,735,574 | (47,474,432) |
| Provision for Sindh Workers' Welfare Fund | 232,245 | 461,043 | 1,718,931 | 327,566 | 62,434 | 25,635 | 2,827,854 |
| | 7,505,985 | 18,626,542 | 49,660,560 | 8,744,075 | 6,418,536 | 3,017,306 | 93,973,004 |
| Decrease / (increase) in assets | | | | | | | |
| Investments - net | 7,846,775 | 18,469,870 | (20,813,317) | (4,656,965) | 30,446,504 | 932,727 | 32,225,594 |
| Profit receivable on bank balances | 7,836 | 674,839 | 17,206 | 97,747 | 26,919 | 147,729 | 972,276 |
| Receivable against sale of investments | - | - | - | - | - | - | - |
| Advances, prepayments and other receivable | - | - | 3,617 | - | (2,079) | - | 1,538 |
| | 7,854,611 | 19,144,709 | (20,792,494) | (4,559,218) | 30,471,344 | 1,080,456 | 33,199,408 |
| Increase in liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | (121,019) | (7,229) | (324) | (16,269) | (5,859) | (4,142) | (154,842) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 3,750 | (735) | 3,721 | 5,777 | (771) | 3,309 | 15,051 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | (16,593) | (8,651) | 3,284 | (21,366) | (10,950) | (3,448) | (57,724) |
| Payable against redemption of units | - | 92,430 | - | - | 576,194 | - | 668,624 |
| Accrued and other liabilities | 1,397,196 | 3,898,060 | 7,108,718 | 346,497 | 549,765 | 175,755 | 13,475,991 |
| | 1,263,334 | 3,973,875 | 7,115,399 | 314,639 | 1,108,379 | 171,474 | 13,947,100 |
| Net cash flows generated from operating activities | 16,623,930 | 41,745,126 | 35,983,465 | 4,499,496 | 37,998,259 | 4,269,236 | 141,119,512 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Amount received on issuance of units - net of refund of capital | 16,223,601 | 15,588,604 | 46,822,916 | 9,415,390 | 1,918,201 | 2,380,821 | 92,349,533 |
| Amount paid on redemption of units | (27,714,064) | (39,060,684) | (33,218,074) | (11,062,701) | (37,599,924) | (6,212,268) | (154,867,715) |
| Dividend paid | (6,728,913) | (17,995,309) | (53,807,574) | (9,713,140) | (2,133,594) | (1,211,908) | (91,590,438) |
| Net cash flows used in financing activities | (18,219,376) | (41,467,389) | (40,202,732) | (11,360,451) | (37,815,317) | (5,043,355) | (154,108,620) |
| Net (decrease) / increase in cash and cash equivalents during the year | (1,595,446) | 277,737 | (4,219,267) | (6,860,955) | 182,942 | (774,119) | (12,989,108) |
| Cash and cash equivalents at beginning of the year | 6,882,171 | 5,341,838 | 5,614,203 | 10,593,799 | 2,624,098 | 2,635,981 | 33,692,090 |
| Cash and cash equivalents at end of the year | 4 5,286,725 | 5,619,575 | 1,394,936 | 3,732,844 | 2,807,040 | 1,861,862 | 20,702,982 |

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| For the year ended June 30, 2020 | | | | | | | |
|---|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--------------|-----------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| Note (Rupees) | | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Net income for the year before taxation | 12,464,778 | 25,767,096 | 6,438,033 | 10,368,939 | 9,427,403 | 4,223,748 | 68,689,997 |
| Adjustments for: | | | | | | | |
| Amortisation of preliminary expenses and floatation costs | - | 58,194 | - | - | - | - | 58,194 |
| Unrealised loss on revaluation of investments classified as financial assets "at fair value through profit or loss" - net | 3,083,953 | 3,605,499 | 24,449,464 | 4,874,619 | 1,264,816 | 402,770 | 37,681,121 |
| Provision for Sindh Workers' Welfare Fund | 254,384 | 525,859 | 131,388 | 211,611 | 192,396 | 86,199 | 1,401,837 |
| | 15,803,115 | 29,956,648 | 31,018,885 | 15,455,169 | 10,884,615 | 4,712,717 | 107,831,149 |
| Decrease in assets | | | | | | | |
| Investments - net | 221,358,548 | 128,153,367 | 36,708,012 | 525,065,432 | 80,715,417 | 25,714,237 | 1,017,715,013 |
| Profit receivable on bank balances | 547,465 | (694,178) | 344,318 | (68,700) | 27,920 | (142,235) | 14,590 |
| Receivable against sale of investments | - | - | - | - | 5,788,837 | - | 5,788,837 |
| Advances, prepayments and other receivable | - | - | (3,700) | (10,788) | (651) | - | (15,139) |
| | 221,906,013 | 127,459,189 | 37,048,630 | 524,985,944 | 86,531,523 | 25,572,002 | 1,023,503,301 |
| Increase / (decrease) in liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | (50,026) | (169,561) | (303,552) | (140,290) | (193,031) | (14,789) | (871,249) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 10,244 | (20,076) | (16,789) | (3,708) | (18,543) | (5,224) | (54,096) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | (359,358) | (536,171) | (844,771) | (625,339) | (359,507) | (21,315) | (2,746,461) |
| Payable against redemption of units | - | - | - | - | 579,218 | 68,953 | 648,171 |
| Accrued and other liabilities | 1,019,439 | 2,021,038 | 770,544 | 568,120 | (898,791) | 182,894 | 3,663,244 |
| | 620,299 | 1,295,230 | (394,568) | (201,217) | (890,654) | 210,519 | 639,609 |
| Net cash flows generated from operating activities | 238,329,427 | 158,711,067 | 67,672,947 | 540,239,896 | 96,525,484 | 30,495,238 | 1,131,974,059 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Amount received on issuance of units - net of refund of capital | 3,234,344 | 19,317,472 | 9,298,799 | 8,894,253 | 5,728,331 | 1,831,731 | 48,304,930 |
| Amount paid on redemption of units | (235,574,777) | (162,691,783) | (70,010,172) | (543,255,544) | (96,865,856) | (30,797,219) | (1,139,195,351) |
| Dividend paid | (3,708,284) | (19,142,690) | (6,436,795) | (9,361,007) | (6,004,222) | (2,137,965) | (46,790,963) |
| Net cash flows used in financing activities | (236,048,717) | (162,517,001) | (67,148,168) | (543,722,298) | (97,141,747) | (31,103,453) | (1,137,681,384) |
| Net increase / (decrease) in cash and cash equivalents during the year | 2,280,710 | (3,805,934) | 524,779 | (3,482,402) | (616,263) | (608,215) | (5,707,325) |
| Cash and cash equivalents at beginning of the year | 4,601,461 | 9,147,772 | 5,089,424 | 14,076,201 | 3,240,361 | 3,244,196 | 39,399,415 |
| Cash and cash equivalents at end of the year | 6,882,171 | 5,341,838 | 5,614,203 | 10,593,799 | 2,624,098 | 2,635,981 | 33,692,090 |

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on March 15, 2016 between Alfalah GHP Investment Management Limited (Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was registered by the Securities and Exchange Commission of Pakistan (the SECP) under the Non Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. SCD/AMCW/AGIML/437/2016 dated April 25, 2016 and the Offering Document of the Fund was approved by the SECP vide its letter No. SCD/AMCW/AGIPPF/449/2016 dated May 02, 2016.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'Fund of Funds scheme' pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the Trust Deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The duration of the fund is perpetual, however, allocation plans may have a set time frame. The Fund invests in units of other mutual funds, bank deposits. The investment objectives and policy are explained in the Fund's offering document. Presently, the Fund offers following allocation plans:
- Alfalah GHP Islamic *Moderate Allocation Plan (MAP): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
 - Alfalah GHP Islamic Balanced Allocation Plan (BAP) is perpetual.
 - Alfalah GHP Islamic Active Allocation Plan II (AAP II): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
 - Alfalah GHP Islamic Active Allocation Plan III (AAP III): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
 - Alfalah Islamic Capital Preservation Plan IV (CPP IV): The initial maturity of plan was (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
 - Alfalah Islamic Capital Preservation Plan V (CPP V): The initial maturity of plan was (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- * The management has renamed Alfalah GHP Islamic Active Allocation Plan to Alfalah GHP Islamic Moderate Allocation Plan.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Sindh Trusts Act, 2020 have been introduced as part of this act. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Trusts Act, 2020 for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.3.1, 3.3.2 and 5)
- ii. Impairment of financial assets (note 3.3.3)
- iii. Taxation (note 3.7 and 14)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for investments held 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

- a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances and other income is recognized on accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

3.15 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non- Banking Finance Companies and Notified Entities Regulations, 2008.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES

| 2021 | | | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-----------|-----------|------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | | |
| Note (Rupees) | | | | | | | | |
| In Savings accounts | 4.1 | 5,286,725 | 5,619,575 | 1,394,936 | 3,732,844 | 2,807,040 | 1,861,862 | 20,702,982 |

| 2020 | | | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-----------|-----------|------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | | |
| Note (Rupees) | | | | | | | | |
| In Savings accounts | 4.1 | 6,882,171 | 5,341,838 | 5,614,203 | 10,593,799 | 2,624,098 | 2,635,981 | 33,692,090 |

4.1 These represent balances in saving accounts maintained with banks carrying profit rates ranging from 2.11% to 7.00% (2020: 3.98% to 13.25%) per annum. This includes Rs 17.73 million (2020: Rs 20.91 million) placed with Bank Alfalah Limited (a related party), carrying profit at the rate of 2.11% (2020: 6.50%) per annum.

5 INVESTMENTS

| 2021 | | | | | | | | |
|---|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|------------|------------|-------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | | |
| Note (Rupees) | | | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | | | |
| Open end mutual funds - Quoted | 5.1 | 71,276,204 | 222,584,233 | 405,843,000 | 72,162,259 | 52,319,068 | 24,718,271 | 848,903,035 |

| 2020 | | | | | | | | |
|---|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|------------|------------|-------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | | |
| Note (Rupees) | | | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | | | |
| Open end mutual funds - Quoted | 5.1 | 75,016,738 | 236,573,737 | 348,743,689 | 59,871,065 | 86,062,396 | 27,386,572 | 833,654,197 |

5.1 Financial assets 'at fair value through profit or loss' - Units of open-ended mutual funds

Islamic Moderate Allocation Plan

| Particulars | As at July 01, 2020 | Purchased during the year | Sold during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain / (loss) | Market value as a percentage of | |
|---|---------------------|---------------------------|----------------------|---------------------|------------------------------------|----------------------------------|--------------------------|---------------------------------|-----------------------------------|
| | | | | | | | | Net assets of the Plan | Total market value of investments |
| | | | | (No. of Units) | (Rupees) | | | (%) | |
| Alfalalah GHP Islamic Income Fund * | 485,107 | 182,039 | 219,970 | 447,176 | 45,639,948 | 45,681,398 | 41,450 | 72.21% | 64.09% |
| Alfalalah GHP Islamic Dedicated Equity Fund * | 399,073 | 91,610 | 169,815 | 320,868 | 21,530,015 | 25,594,806 | 4,064,791 | 40.46% | 35.91% |
| Total as at June 30, 2021 | | | | | 67,169,963 | 71,276,204 | 4,106,241 | 112.67% | 100.00% |
| Total as at June 30, 2020 | | | | | 78,100,691 | 75,016,738 | (3,083,953) | 107.01% | 100.00% |

* These represent investments held in related parties i.e. funds under common management.

Islamic Balanced Allocation Plan

| Particulars | As at July 01, 2020 | Purchased during the year | Sold during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain / (loss) | Market value as a percentage of | |
|---|---------------------|---------------------------|----------------------|---------------------|------------------------------------|----------------------------------|--------------------------|---------------------------------|-----------------------------------|
| | | | | | | | | Net assets of the Plan | Total market value of investments |
| | | | | (No. of Units) | (Rupees) | | | (%) | |
| Alfalalah GHP Islamic Income Fund * | 1,975,281 | 267,911 | 473,522 | 1,769,670 | 180,573,303 | 180,781,170 | 207,867 | 85.24% | 81.22% |
| Alfalalah GHP Islamic Dedicated Equity Fund * | 547,853 | 212,150 | 235,941 | 524,062 | 37,530,564 | 41,803,063 | 4,272,499 | 19.71% | 18.78% |
| Total as at June 30, 2021 | | | | | 218,103,867 | 222,584,233 | 4,480,366 | 104.95% | 100.00% |
| Total as at June 30, 2020 | | | | | 240,179,236 | 236,573,737 | (3,605,499) | 102.43% | 100.00% |

* These represent investments held in related parties i.e. funds under common management.

Islamic Active Allocation Plan II

| Particulars | As at July 01, 2020 | Purchased during the year | Sold during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain / (loss) | Market value as a percentage of | |
|---|---------------------|---------------------------|----------------------|---------------------|------------------------------------|----------------------------------|--------------------------|---------------------------------|-----------------------------------|
| | | | | | | | | Net assets of the Plan | Total market value of investments |
| | | | | (No. of Units) | (Rupees) | | | (%) | |
| Alfalalah GHP Islamic Income Fund * | 1,204,922 | 762,354 | 1,133,661 | 833,615 | 85,097,001 | 85,158,190 | 61,189 | 21.60% | 20.98% |
| Alfalalah GHP Islamic Dedicated Equity Fund * | 3,530,131 | 1,522,189 | 1,032,071 | 4,020,249 | 284,460,005 | 320,684,810 | 36,224,805 | 81.35% | 79.02% |
| Total as at June 30, 2021 | | | | | 369,557,006 | 405,843,000 | 36,285,994 | 102.95% | 100.00% |
| Total as at June 30, 2020 | | | | | 373,193,153 | 348,743,689 | (24,449,464) | 99.59% | 100.00% |

* These represent investments held in related parties i.e. funds under common management.

Islamic Active Allocation Plan III

| Particulars | As at July 01, 2020 | Purchased during the year | Sold during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain / (loss) | Market value as a percentage of | |
|---|---------------------|---------------------------|----------------------|---------------------|------------------------------------|----------------------------------|--------------------------|---------------------------------|-----------------------------------|
| | | | | | | | | Net assets of the Plan | Total market value of investments |
| | | | | (No. of Units) | (Rupees) | | | (%) | |
| Alfalalah GHP Islamic Income Fund * | 163,009 | 192,008 | 238,392 | 116,625 | 11,906,552 | 11,913,862 | 7,310 | 16.18% | 16.51% |
| Alfalalah GHP Islamic Dedicated Equity Fund * | 676,054 | 260,308 | 181,061 | 755,301 | 52,621,478 | 60,248,397 | 7,626,919 | 81.80% | 83.49% |
| Total as at June 30, 2021 | | | | | 64,528,030 | 72,162,259 | 7,634,229 | 97.98% | 100.00% |
| Total as at June 30, 2020 | | | | | 64,745,684 | 59,871,065 | (4,874,619) | 86.82% | 100.00% |

* These represent investments held in related parties i.e. funds under common management.

Islamic Capital Preservation Plan IV

| Particulars | As at July 01, 2020 | Purchased during the year | Sold during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain / (loss) | Market value as a percentage of | |
|---|---------------------|---------------------------|----------------------|---------------------|------------------------------------|----------------------------------|--------------------------|---------------------------------|-----------------------------------|
| | | | | | | | | Net assets of the Plan | Total market value of investments |
| | | | | (No. of Units) | | (Rupees) | | (%) | |
| Alfalah GHP Islamic Income Fund * | 843,526 | 65,700 | 670,153 | 239,073 | 24,393,042 | 24,422,574 | 29,532 | 47.98% | 46.68% |
| Alfalah GHP Islamic Dedicated Equity Fund * | - | 349,723 | - | 349,723 | 31,222,850 | 27,896,494 | (3,326,356) | 54.81% | 53.32% |
| Total as at June 30, 2021 | | | | | 55,615,892 | 52,319,068 | (3,296,824) | 102.79% | 100.00% |
| Total as at June 30, 2020 | | | | | 87,327,212 | 86,062,396 | (1,264,816) | 100.03% | 100.00% |

* These represent investments held in related parties i.e. funds under common management.

Islamic Capital Preservation Plan V

| Particulars | As at July 01, 2020 | Purchased during the year | Sold during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain / (loss) | Market value as a percentage of | |
|---|---------------------|---------------------------|----------------------|---------------------|------------------------------------|----------------------------------|--------------------------|---------------------------------|-----------------------------------|
| | | | | | | | | Net assets of the Plan | Total market value of investments |
| | | | | (No. of Units) | | (Rupees) | | (%) | |
| Alfalah GHP Islamic Income Fund * | 268,417 | 15,709 | 185,915 | 98,211 | 10,020,448 | 10,032,774 | 12,326 | 39.80% | 40.59% |
| Alfalah GHP Islamic Dedicated Equity Fund * | - | 184,104 | - | 184,104 | 16,433,397 | 14,685,497 | (1,747,900) | 58.26% | 59.41% |
| Total as at June 30, 2021 | | | | | 26,453,845 | 24,718,271 | (1,735,574) | 98.06% | 100.00% |
| Total as at June 30, 2020 | | | | | 27,789,342 | 27,386,572 | (402,770) | 94.45% | 100.00% |

* These represent investments held in related parties i.e. funds under common management.

5.2 Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

| | | 2021 | | | | | | |
|---|------|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|---------------------|
| | Note | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| | | (Rupees) | | | | | | |
| Market value of investments as at June 30, 2021 | 5.1 | 71,276,204 | 222,584,233 | 405,843,000 | 72,162,259 | 52,319,068 | 24,718,271 | 848,903,035 |
| Less: Carrying value of investments as at June 30, 2021 | 5.1 | (67,169,963) | (218,103,867) | (369,557,006) | (64,528,030) | (55,615,892) | (26,453,845) | (801,428,603) |
| | | <u>4,106,241</u> | <u>4,480,366</u> | <u>36,285,994</u> | <u>7,634,229</u> | <u>(3,296,824)</u> | <u>(1,735,574)</u> | <u>47,474,432</u> |
| | | 2020 | | | | | | |
| | Note | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| | | (Rupees) | | | | | | |
| Market value of investments as at June 30, 2020 | 5.1 | 75,016,738 | 236,573,737 | 348,743,689 | 59,871,065 | 86,062,396 | 27,386,572 | 833,654,197 |
| Less: Carrying value of investments as at June 30, 2020 | 5.1 | (78,100,691) | (240,179,236) | (373,193,153) | (64,745,684) | (87,327,212) | (27,789,342) | (871,335,318) |
| | | <u>(3,083,953)</u> | <u>(3,605,499)</u> | <u>(24,449,464)</u> | <u>(4,874,619)</u> | <u>(1,264,816)</u> | <u>(402,770)</u> | <u>(37,681,121)</u> |

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

| 2021 | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|----------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| (Rupees) | | | | | | |
| As at July 1 | - | 54,753 | - | - | - | 54,753 |
| Amortised during the year | - | (54,753) | - | - | - | (54,753) |
| As at June 30, 2021 | - | - | - | - | - | - |

| 2020 | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|----------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| (Rupees) | | | | | | |
| As at July 1 | - | 112,947 | - | - | - | 112,947 |
| Amortised during the year | - | (58,194) | - | - | - | (58,194) |
| As at June 30, 2020 | - | 54,753 | - | - | - | 54,753 |

This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the SECP, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years or within maturity of fund whichever is lower, effective from June 11, 2016, i.e. after the end of initial period of the Fund. Formation cost is divided amongst the allocation plans according to the ratios of their Pre IPO investments.

7 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED -

| 2021 | | | | | | | | |
|--|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--------|-----------|
| | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| (Rupees) | | | | | | | | |
| Management remuneration payable | 7.1 | 93,919 | 36,053 | 209 | 96,709 | 1,495 | 43,136 | 271,521 |
| Sindh sales tax payable on management remuneration | 7.2 | 24,612 | 15,768 | 25 | 20,086 | 1,170 | 5,596 | 67,257 |
| Payable against allocated expenses | 7.3 | 30,937 | 76,424 | 130,653 | 160,106 | 16,555 | 8,847 | 423,522 |
| Federal excise duty payable on management remuneration | 7.4 | 83,821 | 83,234 | - | - | - | - | 167,055 |
| Formation cost payable | | - | - | - | - | - | 40,000 | 40,000 |
| Sales load payable | | 185,455 | 35,220 | - | 1 | - | - | 220,676 |
| Others | | - | - | - | - | 60,000 | - | 60,000 |
| | | 418,744 | 246,699 | 130,887 | 293,838 | 79,220 | 97,579 | 1,250,031 |

| 2020 | | | | | | | | |
|--|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|---------|-----------|
| | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| (Rupees) | | | | | | | | |
| Management remuneration payable | 7.1 | 93,916 | 36,108 | 2,350 | 97,434 | 3,079 | 44,651 | 277,538 |
| Sindh sales tax payable on management remuneration | 7.2 | 24,608 | 15,772 | 300 | 35,145 | 1,362 | 5,796 | 82,983 |
| Payable against allocated expenses | 7.3 | 151,963 | 83,594 | 128,561 | 160,592 | 80,638 | 11,274 | 616,622 |
| Federal excise duty payable on management remuneration | 7.4 | 83,821 | 83,234 | - | - | - | - | 167,055 |
| Formation cost payable | | - | - | - | - | - | 40,000 | 40,000 |
| Sales load payable | | 185,455 | 35,220 | - | - | - | - | 220,675 |
| Others | | - | - | - | - | - | - | - |
| | | 539,763 | 253,928 | 131,211 | 293,171 | 85,079 | 101,721 | 1,404,873 |

- 7.1 The Management Company has charged remuneration at the rate of 1.25% (2020: 1.25%) of the average annual net assets of the Plans during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the current year, an amount of Rs 0.014 million (2020: Rs 0.237 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.029 million (2020: Rs 0.206 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 In accordance with regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the year, the Management Company has charged such expenses to the Fund at the rate of 0.1% (2020: 0.1%) of the average net assets of the Fund.
- 7.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 11, 2016 till June 30, 2016 amounting to Rs 0.08 million (2020: Rs 0.08 million) and Rs 0.08 million (2020: Rs 0.08 million) for Islamic Moderate Allocation Plan and Islamic Balanced Allocation Plan is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision not been made, the NAV per unit of the Plans would have been higher by Re 0.14 (2020: Re 0.12) per unit and Re 0.04 (2020: Re 0.04) for Islamic Moderate Allocation Plan and Islamic Balanced Allocation Plan respectively.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

| | | 2021 | | | | | | |
|---|-----|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|----------------|
| | | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| Note | | (Rupees) | | | | | | |
| Trustee remuneration payable | 8.1 | 64,091 | 17,288 | 24,121 | 32,136 | 4,471 | 18,084 | 160,191 |
| Sindh sales tax payable on Trustee remuneration | 8.2 | 18,293 | 4,540 | 3,146 | 4,196 | 585 | 944 | 31,704 |
| | | <u>82,384</u> | <u>21,828</u> | <u>27,267</u> | <u>36,332</u> | <u>5,056</u> | <u>19,028</u> | <u>191,895</u> |
| | | 2020 | | | | | | |
| | | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| Note | | (Rupees) | | | | | | |
| Trustee remuneration payable | 8.1 | 60,792 | 17,944 | 20,834 | 27,038 | 5,153 | 13,911 | 145,672 |
| Sindh sales tax payable on Trustee remuneration | 8.2 | 17,842 | 4,619 | 2,712 | 3,517 | 674 | 1,808 | 31,172 |
| | | <u>78,634</u> | <u>22,563</u> | <u>23,546</u> | <u>30,555</u> | <u>5,827</u> | <u>15,719</u> | <u>176,844</u> |

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

| Revised Tariff | Previous Tariff | |
|--|-------------------------|--|
| | Average net asset value | Tariff per annum |
| 0.07% of daily net assets of the Fund. | Up to Rs 1 billion | 0.10% per annum of net assets |
| | Over Rs 1 billion | Rs 1 million plus 0.075% per annum of net assets exceeding Rs 1 billion. |

- 8.2 During the current year, an amount of Rs 0.079 million (2020: Rs 0.106 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.078 million (2020: Rs 0.112 million) was paid to the Trustee which acts as a collecting agent.

9 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

10 ACCRUED AND OTHER LIABILITIES

| | | 2021 | | | | | | |
|---|------|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------------------|
| | | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| Note | | (Rupees) | | | | | | |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 5,685,667 | 6,624,802 | 4,852,445 | 538,600 | 689,279 | 166,769 | 18,557,562 |
| Printing charges payable | | 85,989 | 118,429 | 22,834 | 40,244 | 12,076 | 13,878 | 293,450 |
| Auditors' remuneration payable | | 118,895 | 195,469 | 432,063 | 186,924 | 99,624 | 36,926 | 1,069,901 |
| Withholding and capital gain tax payable | | 4,027,593 | 8,609,894 | 7,520,271 | 968,428 | 1,748,534 | 525,123 | 23,399,843 |
| Listing fee payable | | 44,638 | 51,546 | - | 12,659 | 2,684 | 2,772 | 114,299 |
| Rating fee payable | | 92,130 | 142,752 | 157,451 | 89,182 | 17,705 | 16,620 | 515,840 |
| Shariah advisory fee payable | | 89,941 | 53,357 | 16,298 | 128,055 | 31,293 | 54,681 | 373,625 |
| Sales load payable | | 2,647,526 | 149,330 | - | - | - | 381,536 | 3,178,392 |
| | | 12,792,379 | 15,945,579 | 13,001,362 | 1,964,091 | 2,601,195 | 1,198,305 | 47,502,912 |

| | | 2020 | | | | | | |
|---|------|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------------------|
| | | Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |
| Note | | (Rupees) | | | | | | |
| Provision for Sindh Workers' Welfare Fund | 10.1 | 5,453,422 | 6,163,759 | 3,133,514 | 211,034 | 626,845 | 141,134 | 15,729,708 |
| Printing charges payable | | 83,440 | 117,292 | 21,689 | 37,719 | 11,436 | 13,677 | 285,253 |
| Auditors' remuneration payable | | 97,269 | 123,414 | 322,658 | 165,491 | 72,902 | 27,856 | 809,590 |
| Withholding and capital gain tax payable | | 2,663,655 | 4,783,707 | 522,112 | 654,415 | 1,228,905 | 358,504 | 10,211,298 |
| Listing fee payable | | 42,158 | 52,945 | - | 10,704 | - | 2,989 | 108,796 |
| Rating fee payable | | 92,130 | 142,752 | 157,451 | 89,182 | 17,705 | 16,619 | 515,839 |
| Shariah advisory fee payable | | 83,338 | 53,277 | 16,289 | 121,484 | 31,203 | 54,600 | 360,191 |
| Sales load payable | | 2,647,526 | 149,330 | - | - | - | 381,536 | 3,178,392 |
| | | 11,162,938 | 11,586,476 | 4,173,713 | 1,290,029 | 1,988,996 | 996,915 | 31,199,067 |

- 10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act. Since the Fund has started operations with effect from June 11, 2016 therefore, the provision has been recognised from June 11, 2016 to June 30, 2021.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from June 11, 2016 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value of the Plans as at June 30, 2021 would have been higher by Rs. 9.29 (2020: Rs. 7.67) per unit, Rs 3.13 (2020: Rs. 2.65) per unit, Rs 1.19 (2020: Re 0.81) per unit, Re 0.64 (2020: Re 0.25) per unit, Rs 1.35 (2020: Re 0.73) per unit and Re 0.66 (2020: Re 0.49) per unit for Islamic Moderate Allocation Plan, Islamic Balanced Allocation Plan, Islamic Active Allocation Plan II, Islamic Active Allocation Plan III, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2021 and June 30, 2020.

12 AUDITORS' REMUNERATION

| For the year ended June 30, 2021 | | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--------|-----------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| (Rupees) | | | | | | | |
| Audit fee | 37,551 | 146,598 | 250,074 | 36,660 | 54,744 | 19,565 | 545,192 |
| Review and other certifications | 34,058 | 83,360 | 91,194 | 33,647 | 30,707 | 8,952 | 281,918 |
| Sindh sales tax | 6,447 | 21,300 | 32,309 | 6,354 | 7,926 | 2,676 | 77,012 |
| Out of pocket expenses | 8,980 | 36,298 | 62,591 | 9,119 | 13,627 | 4,935 | 135,550 |
| | 87,036 | 287,556 | 436,168 | 85,780 | 107,004 | 36,128 | 1,039,672 |

| For the year ended June 30, 2020 | | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--------|-----------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| (Rupees) | | | | | | | |
| Audit fee | 37,551 | 146,598 | 250,074 | 36,660 | 54,744 | 19,565 | 545,192 |
| Review and other certifications | 34,058 | 83,360 | 91,194 | 33,647 | 30,707 | 8,952 | 281,918 |
| Sindh sales tax | 6,113 | 21,121 | 32,316 | 6,360 | 7,934 | 2,674 | 75,518 |
| Out of pocket expenses | 9,606 | 27,368 | 62,540 | 9,167 | 13,683 | 4,893 | 137,257 |
| | 87,328 | 288,447 | 436,124 | 85,834 | 107,068 | 36,084 | 1,039,885 |

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 are 0.66%, 0.56%, 0.76%, 0.86%, 0.52% and 0.48% (2020: 0.41%, 0.49%, 0.47%, 0.38%, 0.36% and 0.44%) which includes 0.35%, 0.23%, 0.47%, 0.48%, 0.13% and 0.12% (2020: 0.22%, 0.23%, 0.08%, 0.18%, 0.23% and 0.23%) representing government levies on Islamic Moderate Allocation Plan, Islamic Balanced Allocation Plan, Islamic Active Allocation Plan II, Islamic Active Allocation Plan III, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Shariah Compliant Fund of Funds scheme.

14 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding limited, Bank Alfalah Limited and MAB Investment Incorporation being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and their close relatives and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, and other associated companies and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

| 2020 | | | | | | | | | |
|---------------------|---|-----------------------|--|---------------------|---------------------|---|-----------------------|--|-------------------------------------|
| As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvestment | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2020 |

(Number of units)

(Rupees)

- Islamic Moderate Allocation Plan**Unit holder holding 10% or more units**

| | | | | | | | | | | |
|--|---------|---|--------|---|---------|------------|---|-----------|---|------------|
| Gurmani Foundation | 275,013 | - | 12,973 | - | 287,986 | 29,332,563 | - | 1,273,762 | - | 28,380,551 |
| Barrett Hodgson Pakistan (Private) Limited | 109,255 | - | 5,154 | - | 114,409 | 11,652,983 | - | 506,029 | - | 11,274,821 |
| Individual | 219,554 | - | 9,445 | - | 228,999 | 23,417,429 | - | 927,370 | - | 22,567,485 |

- Islamic Balanced Allocation Plan**Key management personnel**

| | | | | | | | | | | |
|---|-----|---|---|---|-----|--------|---|-----|---|--------|
| Head of Operations & Registrar Services | 112 | - | 8 | - | 120 | 11,933 | - | 839 | - | 11,930 |
|---|-----|---|---|---|-----|--------|---|-----|---|--------|

Unit holder holding 10% or more units

| | | | | | | | | | | |
|--------------------|---------|---|--------|---|---------|------------|---|-----------|---|------------|
| Gurmani Foundation | 564,972 | - | 42,683 | - | 607,655 | 56,088,160 | - | 4,237,423 | - | 60,409,347 |
| Individual | 229,079 | - | 14,253 | - | 243,332 | 24,437,700 | - | 1,414,944 | - | 24,190,581 |

- Islamic Active Allocation Plan II**Associated companies / undertakings**

| | | | | | | | | | | |
|--|-----------|---|--------|---|-----------|-------------|---|-----------|---|-------------|
| Bank Alfalah Limited - Employees Gratuity Fund | 1,500,000 | - | 28,052 | - | 1,528,052 | 146,188,650 | - | 2,526,965 | - | 137,649,494 |
|--|-----------|---|--------|---|-----------|-------------|---|-----------|---|-------------|

Unit holder holding 10% or more units

| | | | | | | | | | | |
|--------------------------------|---------|---|-------|---|---------|------------|---|---------|---|------------|
| PSCOL Staff Provident Fund | 428,123 | - | 8,006 | - | 436,129 | 41,724,432 | - | 721,234 | - | 39,287,234 |
| PSCOL Employees Provident Fund | 428,123 | - | 8,006 | - | 436,129 | 41,724,432 | - | 721,234 | - | 39,287,234 |
| Individual | 523,188 | - | 6,843 | - | 530,031 | 50,989,405 | - | 616,448 | - | 47,746,084 |

- Islamic Active Allocation Plan III**Associated companies / undertakings**

| | | | | | | | | | | |
|--|---------|---|--------|---|---------|------------|---|-----------|---|------------|
| Bank Alfalah Limited - Employees Gratuity Fund | 500,000 | - | 78,390 | - | 578,390 | 49,498,100 | - | 6,337,900 | - | 47,008,121 |
|--|---------|---|--------|---|---------|------------|---|-----------|---|------------|

15.1.1 This reflects the position of related party / connected persons status as at June 30, 2021.

15.2 Other transactions

| For the year ended June 30, 2021 | | | | | | Total |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | |

(Rupees)

Associated companies / undertakings**Alfalah GHP Investment Management Limited - Management Company**

| | | | | | | | |
|---|--------|---------|---------|--------|--------|--------|---------|
| Remuneration of the Management Company | 848 | - | 864 | 70,261 | 19,723 | 10,700 | 102,396 |
| Sindh sales tax on remuneration of the Management Company | 110 | - | 112 | 9,134 | 2,564 | 1,391 | 13,311 |
| Allocated expenses | 70,434 | 234,677 | 392,010 | 75,321 | 65,240 | 28,413 | 866,095 |
| Sales load | - | - | 73 | - | - | - | 73 |

Bank Alfalah Limited

| | | | | | | | |
|-------------------------|--------|--------|--------|--------|--------|-------|---------|
| Profit on bank balances | 43,694 | 33,528 | 67,928 | 84,382 | 42,425 | 8,511 | 280,468 |
| Bank charges | - | - | 25 | - | 25 | 25 | 75 |

| For the year ended June 30, 2021 | | | | | | Total |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | |

(Rupees)

Other related party**Central Depository Company of Pakistan Limited - Trustee**

| | | | | | | | |
|--|--------|---------|---------|--------|--------|--------|---------|
| Remuneration of the Trustee | 50,266 | 164,265 | 274,411 | 51,713 | 46,980 | 19,870 | 607,505 |
| Sindh sales tax on remuneration of the Trustee | 6,535 | 21,354 | 35,673 | 6,723 | 6,107 | 2,583 | 78,975 |

| For the year ended June 30, 2020 | | | | | | | Total |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--|-------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | | |

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

| | | | | | | | |
|---|---------|---------|---------|---------|---------|--------|-----------|
| Remuneration of the Management Company | 271,026 | 491,329 | 618,241 | 233,113 | 97,659 | 61,568 | 1,772,936 |
| Sindh sales tax on remuneration of the Management Company | 35,233 | 63,876 | 80,372 | 37,008 | 12,712 | 7,997 | 237,198 |
| Allocated expenses | 151,962 | 276,383 | 375,642 | 160,015 | 119,895 | 45,585 | 1,129,482 |

Bank Alfalah Limited

| | | | | | | | |
|-------------------------|---------|---------|---------|---------|-----------|--------|-----------|
| Profit on bank balances | 138,987 | 227,401 | 143,940 | 168,433 | 1,616,969 | 46,422 | 2,342,152 |
| Bank charges | 31 | - | 1,285 | 2,550 | 9,122 | - | 12,988 |

| For the year ended June 30, 2020 | | | | | | | Total |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--|-------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | | |

Other related party

Central Depository Company of Pakistan Limited - Trustee

| | | | | | | | |
|--|---------|---------|---------|---------|--------|--------|---------|
| Remuneration of the Trustee | 107,750 | 195,792 | 262,862 | 123,749 | 84,252 | 31,919 | 806,324 |
| Sindh sales tax on remuneration of the Trustee | 14,014 | 25,453 | 34,165 | 17,363 | 10,955 | 4,149 | 106,099 |

15.3 Other balances

| As at June 30, 2021 | | | | | | | Total |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--|-------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | | |

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

| | | | | | | | |
|--|---------|--------|---------|---------|--------|--------|---------|
| Management remuneration payable | 93,919 | 36,053 | 209 | 96,709 | 1,495 | 43,136 | 271,521 |
| Sindh sales tax payable on management remuneration | 24,612 | 15,768 | 25 | 20,086 | 1,170 | 5,596 | 67,257 |
| Payable against allocated expenses | 30,937 | 76,424 | 130,653 | 160,106 | 16,555 | 8,847 | 423,522 |
| Federal excise duty payable on management remuneration | 83,821 | 83,234 | - | - | - | - | 167,055 |
| Formation cost payable | - | - | - | - | - | 40,000 | 40,000 |
| Sales load payable | 185,455 | 35,220 | - | 1 | - | - | 220,676 |
| Others | - | - | - | - | 60,000 | - | 60,000 |

| As at June 30, 2021 | | | | | | | Total |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--|-------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | | |

Bank Alfalah Limited

| | | | | | | | |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|---------|------------|
| Bank balances | 4,687,863 | 5,866,747 | 1,102,777 | 2,869,159 | 2,700,667 | 475,590 | 17,729,803 |
| Profit receivable on bank balance | 2,176 | 1,519 | 205,113 | 5,711 | 2,798 | 15,610 | 232,927 |

Other related party

Central Depository Company of Pakistan Limited - Trustee

| | | | | | | | |
|---|--------|--------|--------|--------|-------|--------|---------|
| Trustee remuneration payable | 64,091 | 17,288 | 24,121 | 32,136 | 4,471 | 18,084 | 160,191 |
| Sindh sales tax payable on Trustee remuneration | 18,293 | 4,540 | 3,146 | 4,196 | 585 | 944 | 31,704 |

| As at June 30, 2020 | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |

Associated companies / undertakings

(Rupees)

Alfalsh GHP Investment Management Limited - Management Company

| | | | | | | | |
|--|---------|--------|---------|---------|--------|--------|---------|
| Management remuneration payable | 93,916 | 36,108 | 2,350 | 97,434 | 3,079 | 44,651 | 277,538 |
| Sindh sales tax payable on management remuneration | 24,608 | 15,772 | 300 | 35,145 | 1,362 | 5,796 | 82,983 |
| Payable against allocated expenses | 151,963 | 83,594 | 128,561 | 160,592 | 80,638 | 11,274 | 616,622 |
| Federal excise duty payable on management remuneration | 83,821 | 83,234 | - | - | - | - | 167,055 |
| Formation cost payable | - | - | - | - | - | 40,000 | 40,000 |
| Sales load payable | 185,455 | 35,220 | - | - | - | - | 220,675 |

| As at June 30, 2020 | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total |

Bank Alfalah Limited

| | | | | | | | |
|-----------------------------------|-----------|-----------|-----------|-----------|---------|---------|------------|
| Bank balances | 3,728,367 | 3,382,270 | 5,055,877 | 7,646,726 | 960,164 | 141,524 | 20,914,927 |
| Profit receivable on bank balance | 5,446 | 141,356 | 208,398 | 13,600 | 5,986 | 16,647 | 391,434 |

Other related party

Central Depository Company of Pakistan Limited - Trustee

| | | | | | | | |
|---|--------|--------|--------|--------|-------|--------|---------|
| Trustee remuneration payable | 60,792 | 17,944 | 20,834 | 27,038 | 5,153 | 13,911 | 145,672 |
| Sindh sales tax payable on Trustee remuneration | 17,842 | 4,619 | 2,712 | 3,517 | 674 | 1,808 | 31,172 |

16 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

| Particulars | 2021 | | | 2020 | | |
|--|-------------------|--------------------------------------|--------------------|-------------------|--------------------------------------|--------------------|
| | At amortised Cost | At fair value through profit or loss | Total | At amortised Cost | At fair value through profit or loss | Total |
| (Rupees) | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 20,702,982 | - | 20,702,982 | 33,692,090 | - | 33,692,090 |
| Investments | - | 848,903,035 | 848,903,035 | - | 833,654,197 | 833,654,197 |
| Profit receivable on bank balances | 287,418 | - | 287,418 | 1,259,694 | - | 1,259,694 |
| Advances, prepayments and other receivable | 210,280 | - | 210,280 | 208,201 | - | 208,201 |
| | <u>21,200,680</u> | <u>848,903,035</u> | <u>870,103,715</u> | <u>35,159,985</u> | <u>833,654,197</u> | <u>868,814,182</u> |

| Particulars | 2021 | | | 2020 | | |
|---|-------------------|--------------------------------------|------------------|-------------------|--------------------------------------|------------------|
| | At amortised Cost | At fair value through profit or loss | Total | At amortised Cost | At fair value through profit or loss | Total |
| (Rupees) | | | | | | |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 1,250,031 | - | 1,250,031 | 1,404,873 | - | 1,404,873 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 191,895 | - | 191,895 | 176,844 | - | 176,844 |
| Payable against redemption of units | 761,787 | - | 761,787 | 93,163 | - | 93,163 |
| Dividend payable | 956,129 | - | 956,129 | 572,002 | - | 572,002 |
| Accrued and other liabilities | 5,545,507 | - | 5,545,507 | 5,241,067 | - | 5,241,067 |
| | <u>8,705,349</u> | <u>-</u> | <u>8,705,349</u> | <u>7,487,949</u> | <u>-</u> | <u>7,487,949</u> |

17 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, profit rate risk and price risk.

17.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

17.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

| Variable rate instruments (financial assets) | Note | 2021 | 2020 |
|--|------|-------------------|-------------------|
| | | -----Rupees----- | |
| Bank balances | 4 | <u>20,702,982</u> | <u>33,692,090</u> |

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.207 million (2020: Rs 0.337 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

| Particulars | As at June 30, 2021 | | | | | Total |
|---|----------------------------|--------------------------------|---|--------------------|---|--------------------|
| | Profit yield / profit rate | Exposed to yield / profit risk | | | Not exposed to yield / interest rate risk | |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| | % | ----- (Rupees) ----- | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 2.11% to 7.00% | 20,702,982 | - | - | - | 20,702,982 |
| Investments | | - | - | - | 848,903,035 | 848,903,035 |
| Profit receivable on bank balances | | - | - | - | 287,418 | 287,418 |
| Advances, prepayments and other receivable | | - | - | - | 210,280 | 210,280 |
| Sub total | | <u>20,702,982</u> | <u>-</u> | <u>-</u> | <u>849,400,733</u> | <u>870,103,715</u> |

| Particulars | As at June 30, 2021 | | | | | |
|---|----------------------------|--------------------------------|---|--------------------|---|-------------|
| | Profit yield / profit rate | Exposed to yield / profit risk | | | Not exposed to yield / interest rate risk | Total |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| | % | (Rupees) | | | | |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 1,250,031 | 1,250,031 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 191,895 | 191,895 |
| Payable against redemption of units | | - | - | - | 761,787 | 761,787 |
| Dividend payable | | - | - | - | 956,129 | 956,129 |
| Accrued and other liabilities | | - | - | - | 5,545,507 | 5,545,507 |
| Sub total | | - | - | - | 8,705,349 | 8,705,349 |
| On-balance sheet gap | | 20,702,982 | - | - | 840,695,384 | 840,695,384 |
| Off-balance sheet financial instruments | | - | - | - | - | - |
| Off-balance sheet gap | | - | - | - | - | - |
| Total profit rate sensitivity gap | | 20,702,982 | - | - | 840,695,384 | 840,695,384 |
| Cumulative profit rate sensitivity gap | | 20,702,982 | 20,702,982 | 20,702,982 | | |
| Particulars | As at June 30, 2020 | | | | | |
| | Profit yield / profit rate | Exposed to yield / profit risk | | | Not exposed to yield / interest rate risk | Total |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| | % | (Rupees) | | | | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 3.98% to 13.25% | 33,692,090 | - | - | - | 33,692,090 |
| Investments | | - | - | - | 833,654,197 | 833,654,197 |
| Profit receivable on bank balances | | - | - | - | 1,259,694 | 1,259,694 |
| Advances, prepayments and other receivable | | - | - | - | 208,201 | 208,201 |
| Sub total | | 33,692,090 | - | - | 835,122,092 | 868,814,182 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 1,404,873 | 1,404,873 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 176,844 | 176,844 |
| Payable against redemption of units | | - | - | - | 93,163 | 93,163 |
| Dividend payable | | - | - | - | 572,002 | 572,002 |
| Accrued and other liabilities | | - | - | - | 5,241,067 | 5,241,067 |
| Sub total | | - | - | - | 7,487,949 | 7,487,949 |
| On-balance sheet gap | | 33,692,090 | - | - | 827,634,143 | 861,326,233 |
| Off-balance sheet financial instruments | | - | - | - | - | - |
| Off-balance sheet gap | | - | - | - | - | - |
| Total profit rate sensitivity gap | | 33,692,090 | - | - | 827,634,143 | 861,326,233 |
| Cumulative profit rate sensitivity gap | | 33,692,090 | 33,692,090 | 33,692,090 | | |

17.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds which are categorized as equity schemes. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2021. The analysis is based on the assumption that PSX index increased / decreased by 1%, with all other variables held constant.

As at June 30, 2021, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

| | 2021 | 2020 |
|---|------------------|-----------|
| | -----Rupees----- | |
| <i>Effect due to increase / decrease in KSE 100 index</i> | | |
| Investment and net assets | 4,909,131 | 3,296,004 |
| Income statement | 4,909,131 | 3,296,004 |

17.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

17.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|--|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| | ----- (Rupees) ----- | | | |
| Bank balances | 20,702,982 | 20,702,982 | 33,692,090 | 33,692,090 |
| Investments | 848,903,035 | - | 833,654,197 | - |
| Profit receivable on bank balances | 287,418 | 287,418 | 1,259,694 | 1,259,694 |
| Receivable against sale of investments | - | - | - | - |
| Advances, prepayments and other receivable | 210,280 | 210,280 | 208,201 | 208,201 |
| | <u>870,103,715</u> | <u>21,200,680</u> | <u>868,814,182</u> | <u>35,159,985</u> |

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 848.90 million (2020: Rs 833.63 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2021 and June 30, 2020.

17.2.2 Credit quality of financial assets

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Name of bank | Rating agency | Rating (Short Term / Long Term) | 2021 | 2020 |
|-----------------------------|---------------|---------------------------------|----------------------------------|----------------|
| | | | Percentage of total bank balance | |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 85.63% | 62.03% |
| BankIslami Pakistan Limited | PACRA | A1 / A+ | 7.90% | 19.45% |
| Dubai Islamic Bank Limited | VIS | A-1+ / AA | 4.19% | 14.16% |
| Meezan Bank Limited | VIS | A-1+ / AAA | 1.33% | 0.12% |
| National Bank of Pakistan | PACRA | A1+ / AAA | 0.72% | 3.77% |
| Silk Bank Limited | VIS | A-2 / A- | 0.19% | 0.03% |
| Soneri Bank Limited | PACRA | A1+ / AA- | 0.04% | 0.44% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

| Name of open end mutual funds | Rating agency | Rating | 2021 | 2020 |
|---|---------------|-----------|---------------------------------|----------------|
| | | | Percentage of total investments | |
| Alfalah GHP Islamic Income Fund | PACRA | AA-(f) | 42.17% | 60.46% |
| Alfalah GHP Islamic Dedicated Equity Fund | Not Rated | Not Rated | 57.83% | 39.54% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

17.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

| 2021 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Total |
|---|--------------------|------------------|-------------------|-----------------|--------------------|
| Rupees | | | | | |
| Financial assets | | | | | |
| Bank balances | 20,702,982 | - | - | - | 20,702,982 |
| Investments | 848,903,035 | - | - | - | 848,903,035 |
| Profit receivable on bank balances | 287,418 | - | - | - | 287,418 |
| Advances, prepayments and other receivable | 210,280 | - | - | - | 210,280 |
| | 870,103,715 | - | - | - | 870,103,715 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 1,250,031 | - | - | - | 1,250,031 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 191,895 | - | - | - | 191,895 |
| Payable against redemption of units | 761,787 | - | - | - | 761,787 |
| Dividend payable | 956,129 | - | - | - | 956,129 |
| Accrued and other liabilities | 5,545,507 | - | - | - | 5,545,507 |
| | 8,705,349 | - | - | - | 8,705,349 |
| Net assets | 861,398,366 | - | - | - | 861,398,366 |
| 2020 | Within 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Total |
| Rupees | | | | | |
| Financial assets | | | | | |
| Bank balances | 33,692,090 | - | - | - | 33,692,090 |
| Investments | 833,654,197 | - | - | - | 833,654,197 |
| Profit receivable on bank balances | 1,259,694 | - | - | - | 1,259,694 |
| Advances, prepayments and other receivable | 208,201 | - | - | - | 208,201 |
| | 868,814,182 | - | - | - | 868,814,182 |
| Financial liabilities | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 1,404,873 | - | - | - | 1,404,873 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 176,844 | - | - | - | 176,844 |
| Payable against redemption of units | 93,163 | - | - | - | 93,163 |
| Dividend payable | 572,002 | - | - | - | 572,002 |
| Accrued and other liabilities | 5,241,067 | - | - | - | 5,241,067 |
| | 7,487,949 | - | - | - | 7,487,949 |
| Net assets | 861,326,233 | - | - | - | 861,326,233 |

17.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

| | | 2021 | | | |
|--|--|---------|-------------|---------|-------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| | | Rupees | | | |
| Financial Assets 'at fair value through profit or loss' | | | | | |
| Open end mutual funds - Quoted | | - | 848,903,035 | - | 848,903,035 |

| | | 2020 | | | |
|--|--|---------|-------------|---------|-------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| | | Rupees | | | |
| Financial Assets 'at fair value through profit or loss' | | | | | |
| Open end mutual funds - Quoted | | - | 833,654,197 | - | 833,654,197 |

17.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitors capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

18 UNITS OUTSTANDING

| For the year ended June 30, 2021 | | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|----------|-------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| (Rupees) | | | | | | | |
| As at July 1 | 711,315 | 2,323,132 | 3,887,459 | 848,504 | 858,027 | 289,219 | 8,917,656 |
| Add: issuance of units | 154,342 | 154,921 | 477,201 | 106,512 | 19,013 | 23,372 | 935,361 |
| Less: redemption of units | (253,370) | (363,685) | (310,835) | (114,245) | (366,569) | (59,607) | (1,468,311) |
| As at June 30 | 612,287 | 2,114,368 | 4,053,825 | 840,771 | 510,471 | 252,984 | 8,384,706 |

| For the year ended June 30, 2020 | | | | | | | |
|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-----------|--------------|
| Islamic Moderate Allocation Plan | Islamic Balanced Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Total | |
| As at July 1 | 2,991,075 | 3,703,831 | 4,533,974 | 6,478,323 | 1,734,128 | 557,750 | 19,999,081 |
| Add: issuance of units | 32,868 | 191,822 | 102,568 | 110,009 | 56,806 | 18,271 | 512,344 |
| Less: redemption of units | (2,312,628) | (1,572,521) | (749,083) | (5,739,828) | (932,907) | (286,802) | (11,593,769) |
| As at June 30 | 711,315 | 2,323,132 | 3,887,459 | 848,504 | 858,027 | 289,219 | 8,917,656 |

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure I to the financial statements.

20 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

21 GENERAL

21.1 Rounding off

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

21.2 Impact of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

21.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Islmaic Moderate Allocation Plan

| Category | As at 30 June 2021 | | | |
|--------------------------|------------------------|----------------------|-------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 200 | 294,381 | 30,414,503 | 48% |
| Retirement & Other Funds | 18 | 1,523 | 157,389 | 0% |
| Others | 5 | 316,383 | 32,687,663 | 52% |
| | 223 | 612,287 | 63,259,555 | 100% |

Balance Allocation Plan

| Category | As at 30 June 2021 | | | |
|--------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 1513 | 1,414,806 | 141,907,866 | 67% |
| Retirement & Other Funds | 17 | 44,923 | 4,505,914 | 2% |
| Others | 28 | 654,638 | 65,661,509 | 31% |
| | 1558 | 2,114,368 | 212,075,290 | 100% |

Islmaic Active Allocation PlanII

| Category | As at 30 June 2021 | | | |
|--------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 219 | 1,080,922 | 105,114,111 | 27% |
| Retirement & Other Funds | 13 | 2,762,174 | 268,607,370 | 68% |
| Others | 12 | 210,729 | 20,492,336 | 5% |
| | 244 | 4,053,825 | 394,213,818 | 100% |

Islmaic Active Allocation Plan III

| Category | As at 30 June 2021 | | | |
|--------------------------|------------------------|----------------------|-------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 136 | 109,944 | 9,631,157 | 13% |
| Retirement & Other Funds | 4 | 698,791 | 61,214,213 | 83% |
| Others | 6 | 32,036 | 2,806,339 | 4% |
| | 146 | 840,771 | 73,651,708 | 100% |

Islmaic Capital Preservation Plan IV

| Category | As at 30 June 2021 | | | |
|--------------------------|------------------------|----------------------|-------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 141 | 267,205 | 26,642,616 | 52% |
| Retirement & Other Funds | 2 | 2 | 219 | 0% |
| Others | 8 | 243,264 | 24,255,548 | 48% |
| | 151 | 510,471 | 50,898,383 | 100% |

Islmaic Capital Preservation Plan V

| Category | As at 30 June 2021 | | | |
|--------------------------|------------------------|----------------------|-------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 52 | 226,657 | 22,585,144 | 90% |
| Retirement & Other Funds | 4 | 26,327 | 2,623,334 | 10% |
| | 56 | 252,984 | 25,208,479 | 100% |

Islmaic Moderate Allocation Plan

| Category | As at 30 June 2020 | | | |
|--------------------------|------------------------|----------------------|-------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 30 | 307,549 | 30,310,000 | 43% |
| Retirement & Other Funds | 2 | 1,365 | 130,000 | 0% |
| Others | 3 | 402,399 | 39,654,758 | 57% |
| | 35 | 711,313 | 70,094,758 | 100% |

Balance Allocation Plan

| Category | As at 30 June 2020 | | | |
|--------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 509 | 1,635,836 | 162,620,000 | 70% |
| Retirement & Other Funds | 3 | 41,056 | 4,080,000 | 2% |
| Others | 3 | 646,241 | 64,249,420 | 28% |
| | 515 | 2,323,133 | 230,949,420 | 100% |

Islmaic Active Allocation PlanII

| Category | As at 30 June 2020 | | | |
|--------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 18 | 1,065,045 | 95,950,000 | 27% |
| Retirement & Other Funds | 6 | 2,635,982 | 237,450,000 | 68% |
| Others | 3 | 186,433 | 16,790,391 | 5% |
| | 27 | 3,887,459 | 350,190,391 | 100% |

Ismaic Active Allocation Plan III

| Category | As at 30 June 2020 | | | |
|--------------------------|------------------------|----------------------|-------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 15 | 211,998 | 17,230,000 | 25% |
| Retirement & Other Funds | 3 | 608,085 | 49,420,000 | 72% |
| Others | 1 | 28,421 | 2,309,860 | 3% |
| | 19 | 848,503 | 68,959,860 | 100% |

Ismaic Capital Preservation Plan IV

| Category | As at 30 June 2020 | | | |
|--------------------------|------------------------|----------------------|-------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 70 | 624,826 | 62,660,000 | 73% |
| Retirement & Other Funds | 1 | 2 | 213 | 0% |
| Others | 4 | 233,198 | 23,381,209 | 27% |
| | 75 | 858,026 | 86,041,422 | 100% |

Ismaic Capital Preservation Plan V

| Category | As at 30 June 2020 | | | |
|--------------------------|------------------------|----------------------|-------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 32 | 255,813 | 25,650,000 | 88% |
| Retirement & Other Funds | 2 | 33,407 | 3,350,000 | 12% |
| | 34 | 289,219 | 29,000,000 | 100% |

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi"

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

| Name of Director | Number of Meetings | | | Meeting not attended |
|---------------------------|--------------------|----------|---------------|----------------------|
| | Held | Attended | Leave Granted | |
| Hanspeter Beier | 4 | 3 | 1 | 1 |
| Syed Ali Sultan | 4 | 4 | - | - |
| Ms. Maheen Rahman | 4 | 2 | Resigned | Resigned |
| Mr. Abid Naqvi | 4 | 3 | 1 | 1 |
| Mr. Tufail Jawed Ahmad | 4 | 3 | 1 | 1 |
| Ms. Mehreen Ahmed | 4 | 4 | - | - |
| Ms. Dominique Liana Russo | 4 | 1 | Resigned | Resigned |
| Mr. Edward Phillip Hurt | 4 | 1 | 3 | 3 |
| Mr. Tanveer Awan | 3 | 3 | - | - |
| Mr. Nabeel Malik | 2 | 2 | - | - |

**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 - AGIPFF

| | | 30 June 2021 | | | | | |
|-------------------------------------|----------------------------------|-------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--|
| | Islamic Moderate Allocation Plan | Balance Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | |
| | 63,260 | 212,075 | 394,214 | 73,652 | 50,898 | 25,208 | |
| Net Assets | 103,3169 | 100,3020 | 97,2449 | 87,6002 | 99,7087 | 99,6445 | |
| NAV per unit | 106,2356 | 101,7188 | N/A | N/A | N/A | N/A | |
| Selling price per unit | 103,3169 | 100,3020 | 95,7862 | 85,4102 | 99,7087 | 99,6445 | |
| Redemption price per unit | 120,2134 | 111,5738 | N/A | N/A | N/A | N/A | |
| Highest selling price per unit | 116,9107 | 110,0198 | 113,7988 | 101,2267 | 106,8190 | 106,8779 | |
| Highest redemption price per unit | 101,8665 | 101,0792 | N/A | N/A | N/A | N/A | |
| Lowest selling price per unit | 99,0679 | 99,6714 | 89,6575 | 79,9089 | 99,7087 | 99,6445 | |
| Lowest redemption price per unit | 12,0278 | 9,1106 | 15,0438 | 13,2385 | 5,0917 | 5,0202 | |
| Total interim distribution per unit | 25-Jun-21 | 25-Jun-21 | 25-Jun-21 | 25-Jun-21 | 25-Jun-21 | 25-Jun-21 | |
| Interim distribution date | Nil | Nil | Nil | Nil | Nil | Nil | |
| Final distribution per unit | Nil | Nil | Nil | Nil | Nil | Nil | |
| Final distribution date | 17.00% | 10.06% | 24.50% | 23.91% | 4.49% | 4.36% | |
| Annualized returns | 12.20% | 9.17% | 16.70% | 16.28% | 5.08% | 5.01% | |
| Income distribution | N/A | N/A | N/A | N/A | N/A | N/A | |
| Weighted avg. portfolio duration | | | | | | | |

| | | 30 June 2020 | | | | | |
|--|----------------------------------|-------------------------|-----------------------------------|------------------------------------|--------------------------------------|-------------------------------------|----------------------------------|
| | Islamic Moderate Allocation Plan | Balance Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Capital Preservation Plan V | Islamic Moderate Allocation Plan |
| | 70,099 | 230,952 | 350,189 | 68,961 | 86,038 | 28,997 | 293,683 |
| | 98,5484 | 99,4139 | 90,0817 | 81,2741 | 100,2739 | 100,2582 | 98,1864 |
| | 101,3324 | 100,8181 | N/A | N/A | N/A | N/A | 100,9602 |
| | 98,5484 | 99,4139 | 88,7305 | 79,2422 | 100,2739 | 100,2582 | 98,1864 |
| | 105,6006 | 104,0323 | 92,6319 | 94,4054 | 103,2990 | 103,4726 | 105,6006 |
| | 102,6993 | 102,5833 | 94,0425 | 96,8260 | 103,9197 | 103,4726 | 102,6993 |
| | 100,9602 | 99,9209 | 86,5046 | 86,7560 | 100,0000 | 100,0000 | 100,9602 |
| | 98,0297 | 98,5292 | 87,8219 | 88,9805 | 100,0000 | 100,0000 | 98,0297 |
| | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 5.4490 | 8.8238 | 0.3125 | 12.6758 | 7.3595 | 7.8755 | 4.5953 |
| | 30-Jun-20 | 30-Jun-20 | 30-Jun-20 | 30-Jun-20 | 30-Jun-19 | 30-Jun-19 | 30-Jun-19 |
| | 5.94 | 5.03 | -0.65 | -1.99 | 7.43 | 7.95 | 4.94 |
| | 5.55% | 8.89% | 0.34% | 13.63% | 7.35% | 7.86% | 4.6917 |
| | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

| | | 30 June 2019 | | | 30 June 2018 | | |
|--|-------------------------|-----------------------------------|------------------------------------|--------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| | Balance Allocation Plan | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan IV | Islamic Active Allocation Plan II | Islamic Active Allocation Plan III | Islamic Capital Preservation Plan V |
| | 367,701 | 410,898 | 602,314 | 173,752 | 1,730,856 | 980,740 | 55,876 |
| | 99,2760 | 90,6267 | 92,9739 | 100,1956 | 92,4122 | 95,2688 | 100,1816 |
| | 100,6783 | N/A | N/A | N/A | N/A | N/A | N/A |
| | 99,2760 | 89,2673 | 90,6496 | 100,1956 | 91,0260 | 92,8871 | 100,1816 |
| | 104,0323 | 92,6319 | 94,4054 | 103,2990 | 104,5352 | 103,6085 | 103,4726 |
| | 102,5833 | 94,0425 | 96,8260 | 103,9197 | 99,1216 | 98,2429 | 103,4726 |
| | 99,9209 | 86,5046 | 86,7560 | 100,0000 | 92,3887 | 95,9923 | 100,0000 |
| | 98,5292 | 87,8219 | 88,9805 | 100,0000 | 88,0158 | 91,0211 | 100,0000 |
| | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 3.3133 | Nil | Nil | 3.7162 | Nil | Nil | 3.4161 |
| | 30-Jun-19 | N/A | N/A | 30-Jun-19 | N/A | N/A | 30-Jun-19 |
| | 3.18 | -1.93 | -2.41 | 3.91 | -8.36% | -4.44% | 3.60 |
| | 3.3323 | Nil | Nil | 3.7162 | Nil | Nil | 3.4161 |
| | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

| | | 30 June 2018 | |
|--|--------------------------------|-------------------------|--|
| | Islamic Active Allocation Plan | Balance Allocation Plan | |
| | 849,867 | 1,369,278 | |
| | 97,9444 | 105,4376 | |
| | N/A | 106,9269 | |
| | 97,9444 | 105,4376 | |
| | 110,4329 | 107,7997 | |
| | 104,7139 | 106,2982 | |
| | 94,4505 | 104,0610 | |
| | 92,8732 | 102,6116 | |
| | Nil | Nil | |
| | Nil | Nil | |
| | Nil | Nil | |
| | Nil | N/A | |
| | -8.05% | 0.52% | |
| | Nil | Nil | |
| | N/A | N/A | |

IAAP - Return since inception is 6.27%
 BAP - Return since inception is 4.35%
 IAAP II - Return since inception is 4.28%
 IAAP III - Return since inception is 3.88%
 ICP IV - Return since inception is 5.32%
 ICP V - Return since inception is 6.26%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



**Alfalah
GHP Islamic
Dedicated Equity Fund**

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Shariah Advisor: | Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |

Alfalah GHP Islamic Dedicated Equity Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

The investment objective of GHP Islamic Dedicated Equity Fund (AGIDEF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds via investments in Shariah Compliant avenues.

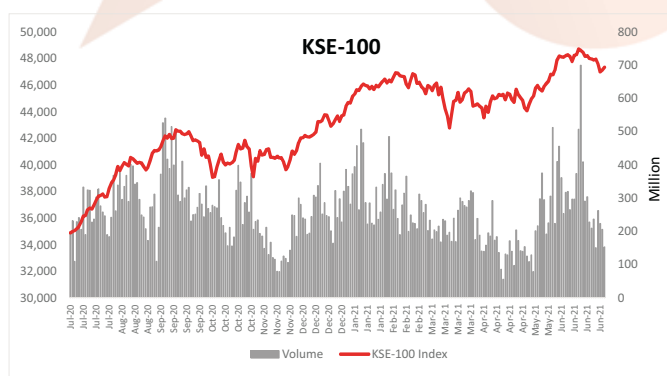
Equity Market Review

During FY21, the benchmark index posted a mammoth return of 37.6% (highest in last seven years) on account of strong rebound in economy. During the year, the index peaked at 48,726 level in mid Jun'21 but in latter part of the month profit taking was witnessed due to which the index closed at 47,356 points. Average trading volume of all-share index also improved by 165%YoY to 519.6 million shares. Market capitalization of Technology, Refineries and Engineering sectors escalated by 182%, 172% and 136% respectively compared to last year close.

Multiple positives staged the comeback of local bourse from close of last year which included; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) decline in local Covid-19 cases.

The gradual reopening of economy post 1st wave of COVID-19 reflected in large scale manufacturing which grew by 14.57%YoY during 11MFY21. The healthy signs were evident in demand side indicators as sales continue to grow for cement, automobile and petroleum product's sales. As a result, corporate earnings registered robust growth in FY21.

Going forward, ever improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.

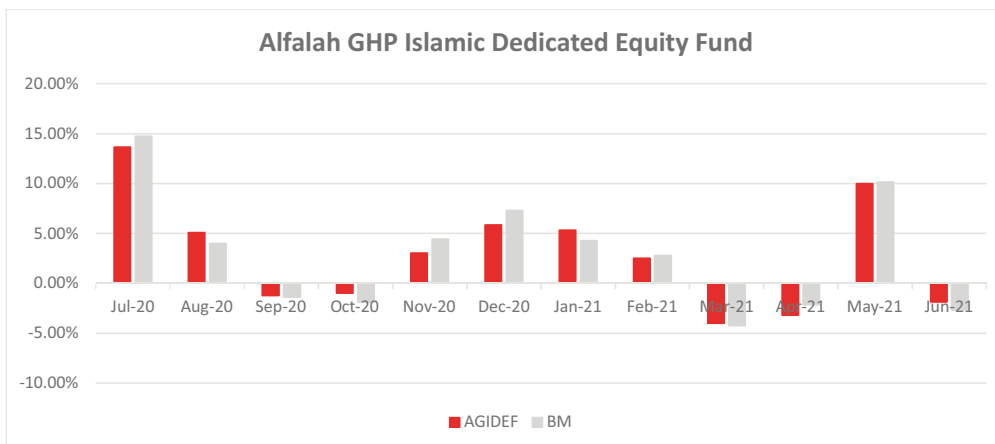


Fund Performance

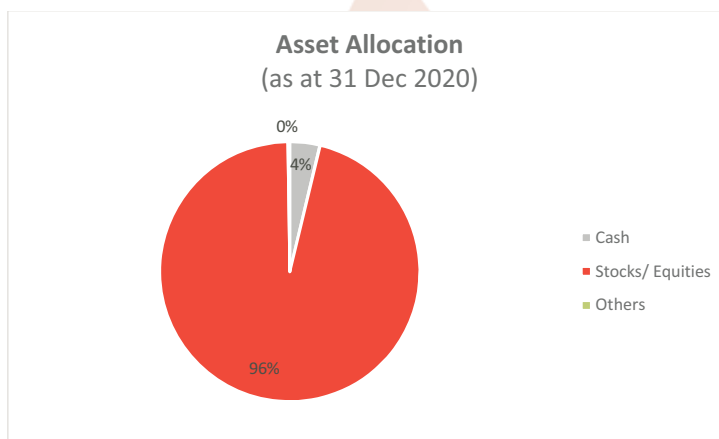
The fund generated a return of 38.03% against the benchmark which generated 39.32%.

The fund also paid a dividend of PKR8.6173/unit during the year

Performance comparison with Benchmark



Asset Allocation



➤ **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

➤ **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

➤ **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-1 11-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Dedicated Equity Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021





Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Dedicated Equity Fund ('AGIDEF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we provide consent for Investment in Equities Securities based on the Shariah Guidelines during the period from July 1, 2020 to June 30, 2021.

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

For the Year 2020-21 Provision against Charity is made amount to Rs. 406,391/- in respect of dividend purification.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalsh GHP Investment Management Ltd
8-B, 8th Floor; Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahgdp.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Dedicated Equity Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2021. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 30, 2021

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Islamic Dedicated Equity Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Dedicated Equity Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|--|
| 1 | Net Asset Value (NAV) (Refer notes 5 to the financial statements) | |
| | Investments constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 475.16 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 30 September, 2021

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|---|------|-------------------------------|------------------------------|
| Assets | | | |
| Bank balances | 4 | 17,304,574 | 9,153,200 |
| Investments | 5 | 475,160,323 | 320,601,093 |
| Security deposits | 6 | 2,600,000 | 2,600,000 |
| Advance, dividend and profit receivable | 7 | 2,297,190 | 133,407 |
| Preliminary expenses and floatation costs | 8 | 203,866 | 431,326 |
| Total assets | | 497,565,953 | 332,919,026 |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 9 | 2,376,968 | 1,299,055 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 10 | 90,053 | 62,647 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 11 | 75,343 | 38,892 |
| Accrued and other liabilities | 12 | 4,110,859 | 1,918,032 |
| Total liabilities | | 6,653,223 | 3,318,626 |
| Net assets attributable to the unit holders | | 490,912,730 | 329,600,400 |
| Unit holders' fund (as per the statement attached) | | 490,912,730 | 329,600,400 |
| Contingencies and commitments | | | |
| | 13 | ----- (Number of units) ----- | |
| Number of units in issue | | 6,154,306 | 5,153,111 |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | 79.7674 | 63.9614 |

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|------|----------------------|---------------------|
| | | ----- (Rupees) ----- | |
| Income | | | |
| Profit on bank balances | | 26,027 | 37,523 |
| Gain on sale of investment - net | | 39,961,074 | 2,049,984 |
| Dividend income | | 16,730,276 | 6,309,695 |
| Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | 5.2 | 74,087,902 | (29,382,669) |
| Total income / (loss) | | <u>130,805,279</u> | <u>(20,985,467)</u> |
| Expenses | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 9.1 | 7,539,472 | 3,646,772 |
| Sindh sales tax on remuneration of the Management Company | 9.2 | 980,131 | 474,080 |
| Allocated expenses | 9.3 | 376,932 | 193,593 |
| Selling and marketing expenses | 9.4 | 3,675,382 | 778,049 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 10.1 | 753,605 | 389,202 |
| Sindh sales tax on remuneration of the Trustee | 10.2 | 97,969 | 50,596 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 11 | 75,368 | 38,892 |
| Bank and settlement charges | | 358,767 | 766,843 |
| Auditors' remuneration | 14 | 325,500 | 325,500 |
| Brokerage and securities transaction costs | | 1,040,566 | 1,494,601 |
| Amortisation of preliminary expenses and floatation costs | 8 | 227,460 | 228,128 |
| Printing and related costs | | 29,928 | 30,000 |
| Charity expense | 12.1 | 413,654 | 252,831 |
| Shariah advisory fee | | - | 50,000 |
| Provision for Sindh Workers' Welfare Fund | 12.2 | 2,298,211 | - |
| Total expenses | | <u>18,192,945</u> | <u>8,719,087</u> |
| Net income / (loss) for the year before taxation | | <u>112,612,334</u> | <u>(29,704,554)</u> |
| Taxation | 15 | - | - |
| Net income / (loss) for the year after taxation | | <u>112,612,334</u> | <u>(29,704,554)</u> |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 112,612,334 | - |
| Income already paid on units redeemed | | (18,453,657) | - |
| | | <u>94,158,677</u> | <u>-</u> |
| Accounting income available for distribution | | | |
| Relating to capital gains | | 94,158,677 | - |
| Excluding capital gains | | - | - |
| | | <u>94,158,677</u> | <u>-</u> |

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 ----- (Rupees) ----- | 2020 ----- |
|---|------------------------------|---------------------|
| Net income / (loss) for the year after taxation | 112,612,334 | (29,704,554) |
| Other comprehensive income for the year | - | - |
| Total comprehensive income / (loss) for the year | <u>112,612,334</u> | <u>(29,704,554)</u> |

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|---|--------------------|----------------------|--------------------|--------------------|----------------------|--------------------|
| | Capital value | Accumulated loss | Total | Capital value | Accumulated loss | Total |
| | ----- Rupees ----- | | | ----- Rupees ----- | | |
| Net assets at the beginning of the year | 648,104,859 | (318,504,459) | 329,600,400 | 316,561,738 | (288,799,905) | 27,761,833 |
| Issuance of 2,620,083 units (2020: 8,482,013 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 177,523,023 | - | 177,523,023 | 507,927,536 | - | 507,927,536 |
| - Element of income | 41,093,189 | - | 41,093,189 | 68,272,464 | - | 68,272,464 |
| Total proceeds on issuance of units | 218,616,212 | - | 218,616,212 | 576,200,000 | - | 576,200,000 |
| Redemption of 1,618,888 units (2020: 3,792,504 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 103,546,343 | - | 103,546,343 | 227,106,127 | - | 227,106,127 |
| - Element of loss | - | 18,453,657 | 18,453,657 | 17,550,752 | - | 17,550,752 |
| Total payments on redemption of units | 103,546,343 | 18,453,657 | 122,000,000 | 244,656,879 | - | 244,656,879 |
| Total comprehensive income / (loss) for the year | - | 112,612,334 | 112,612,334 | - | (29,704,554) | (29,704,554) |
| Final distribution for the year ended June 30, 2021 at Rs. 8.6173 per unit declared on June 29, 2021 | (13,668,038) | (34,248,178) | (47,916,216) | - | - | - |
| Net assets at the end of the year | 749,506,690 | (258,593,960) | 490,912,730 | 648,104,859 | (318,504,459) | 329,600,400 |
| | | (Rupees) | | | (Rupees) | |
| Accumulated loss brought forward | | | | | | |
| - Realised loss | | (289,121,790) | | | (285,878,718) | |
| - Unrealised loss | | (29,382,669) | | | (2,921,187) | |
| | | <u>(318,504,459)</u> | | | <u>(288,799,905)</u> | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | 94,158,677 | | | - | |
| - Excluding capital gains | | - | | | - | |
| | | <u>94,158,677</u> | | | <u>-</u> | |
| Net loss for the year after taxation | | - | | | (29,704,554) | |
| Dividend paid | | (34,248,178) | | | - | |
| Accumulated loss carried forward | | <u>(258,593,960)</u> | | | <u>(318,504,459)</u> | |
| Accumulated loss carried forward | | | | | | |
| - Realised loss | | (332,681,862) | | | (289,121,790) | |
| - Unrealised gain / (loss) | | 74,087,902 | | | (29,382,669) | |
| | | <u>(258,593,960)</u> | | | <u>(318,504,459)</u> | |
| | | (Rupees) | | | (Rupees) | |
| Net asset value per unit at the beginning of the year | | <u>63.9614</u> | | | <u>59.8829</u> | |
| Net asset value per unit at the end of the year | | <u>79.7674</u> | | | <u>63.9614</u> | |

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2020 | 2020 |
|---|------|--------------------------|-------------------------|
| | | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income / (loss) for the year before taxation | | 112,612,334 | (29,704,554) |
| Adjustments for: | | | |
| Unrealised (gain) / loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | | (74,087,902) | 29,382,669 |
| Amortisation of preliminary expenses and floatation costs | | 227,460 | 228,128 |
| Provision for Sindh Workers' Welfare Fund | | 2,298,211 | - |
| | | <u>41,050,103</u> | <u>(93,757)</u> |
| Increase in assets | | | |
| Investments - net | | (80,471,328) | (324,208,455) |
| Advance, dividend and profit receivable | | (2,163,783) | (95,820) |
| | | <u>(82,635,111)</u> | <u>(324,304,275)</u> |
| Increase / (decrease) in liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management | | 1,077,913 | (296,837) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 27,406 | (2,354) |
| Payable to the Securities and Exchange Commission of Pakistan | | 36,451 | (862,537) |
| Accrued and other liabilities | | (105,384) | (1,181,349) |
| | | <u>1,036,386</u> | <u>(2,343,077)</u> |
| Net cash used in operating activities | | <u>(40,548,622)</u> | <u>(326,741,109)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Amounts received against issuance of units - net of refund of capital | | 204,948,174 | 576,200,000 |
| Payment made against redemption of units | | (122,000,000) | (244,656,879) |
| Dividend paid | | (34,248,178) | - |
| Net cash generated from financing activities | | <u>48,699,996</u> | <u>331,543,121</u> |
| Net increase in cash and cash equivalents during the year | | <u>8,151,374</u> | <u>4,802,012</u> |
| Cash and cash equivalents at beginning of the year | | 9,153,200 | 4,351,188 |
| Cash and cash equivalents at end of the year | 4 | <u><u>17,304,574</u></u> | <u><u>9,153,200</u></u> |

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Dedicated Equity Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on April 06, 2017, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 28, 2017.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'Shariah Compliant Islamic Equity Scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts.
- 1.5** The objective of the Fund is to provide equity exposure to "Fund-of-Funds". The Fund will not be actively marketed to retail or institutional investors, therefore, the Fund size may decline to zero when there are no "Fund-of-Funds" invested in the Fund. At any time when the Fund size declines to zero, the expenses of the Fund will be borne by the Management Company.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021.
- 1.7** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.8** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.3.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund (note 12.2)
- iii. Taxation (notes 3.6 and 15)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured at 'fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at fair value through other comprehensive income (FVOCI). The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as fair value through profit or loss (FVTPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVOCI are to be recognised in the "Income Statement".

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the "Income Statement".

3.3.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects :

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

3.8 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors, and the Management Company.

Units redeemed are recorded at the redemption price applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, duties, taxes, and charges on redemption, if applicable.

3.12 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the "Statement of Assets and Liabilities" is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as financial asset at 'fair value through profit or loss' are recorded at the date on which the transaction takes place
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which they arise.
- Profit income on bank balances is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established. i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / loss for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

4. BANK BALANCES

Balances with banks in:

- Savings accounts
- Current account

| Note | 2021 | 2020 |
|------|-------------------|------------------|
| | (Rupees) | |
| 4.1 | 186,996 | 1,772,750 |
| 4.2 | 17,117,578 | 7,380,450 |
| | <u>17,304,574</u> | <u>9,153,200</u> |

4.1 These accounts carry profit rates ranging between 2.11% to 7% (2020: 3.00% to 7.25%) per annum. These include bank balance of Rs. 0.005 million (2020: Rs. 1.379 million) maintained with Bank Alfalah Limited - Islamic Banking Division, a related party, carrying profit at the rate of 2.11% (2020: 6.50%) per annum.

4.2 This current account is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

5. INVESTMENTS

At fair value through profit or loss

Listed equity securities

| Note | 2021 | 2020 |
|------|--------------------|--------------------|
| | (Rupees) | |
| 5.1 | 475,160,323 | 320,601,093 |
| | <u>475,160,323</u> | <u>320,601,093</u> |

5.1 Listed equity securities

Fully paid up ordinary shares with a face value of Rs. 10 each unless stated otherwise.

| Name of the Investee Company | Note | As at July 01, 2020 | Purchases during the year | Bonus / Right shares received during the year | Sales during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market Value as a percentage of | | Holding as a percentage of paid-up capital of investee company |
|--|---------------|---------------------|---------------------------|---|-----------------------|---------------------|---------------------|--------------|--------------------------|---------------------------------|-------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments | |
| | | | | | | Number of shares | | Rupees | | | | |
| Commercial banks | | | | | | | | | | | | |
| BankIslami Pakistan Limited | | 3,000 | - | - | 3,000 | - | - | - | - | - | - | - |
| Mezzan Bank Limited | 5.1.2 | 188,149 | 98,000 | 18,564 | 60,500 | 244,213 | 19,912,812 | 28,184,622 | 8,271,810 | 5.74% | 5.93% | 0.24% |
| | | | | | | | 19,912,812 | 28,184,622 | 8,271,810 | 5.74% | 5.93% | |
| Textile composite | | | | | | | | | | | | |
| Interloop Limited | | 14,750 | 122,500 | - | 30,500 | 106,750 | 6,217,855 | 7,475,703 | 1,257,848 | 1.52% | 1.57% | 0.09% |
| Kohinoor Textile Mills Limited | | 55,000 | 99,500 | - | 55,500 | 99,000 | 3,983,209 | 7,444,800 | 3,461,591 | 1.52% | 1.57% | 1.46% |
| Nishat Mills Limited | 5.1.2 | 91,226 | 88,500 | - | 54,000 | 125,726 | 11,008,843 | 11,730,236 | 721,393 | 2.39% | 2.47% | 0.33% |
| | | | | | | | 21,209,907 | 26,650,739 | 5,440,832 | 5.43% | 5.61% | |
| Cement | | | | | | | | | | | | |
| Attock Cement Pakistan Limited | | 21,000 | 13,200 | - | 4,000 | 30,200 | 4,119,412 | 5,430,564 | 1,311,152 | 1.11% | 1.14% | 0.40% |
| Cherat Cement Company Limited | | 24,500 | 79,500 | - | 42,000 | 62,000 | 9,410,207 | 10,997,560 | 1,587,353 | 2.24% | 2.31% | 0.57% |
| D. G. Khan Cement Company Limited | 5.1.2 | 88,260 | 42,500 | - | 59,000 | 71,760 | 7,017,292 | 8,461,939 | 1,444,647 | 1.72% | 1.78% | 0.19% |
| Fauji Cement Company Limited | | 91,000 | 313,500 | - | 91,000 | 313,500 | 7,133,750 | 7,210,500 | 76,750 | 1.47% | 1.52% | 0.05% |
| Flying Cement Company Limited | | - | 107,500 | - | 107,500 | - | - | - | - | - | - | - |
| Kohat Cement Company Limited | 5.1.2 | 23,900 | 2,800 | - | 15,900 | 10,800 | 1,697,292 | 2,230,092 | 532,800 | 0.45% | 0.47% | 0.11% |
| Lucky Cement Limited | 5.1.2 | 57,732 | 25,900 | - | 19,500 | 64,132 | 38,078,173 | 55,374,134 | 17,295,961 | 11.28% | 11.65% | 1.71% |
| Maple Leaf Cement Factory Limited | 5.1.2 | 161,737 | 190,000 | - | 86,000 | 265,737 | 9,290,366 | 12,484,324 | 3,193,958 | 2.54% | 2.63% | 0.21% |
| Pioneer Cement Limited | | 36,000 | 48,000 | - | 24,500 | 59,500 | 5,146,267 | 7,798,665 | 2,652,398 | 1.59% | 1.64% | 0.34% |
| Power Cement Limited | | - | 400,000 | - | 3,000 | 397,000 | 4,288,777 | 3,815,170 | (473,607) | 0.78% | 0.80% | 0.17% |
| | | | | | | | 86,181,536 | 113,802,948 | 27,621,412 | 23.18% | 23.94% | |
| Power Generation and Distribution | | | | | | | | | | | | |
| The Hub Power Company Limited | 5.1.2 | 412,756 | 152,000 | - | 329,500 | 235,256 | 18,076,803 | 18,742,846 | 666,043 | 3.82% | 3.94% | 0.14% |
| K-Electric Limited | | - | - | - | - | - | - | - | - | - | - | - |
| (face value of Rs 3.5 per share) | | 491,000 | 25,000 | - | 516,000 | - | - | - | - | - | - | - |
| | | | | | | | 18,076,803 | 18,742,846 | 666,043 | 3.82% | 3.94% | |
| Oil and Gas Marketing Companies | | | | | | | | | | | | |
| Hascol Petroleum Limited | | 438 | 290,000 | - | 290,438 | - | - | - | - | - | - | - |
| Pakistan State Oil Company Limited | 5.1.1 & 5.1.2 | 82,689 | 57,000 | - | 48,500 | 91,189 | 17,227,735 | 20,449,133 | 3,221,398 | 4.17% | 4.30% | 0.44% |
| Sui Northern Gas Pipelines Limited | 5.1.2 | 110,293 | 88,000 | - | 125,000 | 73,293 | 4,256,876 | 3,560,574 | (696,302) | 0.73% | 0.75% | 0.06% |
| | | | | | | | 21,484,611 | 24,009,707 | 2,525,096 | 4.89% | 5.05% | |
| Oil and Gas Exploration Companies | | | | | | | | | | | | |
| Mari Petroleum Company Limited | 5.1.2 | 15,334 | 600 | - | 5,560 | 10,374 | 13,014,017 | 15,814,022 | 2,800,005 | 3.22% | 3.33% | 1.19% |
| Oil & Gas Development Company Limited | 5.1.2 | 285,530 | 166,000 | - | 101,500 | 350,030 | 36,339,131 | 33,263,351 | (3,075,780) | 6.78% | 7.00% | 0.08% |
| Pakistan Oilfields Limited | 5.1.2 | 28,546 | 37,600 | - | 11,100 | 55,046 | 20,700,310 | 21,680,418 | 980,108 | 4.42% | 4.56% | 0.76% |
| Pakistan Petroleum Limited | 5.1.2 | 290,776 | 197,500 | - | 126,000 | 362,276 | 32,290,199 | 31,456,425 | (833,774) | 6.41% | 6.62% | 0.12% |
| | | | | | | | 102,343,657 | 102,214,216 | (129,441) | 20.82% | 21.51% | |
| Engineering | | | | | | | | | | | | |
| Agha Steel Industries Limited | 5.1.2 | - | 180,000 | - | 2,000 | 178,000 | 6,014,076 | 6,003,940 | (10,136) | 1.22% | 1.26% | 0.50% |
| Aisha Steel Mills Limited | | - | 458,000 | - | - | 458,000 | 11,309,820 | 11,408,780 | 98,960 | 2.32% | 2.40% | 0.95% |
| International Industries Limited | 5.1.2 | 16,833 | 17,000 | - | 23,000 | 10,833 | 1,319,328 | 2,285,980 | 966,652 | 0.47% | 0.48% | 0.19% |
| International Steels Limited | 5.1.2 | 64,971 | 5,000 | - | 69,971 | - | - | - | - | - | - | - |
| Mughal Iron & Steel Industries Limited | | 62,000 | 55,000 | - | 73,000 | 44,000 | 4,955,185 | 4,593,600 | (361,585) | 0.94% | 0.97% | 0.18% |
| | | | | | | | 23,598,409 | 24,292,300 | 693,891 | 4.95% | 5.11% | |

| Name of the Investee Company | Note | As at July 01, 2020 | Purchases during the year | Bonus / Right shares received during the year | Sales during the year | As at June 30, 2021 | As at June 30, 2021 | | | Market Value as a percentage of | | Holding as a percentage of paid-up capital of investee company |
|--|---------------|---------------------|---------------------------|---|-----------------------|----------------------------|---------------------|--------------------|--------------------------|---------------------------------|-------------------|--|
| | | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments | |
| | | | | | | -----Number of shares----- | | | | | | |
| | | | | | | -----Rupees----- | | | | | | |
| Automobile Assemblers | | | | | | | | | | | | |
| Honda Atlas Cars (Pakistan) Limited | | 11,100 | 4,500 | - | 15,600 | - | - | - | - | - | - | - |
| Millat Tractors Limited | 5.1.2 | 2,140 | 5,100 | 905 | 6,180 | 1,965 | 1,523,105 | 2,121,434 | 598,329 | 0.43% | 0.45% | 0.43% |
| Pak Suzuki Motor Company Limited | 5.1.2 | 86 | 37,500 | - | 24,000 | 13,586 | 3,281,990 | 4,829,008 | 1,547,018 | 0.98% | 1.02% | 0.59% |
| | | | | | | | 4,805,095 | 6,950,442 | 2,145,347 | 1.42% | 1.47% | |
| Automobile Parts and Accessories | | | | | | | | | | | | |
| Panther Tyres Limited | | - | 90,713 | - | - | 90,713 | 6,191,755 | 6,270,990 | 79,235 | 1.28% | 1.32% | 1.55% |
| Thal Limited (face value Rs. 5 per share) | | 7,201 | 9,700 | - | 4,300 | 12,601 | 4,577,936 | 5,327,451 | 749,515 | 1.09% | 1.12% | 1.31% |
| | | | | | | | 10,769,691 | 11,598,441 | 828,750 | 2.36% | 2.44% | |
| Cable and Electrical Goods | | | | | | | | | | | | |
| Pak Elektron Limited | | 315 | - | - | 315 | - | - | - | - | - | - | - |
| Inv. Banks / Inv. Cos. / Securities Cos. | | | | | | | | | | | | |
| Dawood Hercules Corporation Limited | | 55,416 | - | - | 55,416 | - | - | - | - | - | - | - |
| Fertilizer | | | | | | | | | | | | |
| Engro Fertilizers Limited | 5.1.2 | 227,007 | 20,000 | - | 135,000 | 112,007 | 6,778,959 | 7,870,732 | 1,091,773 | 1.60% | 1.66% | 0.06% |
| Engro Corporation Limited | 5.1.2 | 136,979 | 41,000 | - | 77,500 | 100,479 | 29,888,021 | 29,602,118 | (285,903) | 6.03% | 6.23% | 0.51% |
| Fauji Fertilizer Bin Qasim Limited | 5.1.2 | - | 165,000 | - | - | 165,000 | 4,419,665 | 4,357,650 | (62,015) | 0.89% | 0.92% | 0.03% |
| Fauji Fertilizer Company Limited | | 54,000 | 62,000 | - | 116,000 | - | - | - | - | - | - | - |
| | | | | | | | 41,086,645 | 41,830,500 | 743,855 | 8.52% | 8.81% | |
| Pharmaceuticals | | | | | | | | | | | | |
| AGP Limited | | - | 24,500 | - | - | 24,500 | 2,716,778 | 2,874,585 | 157,807 | 0.59% | 0.60% | 0.10% |
| Ferozsons Laboratories Limited | | - | 2,100 | 20 | 2,120 | - | - | - | - | - | - | - |
| Glaxomithkline (Pakistan) Limited | | 3,000 | - | - | 3,000 | - | - | - | - | - | - | - |
| Highnoon Laboratories Limited | | 3,630 | 9,000 | 1,038 | 2,250 | 11,418 | 5,832,674 | 6,850,800 | 1,018,126 | 1.40% | 1.44% | 2.18% |
| The Searle Company Limited | 5.1.1 & 5.1.2 | 34,566 | 20,500 | 4,081 | 15,800 | 43,347 | 9,183,136 | 10,516,849 | 1,333,713 | 2.14% | 2.21% | 0.50% |
| | | | | | | | 17,732,588 | 20,242,234 | 2,509,646 | 4.12% | 4.25% | |
| Chemical | | | | | | | | | | | | |
| Engro Polymer & Chemicals Limited | 5.1.2 | 187,000 | 160,000 | - | 106,000 | 241,000 | 9,330,201 | 11,384,840 | 2,054,639 | 2.32% | 2.40% | 0.13% |
| I.C.I Pakistan Limited | | 1,733 | - | - | 1,733 | - | - | - | - | - | - | - |
| Itehad Chemicals Limited | | - | 102,500 | - | 102,500 | - | - | - | - | - | - | - |
| Lotte Chemical Pakistan Limited | | 195,000 | 110,000 | - | 305,000 | - | - | - | - | - | - | - |
| | | | | | | | 9,330,201 | 11,384,840 | 2,054,639 | 2.32% | 2.40% | |
| Paper and Board | | | | | | | | | | | | |
| Century Paper & Board Mills Limited | | - | 49,000 | 6,800 | 55,800 | - | - | - | - | - | - | - |
| Packages Limited | | 32 | - | - | - | 32 | 11,111 | 17,446 | 6,335 | 0.00% | 0.00% | 0.00% |
| | | | | | | | 11,111 | 17,446 | 6,335 | 0.00% | 0.00% | |
| Foods and Personal Care Products | | | | | | | | | | | | |
| At-Tahur Limited | | 500 | 75,000 | - | 75,500 | - | - | - | - | - | - | - |
| Unity Foods Limited | 135,000 | 419,747 | - | 295,500 | 259,247 | 434 | 4,822,841 | 11,541,676 | 6,718,835 | 2.35% | 2.43% | 0.21% |
| The Organic Meat Company Limited | | - | 20,434 | - | 20,000 | - | 8,680 | 15,945 | 7,265 | 0.00% | 0.00% | 0.00% |
| | | | | | | | 4,831,521 | 11,557,621 | 6,726,100 | 2.35% | 2.43% | |
| Refinery | | | | | | | | | | | | |
| Cinergyco PK Limited (Formerly: Byco Petroleum Pakistan Limited) | | - | 425,000 | - | 25,000 | 400,000 | 3,731,600 | 4,644,000 | 912,400 | 0.95% | 0.98% | 0.52% |
| | | | | | | | 3,731,600 | 4,644,000 | 912,400 | 0.95% | 0.98% | |
| Technology and Communication | | | | | | | | | | | | |
| Avanceon Limited | 5.1.2 | - | 69,000 | 9,000 | - | 78,000 | 5,566,450 | 7,151,040 | 1,584,590 | 1.46% | 1.50% | 0.58% |
| Pakistan Telecommunication Company Limited | | - | 205,000 | - | - | 205,000 | 2,423,640 | 2,427,200 | 3,560 | 0.49% | 0.51% | 0.20% |
| Systems Limited | | 63,240 | 14,000 | 2,824 | 49,000 | 31,064 | 5,724,533 | 17,402,674 | 11,678,141 | 3.54% | 3.66% | 1.41% |
| | | | | | | | 13,714,623 | 26,980,914 | 13,266,291 | 5.50% | 5.67% | |
| Transport | | | | | | | | | | | | |
| Pakistan International Bulk Terminal Limited | | - | 170,000 | - | 170,000 | - | - | - | - | - | - | - |
| Pakistan National Shipping Corporation | | 16,000 | 30,500 | - | 21,500 | 25,000 | 2,022,841 | 1,817,500 | (205,341) | 0.37% | 0.38% | 0.14% |
| | | | | | | | 2,022,841 | 1,817,500 | (205,341) | 0.37% | 0.38% | |
| Miscellaneous | | | | | | | | | | | | |
| Synthetic Products Enterprises Limited | | 5,318 | 239 | - | - | 5,557 | 228,770 | 239,007 | 10,237 | 0.05% | 0.05% | 0.03% |
| | | | | | | | 228,770 | 239,007 | 10,237 | 0.05% | 0.05% | |
| Total as at June 30, 2021 | | | | | | | <u>401,072,421</u> | <u>475,160,323</u> | <u>74,087,902</u> | | | |
| Total as at June 30, 2020 | | | | | | | <u>349,983,762</u> | <u>320,601,093</u> | <u>(29,382,669)</u> | | | |

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2021, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

| Name of the Company | 2021 | | 2020 | |
|------------------------------------|---------------------------|-----------------------|---------------------------|-----------------------|
| | Bonus Shares | | Bonus Shares | |
| | Number of shares withheld | Market value (Rupees) | Number of shares withheld | Market value (Rupees) |
| Pakistan State Oil Company Limited | 591 | 132,532 | 591 | 93,473 |
| The Searle Company Limited | 869 | 210,837 | 869 | 173,131 |
| | | <u>343,369</u> | | <u>266,603</u> |

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 11.161 million (2020: Rs 10.406 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

| Name of Security | 2021 | 2020 | 2021 | 2020 |
|---------------------------------------|------------------|--------|-----------------------|-------------------|
| | Number of Shares | | Market Value (Rupees) | |
| Millat Tractors Limited | 75 | 75 | 80,971 | 52,962 |
| Lucky Cement Limited | 730 | 730 | 630,311 | 336,953 |
| Engro Polymer & Chemicals Limited | 8,990 | 8,990 | 424,688 | 224,570 |
| Fauji Fertilizer Bin Qasim Limited | - | 2,490 | - | 273,875 |
| Meezan Bank Limited | 7,645 | 7,645 | 882,309 | 526,358 |
| The Searle Company Limited | 1,090 | 1,090 | 264,456 | 217,161 |
| D. G. Khan Cement Company Limited | 750 | 750 | 88,440 | 63,998 |
| Engro Fertilizers Limited | 14,500 | 14,500 | 1,018,915 | 874,060 |
| Pakistan State Oil Company Limited | 447 | 447 | 100,240 | 70,698 |
| International Steels Limited | - | 465 | - | 24,017 |
| Avanceon Limited | 5,430 | 5,430 | 497,822 | 997,376 |
| Oil & Gas Development Company Limited | 12,000 | 12,000 | 1,140,360 | 1,308,000 |
| The Hub Power Company Limited | 15,370 | 15,370 | 1,224,528 | 1,114,325 |
| Pakistan Petroleum Limited | 6,740 | 6,740 | 585,234 | 584,897 |
| Pakistan Oilfields Limited | 1,140 | 1,140 | 449,000 | 399,718 |
| Nishat Mills Limited | 3,220 | 3,220 | 300,426 | 251,192 |
| Sui Northern Gas Pipelines Limited | 8,790 | 8,790 | 427,018 | 479,934 |
| Engro Corporation Limited | 4,775 | 4,775 | 1,406,763 | 1,398,693 |
| Pak Suzuki Motor Company Limited | 80 | 80 | 28,435 | 12,946 |
| Agha Steel Industries Limited | - | 890 | - | 81,640 |
| Kohat Cement Company Limited | 890 | 890 | 183,776 | 122,331 |
| Maple Leaf Cement Factory Limited | 1,245 | 1,245 | 58,490 | 32,345 |
| Mari Petroleum Company Limited | 775 | 775 | 1,181,402 | 958,404 |
| International Industries Limited | 890 | - | 187,808 | - |
| | | | <u>11,161,392</u> | <u>10,406,453</u> |

| | Note | 2021 ----- (Rupees) ----- | 2020 |
|--|------|------------------------------|----------------------|
| 5.2 Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net | | | |
| Market value of investments | 5.1 | 475,160,323 | 320,601,093 |
| Less: Carrying value of investments | 5.1 | <u>(401,072,421)</u> | <u>(349,983,762)</u> |
| | | <u>74,087,902</u> | <u>(29,382,669)</u> |
| 6. SECURITY DEPOSITS | | | |
| Central Depository Company of Pakistan Limited (CDC) | | 100,000 | 100,000 |
| National Clearing Company of Pakistan Limited (NCCPL) | | <u>2,500,000</u> | <u>2,500,000</u> |
| | | <u>2,600,000</u> | <u>2,600,000</u> |
| 7. ADVANCE, DIVIDEND AND PROFIT RECEIVABLE | | | |
| Dividend receivable | | 1,020,706 | 118,827 |
| Profit receivable on bank balances | | 24,109 | 14,580 |
| Advance against book building | 7.1 | <u>1,252,375</u> | <u>-</u> |
| | | <u>2,297,190</u> | <u>133,407</u> |
| 7.1 This represents advance payment amounting to 25 percent of the offer amount against book building of Citi Pharma Limited at an offer rate of Rs. 28 per share. | | | |
| | Note | 2021 ----- (Rupees) ----- | 2020 |
| 8. PRELIMINARY EXPENSES AND FLOATATION COSTS | | | |
| Balance at the beginning of the year | | 431,326 | 659,453 |
| Less: amortisation during the year | | <u>(227,460)</u> | <u>(228,127)</u> |
| Balance at the end of the year | 8.1 | <u>203,866</u> | <u>431,326</u> |
| 8.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008. | | | |
| | Note | 2021 ----- (Rupees) ----- | 2020 |
| 9. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | | | |
| Management remuneration payable | 9.1 | 798,541 | 552,775 |
| Sindh sales tax payable on management remuneration | 9.2 | 103,811 | 71,861 |
| Preliminary expenses and floatation cost payable | 8 | 57,500 | 57,500 |
| Payable against allocated expenses | 9.3 | 49,993 | 7,767 |
| Payable against selling and marketing expenses | 9.4 | <u>1,367,123</u> | <u>609,152</u> |
| | | <u>2,376,968</u> | <u>1,299,055</u> |
| 9.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 2% per annum of daily average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears. | | | |
| 9.2 During the year, an amount of Rs. 0.980 million (2020: Rs. 0.474 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.948 million (2020: Rs. 0.419 million) has been paid to the Management Company which acts as a collecting agent. | | | |
| 9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the current year, the Management Company has charged such expenses to the Fund at the rate of 0.1% of the average net assets of the Fund. | | | |
| 9.4 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan. | | | |
| Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company. | | | |

| 10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 | 2020 |
|--|-------------|----------------------|---------------|
| | | ----- (Rupees) ----- | ----- |
| Trustee remuneration payable | 10.1 | 79,693 | 55,440 |
| Sindh sales tax payable on trustee remuneration | 10.2 | 10,360 | 7,207 |
| | | <u>90,053</u> | <u>62,647</u> |

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

| Average net asset value (Rupees) | Tariff per annum |
|---|--|
| Up to Rs 1,000 million | 0.20% per annum of net assets |
| Over 1,000 million | Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1 billion |

10.2 During the year, an amount of Rs. 0.098 million (2020: Rs. 0.051 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.095 million (2020: Rs. 0.051 million) was paid to the Trustee which acts as a collecting agent.

| 11. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2021 | 2020 |
|---|-------------|----------------------|-------------|
| | | ----- (Rupees) ----- | ----- |
| Annual fee payable | 11.1 | 75,343 | 38,892 |

11.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| 12. ACCRUED AND OTHER LIABILITIES | Note | 2021 | 2020 |
|---|-------------|----------------------|------------------|
| | | ----- (Rupees) ----- | ----- |
| Auditors' remuneration payable | | 308,945 | 261,274 |
| Brokerage payable | | 319,857 | 653,672 |
| Settlement charges payable | | 25,415 | 91,108 |
| Printing charges payable | | 106,422 | 102,770 |
| Withholding tax payable | | 210,869 | 3,625 |
| Charity payable | 12.1 | 406,391 | 310,834 |
| Shariah advisory fee payable | | 434,749 | 494,749 |
| Provision for Sindh Workers' Welfare Fund | 12.2 | 2,298,211 | - |
| | | <u>4,110,859</u> | <u>1,918,032</u> |

12.1 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments, a portion of which has been held in non-shariah compliant avenues, such portion of the income of the Fund should be donated for charitable purposes directly by the Fund. Accordingly, the dividend income is recorded net of charity portion.

12.2 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015, as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act. Since the Fund has started operations with effect from May 25, 2017 and incurred losses, no provision for SWWF has been made in the prior periods.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Re 0.37 (2020: Re Nil) per unit.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

14. AUDITORS' REMUNERATION

| | 2021 | 2020 |
|--------------------------------|----------------------|----------------|
| | ----- (Rupees) ----- | |
| Audit fee | 150,000 | 150,000 |
| Review and other certification | 120,000 | 120,000 |
| Out of pocket expenses | 31,389 | 31,389 |
| Sindh sales tax | 24,111 | 24,111 |
| | <u>325,500</u> | <u>325,500</u> |

15. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

16. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 4.83% which includes 0.92% representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. The TER excluding government levies is 3.91% which is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

17.1 Unit Holders' Fund

| | 2021 | | | | | | | | | |
|--|---------------------|---|---------------------|--|---------------------|----------------------|---|---------------------|--|-------------------------------------|
| | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | As at June 30, 2021 | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2021 |
| | ----- (Units) ----- | | | | | ----- (Rupees) ----- | | | | |
| Associated companies / undertakings | | | | | | | | | | |
| Alfalah GHP Islamic Prosperity Planning Fund | 5,153,111 | 2,026,246 | 593,837 | 1,618,888 | 6,154,306 | 329,600,400 | 171,200,000 | 47,916,215 | 122,000,000 | 490,912,730 |

| 2020 | | | | | | | | | | |
|--|---|---------------------|--|---------------------|---------------------|---|---------------------|--|-------------------------------------|-------------|
| As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | As at June 30, 2020 | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2020 | |
| (Units) | | | | | (Rupees) | | | | | |
| Associated companies / undertakings | | | | | | | | | | |
| Alfalsh GHP Islamic Prosperity Planning Fund | 463,602 | 8,482,013 | - | 3,792,504 | 5,153,111 | 27,761,833 | 576,200,000 | - | 244,656,879 | 329,600,400 |

17.2 Details of transaction with related parties / connected persons during the year are as follows:

2021 **2020**

-----Rupees-----

Associated companies / undertakings

Alfalsh GHP Investment Management Limited (Management Company)

Remuneration of Alfalsh GHP Investment Management Limited -

| | | |
|---|-----------|-----------|
| Management Company | 7,539,472 | 3,646,772 |
| Sindh sales tax on remuneration of the Management Company | 980,131 | 474,080 |
| Allocated expenses | 376,932 | 193,593 |
| Selling and marketing expense | 3,675,382 | 778,049 |

Bank Alfalsh Limited - Islamic Banking Division

| | | |
|-------------------------|--------|--------|
| Profit on bank balances | 18,536 | 12,022 |
| Bank charges | - | 21,000 |

Other related party

Central Depository Company of Pakistan Limited (Trustee)

| | | |
|--|---------|---------|
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 753,605 | 389,202 |
| Sindh sales tax on remuneration of the Trustee | 97,969 | 50,596 |
| CDS charges | 83,702 | 19,472 |

17.3 Details of balances with related parties / connected persons as at year end are as follows:

Associated companies / undertakings

Alfalsh GHP Investment Management Limited (Management Company)

| | | |
|--|-----------|---------|
| Management remuneration payable | 798,541 | 552,775 |
| Sindh sales tax payable on management remuneration | 103,811 | 71,861 |
| Preliminary expenses and floatation cost payable | 57,500 | 57,500 |
| Payable against allocated expenses | 49,993 | 7,767 |
| Payable against selling and marketing expenses | 1,367,123 | 609,152 |

Bank Alfalsh Limited - Islamic Banking Division

| | | |
|-------------------|------------|-----------|
| Bank balances | 17,122,529 | 8,759,237 |
| Profit receivable | 2,966 | 1,989 |

Other related party

Central Depository Company of Pakistan Limited (Trustee)

| | | |
|---|---------|---------|
| Trustee remuneration payable | 79,693 | 55,440 |
| Sindh sales tax payable on trustee remuneration | 10,360 | 7,207 |
| Security deposits | 100,000 | 100,000 |

18. FINANCIAL INSTRUMENTS BY CATEGORY

| | 2021 | | |
|---|-------------------|--------------------------------------|--------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | (Rupees) | | |
| Financial assets | | | |
| Bank balances | 17,304,574 | - | 17,304,574 |
| Investments | - | 475,160,323 | 475,160,323 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Advance, dividend and profit receivable | 2,297,190 | - | 2,297,190 |
| | <u>22,201,764</u> | <u>475,160,323</u> | <u>497,362,087</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 2,376,968 | - | 2,376,968 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 90,053 | - | 90,053 |
| Accrued and other liabilities | 1,601,779 | - | 1,601,779 |
| | <u>4,068,800</u> | <u>-</u> | <u>4,068,800</u> |
| | | | |
| | 2020 | | |
| | At amortised cost | At fair value through profit or loss | Total |
| | (Rupees) | | |
| Financial assets | | | |
| Bank balances | 9,153,200 | - | 9,153,200 |
| Investments | - | 320,601,093 | 320,601,093 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Advance, dividend and profit receivable | 133,407 | - | 133,407 |
| | <u>11,886,607</u> | <u>320,601,093</u> | <u>332,487,700</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 1,299,055 | - | 1,299,055 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 62,647 | - | 62,647 |
| Accrued and other liabilities | 1,914,407 | - | 1,914,407 |
| | <u>3,276,109</u> | <u>-</u> | <u>3,276,109</u> |

19. Financial Risk Management Objectives and Policies

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 to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks: currency risk, profit rate risk and price risk.

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

19.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

| | 2021 | 2020 |
|---|--------------------|------------------|
| | ----- Rupees ----- | |
| Variable rate instruments (financial assets) | | |
| Bank balances | <u>186,996</u> | <u>1,772,750</u> |

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the "Income Statement" and "Statement of Comprehensive Income" by Rs 241 (2020: Rs 146) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

| Effective profit rate | 2021 | | | | Not exposed to profit rate risk | Total |
|-----------------------|-----------------------------|---|--------------------|-------|---------------------------------|-------|
| | Exposed to profit rate risk | | | Total | | |
| | Up to three months | More than three months and up to one year | More than one year | | | |
| | | | | | | |
| | ----- (Rupees) ----- | | | | | |

On-balance sheet financial instruments

Financial assets

| | | | | | | |
|---|----------------|----------------|----------|----------|--------------------|--------------------|
| Bank balances | 5.50% to 7.90% | 186,996 | - | - | 17,117,578 | 17,304,574 |
| Investments | | - | - | - | 475,160,323 | 475,160,323 |
| Security deposits | | - | - | - | 2,600,000 | 2,600,000 |
| Advance, dividend and profit receivable | | - | - | - | 2,297,190 | 2,297,190 |
| | | <u>186,996</u> | <u>-</u> | <u>-</u> | <u>497,175,091</u> | <u>497,362,087</u> |

Financial liabilities

| | | | | | | |
|---|--|----------|----------|----------|------------------|------------------|
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 2,376,968 | 2,376,968 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 90,053 | 90,053 |
| Accrued and other liabilities | | - | - | - | 1,601,779 | 1,601,779 |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,068,800</u> | <u>4,068,800</u> |

On-balance sheet gap

| | | | | | | |
|---|--|----------------|----------------|----------------|--------------------|--------------------|
| | | <u>186,996</u> | <u>-</u> | <u>-</u> | <u>493,106,291</u> | <u>493,293,287</u> |
| Total profit rate sensitivity gap | | <u>186,996</u> | <u>-</u> | <u>-</u> | <u>493,106,291</u> | <u>493,293,287</u> |
| Cumulative profit rate sensitivity gap | | <u>186,996</u> | <u>186,996</u> | <u>186,996</u> | | |

| 2020 | | | | | |
|-------------------------------|-------------------------------------|---|--------------------|---|-------|
| Effective yield / profit rate | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | Total |
| | Upto three months | More than three months and up to one year | More than one year | | |

(Rupees)

On-balance sheet financial instruments

Financial assets

| | | | | | | |
|---|-----------------|------------------|----------|----------|--------------------|--------------------|
| Bank balances | 3.88% to 13.25% | 1,772,750 | - | - | 7,380,450 | 9,153,200 |
| Investments | | - | - | - | 320,601,093 | 320,601,093 |
| Security deposits | | - | - | - | 2,600,000 | 2,600,000 |
| Advance, dividend and profit receivable | | - | - | - | 133,407 | 133,407 |
| | | <u>1,772,750</u> | <u>-</u> | <u>-</u> | <u>330,714,950</u> | <u>332,487,700</u> |

Financial liabilities

| | | | | | | |
|---|--|----------|----------|----------|------------------|------------------|
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 1,299,055 | 1,299,055 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 62,647 | 62,647 |
| Accrued and other liabilities | | - | - | - | 1,914,407 | 1,914,407 |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,276,109</u> | <u>3,276,109</u> |

On-balance sheet gap

| | | | | | | |
|--|--|------------------|----------|----------|--------------------|--------------------|
| | | <u>1,772,750</u> | <u>-</u> | <u>-</u> | <u>327,438,841</u> | <u>329,211,591</u> |
|--|--|------------------|----------|----------|--------------------|--------------------|

Total profit rate sensitivity gap

| | | | | | | |
|--|--|------------------|----------|----------|--------------------|--------------------|
| | | <u>1,772,750</u> | <u>-</u> | <u>-</u> | <u>327,438,841</u> | <u>329,211,591</u> |
|--|--|------------------|----------|----------|--------------------|--------------------|

Cumulative profit rate sensitivity gap

| | | | | | | |
|--|--|------------------|------------------|------------------|--|--|
| | | <u>1,772,750</u> | <u>1,772,750</u> | <u>1,772,750</u> | | |
|--|--|------------------|------------------|------------------|--|--|

19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2021. The analysis is based on the assumption that the KMI-30 index increased / decreased by 1%, with all other variables held constant.

At June 30, 2021, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

| <i>Effect due to increase / decrease in KMI-30 index</i> | 2021 | 2020 |
|--|------------------|------------------|
| | -----Rupees----- | |
| Investments and net assets | <u>4,751,603</u> | <u>3,206,011</u> |
| Income statement | <u>4,751,603</u> | <u>3,206,011</u> |

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, security deposits and dividend and profit receivable,

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent control established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

19.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

| | 2021 | | 2020 | |
|---|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| Bank balances | 17,304,574 | 17,304,574 | 9,153,200 | 9,153,200 |
| Investments | 475,160,323 | - | 320,601,093 | - |
| Security deposits | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 |
| Advance, dividend and profit receivable | 2,297,190 | 2,297,190 | 133,407 | 133,407 |
| | <u>497,362,087</u> | <u>22,201,764</u> | <u>332,487,700</u> | <u>11,886,607</u> |

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs. 475.16 million (2020: Rs. 320.60 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2021 and June 30, 2020.

19.2.2 Credit quality of financial assets

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Banks | Rating Agency | Rating (Short Term / Long Term) | 2021 | 2020 |
|-------------------------------------|---------------|---------------------------------|--|----------------|
| | | | % of financial assets exposed to credit risk | |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 98.95% | 95.70% |
| Meezan Bank Limited | VIS | A-1+ / AAA | 0.06% | 0.11% |
| BankIslami Pakistan Limited | PACRA | A1 / A+ | 0.42% | 0.80% |
| Dubai Islamic Bank Pakistan Limited | VIS | A-1+ / AA | 0.06% | 0.75% |
| National Bank of Pakistan | VIS | A-1+ / AAA | 0.51% | 2.64% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

| 2021 | | | | | | |
|---|---|--|--|-------------------|--|--------------------|
| Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial Instruments with no fixed maturity | Total |
| ----- Rupees ----- | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 17,304,574 | - | - | - | - | 17,304,574 |
| Investments | - | - | - | - | 475,160,323 | 475,160,323 |
| Security deposits | 2,600,000 | - | - | - | - | 2,600,000 |
| Advance, dividend and profit receivable | 2,297,190 | - | - | - | - | 2,297,190 |
| | 22,201,764 | - | - | - | 475,160,323 | 497,362,087 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 2,376,968 | - | - | - | - | 2,376,968 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 90,053 | - | - | - | - | 90,053 |
| Accrued and other liabilities | 1,601,779 | - | - | - | - | 1,601,779 |
| | 4,068,800 | - | - | - | - | 4,068,800 |
| Net financial assets | 18,132,964 | - | - | - | 475,160,323 | 493,293,287 |

| 2020 | | | | | | |
|---|---|--|--|-------------------|--|--------------------|
| Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial Instruments with no fixed maturity | Total |
| ----- Rupees ----- | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 9,153,200 | - | - | - | - | 9,153,200 |
| Investments | - | - | - | - | 320,601,093 | 320,601,093 |
| Security deposits | 2,600,000 | - | - | - | - | 2,600,000 |
| Advance, dividend and profit receivable | 133,407 | - | - | - | - | 133,407 |
| | 11,886,607 | - | - | - | 320,601,093 | 332,487,700 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 1,299,055 | - | - | - | - | 1,299,055 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 62,647 | - | - | - | - | 62,647 |
| Accrued and other liabilities | 1,914,407 | - | - | - | - | 1,914,407 |
| | 3,276,109 | - | - | - | - | 3,276,109 |
| Net financial assets | 8,610,498 | - | - | - | 320,601,093 | 329,211,591 |

19.4 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

| 2021 | | | |
|--|-------------|---------|-------------|
| Level 1 | Level 2 | Level 3 | Total |
| Rupees | | | |
| Financial assets 'at fair value through profit or loss' | | | |
| Investment in listed equity securities | 475,160,323 | - | 475,160,323 |

| 2020 | | | |
|--|-------------|---------|-------------|
| Level 1 | Level 2 | Level 3 | Total |
| Rupees | | | |
| Financial assets 'at fair value through profit or loss' | | | |
| Investment in listed equity securities | 320,601,093 | - | 320,601,093 |

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of the unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Funds' yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. However, the Fund is exempt from any "Minimum Fund Size" requirement as specified under the NBFC Regulations.

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

21. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

22. GENERAL

22.1 Rounding off

Figures have been rounded off to the nearest rupee.

22.2 Impact of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 0 | - | - | 0% |
| Associated Co./ Directors | 0 | - | - | 0% |
| Retirement & Other Funds | 0 | - | - | 0% |
| Others | 9 | 6,154,306 | 490,912,730 | 100% |
| | 9 | 6,154,306 | 490,912,730 | 100% |

| Category | As at 30 June 2019 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 0 | - | - | 0% |
| Associated Co./ Directors | 0 | - | - | 0% |
| Retirement & Other Funds | 0 | - | - | 0% |
| Others | 2 | 5,153,111 | 329,600,400 | 100% |
| | 2 | 5,153,111 | 329,600,400 | 100% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|--|---------------------|
| | 30 June 2020 |
| | % |
| Al Habib Capital Markets Limited | 11 |
| Ismail Iqbal Securities (Pvt.) Limited | 9 |
| Arif Habib Limited | 8 |
| Summit Capital (Private) Limited | 6 |
| Taurus Securities Limited | 6 |
| IGI Finex Securities Limited | 6 |
| Shajar Capital Pakistan Private Limited | 6 |
| Insight Securities (Private) Limited | 6 |
| BMA Capital Management Limited | 6 |
| Alfalah Securities (Private) Limited | 5 |
| | 30 June 2020 |
| | % |
| Ismail Iqbal Securities (Pvt.) Limited | 8 |
| EFG Hermes Pakistan Limited | 7 |
| Inter Market Securities Limited | 7 |
| Next Capital Limited | 7 |
| Topline Securities (Pvt) Limited | 7 |
| Alfalah Securities (Private) Limited | 7 |
| Al Habib Capital Markets Limited | 7 |
| Foundation Securities Limited | 7 |
| Taurus Securities Limited | 6 |
| Shajar Capital Pakistan Private Limited | 5 |

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi"

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level I Exam

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachelors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

| Name of Director | Number of Meetings | | | Meeting not attended |
|---------------------------|--------------------|----------|---------------|----------------------|
| | Held | Attended | Leave Granted | |
| Hanspeter Beier | 4 | 3 | 1 | 1 |
| Syed Ali Sultan | 4 | 4 | - | - |
| Ms. Maheen Rahman | 4 | 2 | Resigned | Resigned |
| Mr. Abid Naqvi | 4 | 3 | 1 | 1 |
| Mr. Tufail Jawed Ahmad | 4 | 3 | 1 | 1 |
| Ms. Mehreen Ahmed | 4 | 4 | - | - |
| Ms. Dominique Liana Russo | 4 | 1 | Resigned | Resigned |
| Mr. Edward Phillip Hurt | 4 | 1 | 3 | 3 |
| Mr. Tanveer Awan | 3 | 3 | - | - |
| Mr. Nabeel Malik | 2 | 2 | - | - |

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGIDEF

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net Assets | 490,912,730 | 329,600,400 | 27,761,833 | 1,642,600,964 | 688,402,204 |
| NAV per unit | 79.7674 | 63.9614 | 59.8829 | 84.8112 | 96.8767 |
| Selling price per unit | 81.1195 | 65.0455 | 60.8979 | 86.2487 | 98.5188 |
| Redemption price per unit | 79.7674 | 63.9614 | 59.8829 | 84.8112 | 96.8767 |
| Highest selling price per unit | 93.2466 | 82.5478 | 89.6781 | 100.8917 | 101.7107 |
| Highest redemption price per unit | 91.6924 | 81.1719 | 88.1834 | 99.2101 | 100.0154 |
| Lowest selling price per unit | 65.0455 | 49.4058 | 60.8979 | 80.2861 | 98.5188 |
| Lowest redemption price per unit | 63.9614 | 48.5823 | 59.8829 | 78.9479 | 96.8767 |
| Total interim distribution per unit | 8.6173 | Nil | Nil | Nil | Nil |
| Interim distribution date | June 29, 2021 | Nil | Nil | Nil | Nil |
| Final distribution per unit | Nil | Nil | Nil | Nil | Nil |
| Final distribution date | N/A | N/A | N/A | N/A | N/A |
| Annualized returns | 38.03% | -0.80% | -23.98% | -12.45% | -3.12% |
| Income distribution | 13.47% | Nil | Nil | Nil | Nil |
| Weighted avg. portfolio duration | N/A | N/A | N/A | N/A | N/A |

Return since inception is **-2.99%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Dedicated Equity Fund**

| Nature of Meeting | Meeting Date | Resolutions | Holding | %age Holding | Favour | Against | Abstain |
|--|--------------|---|---------|--------------|--------|---------|---------|
| Pakistan Petroleum Limited | | | | | | | |
| EOGM | 23-Oct-20 | Announcement of Financial Results for the first quarter (July-September), 2020-21 | 260,276 | 0.01% | ✓ | | |
| Pakistan Petroleum Limited | | | | | | | |
| EOGM | 18-Dec-21 | To elect ten directors for a term of three years in accordance with Section 159 of the Companies Act, 2017 | 307,276 | 0.01% | ✓ | | |
| Habib Metropolitan Bank Limited | | | | | | | |
| EOGM | 17-Mar-21 | To approve, as recommended by the Board of Directors, final dividend @ 25% (Rs. 2,50 per share) in the form of cash for the year ended December 31, 2020, in addition to already paid 20% (Rs. 2 per share) Interim Dividend in the form of cash for the year ended December 31, 2021 | 96,479 | 0.01% | ✓ | | |
| | | To appoint Auditors for the financial year ending December 31, 2021 | | | | | |
| | | To receive, consider and adopt the Audited Accounts, standalone as well as consolidated, of the Bank for the year ended December 31, 2020 together with the Directors' and Auditors' reports thereon | | | | | |



Alfalah
GHP Islamic Value Fund

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Shariah Advisor: | Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | Not Yet Rated |

Alfalah GHP Islamic Value Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

The investment objective of Alfalah GHP Islamic Value Fund (AGIVF) is to earn a potentially high return through allocation of assets between Shari'ah Equity Instruments, Shari'ah Fixed Income Instruments and any other Shari'ah instrument as permitted by the SECP and Shari'ah Advisor. Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

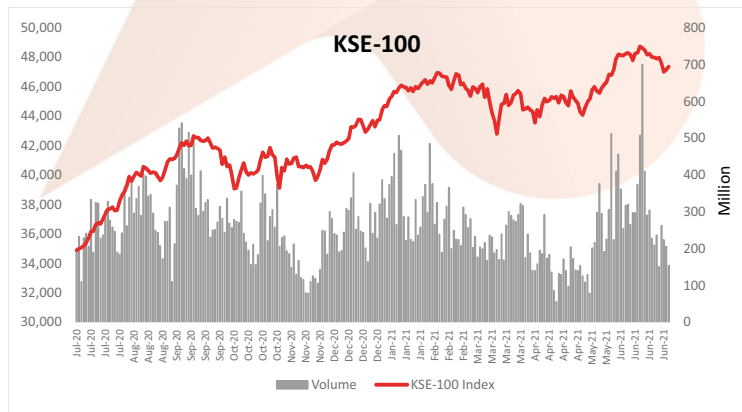
Equity Market Review:

During FY21, the benchmark index posted a mammoth return of 37.6% (highest in last seven years) on account of strong rebound in economy. During the year, the index peaked at 48,726 level in mid Jun'21 but in latter part of the month profit taking was witnessed due to which the index closed at 47,356 points. Average trading volume of all-share index also improved by 165%YoY to 519.6 million shares. Market capitalization of Technology, Refineries and Engineering sectors escalated by 182%, 172% and 136% respectively compared to last year close.

Multiple positives staged the comeback of local bourse from close of last year which included; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) decline in local Covid-19 cases.

The gradual reopening of economy post 1st wave of COVID-19 reflected in large scale manufacturing which grew by 14.57%YoY during 11MFY21. The healthy signs were evident in demand side indicators as sales continue to grow for cement, automobile and petroleum product's sales. As a result, corporate earnings registered robust growth in FY21.

Going forward, ever improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.

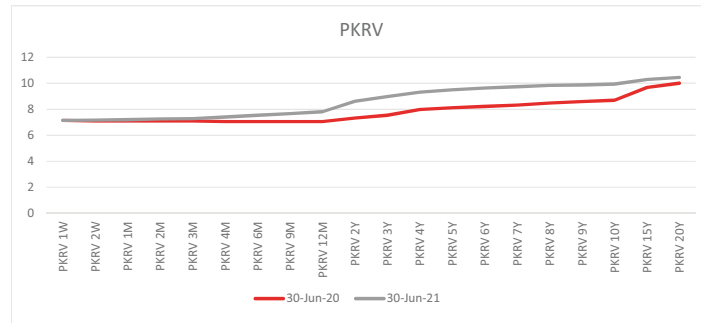


Money Market Review

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

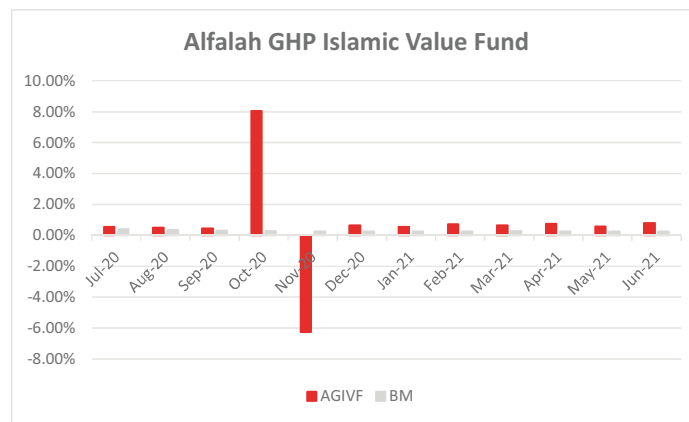
Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.

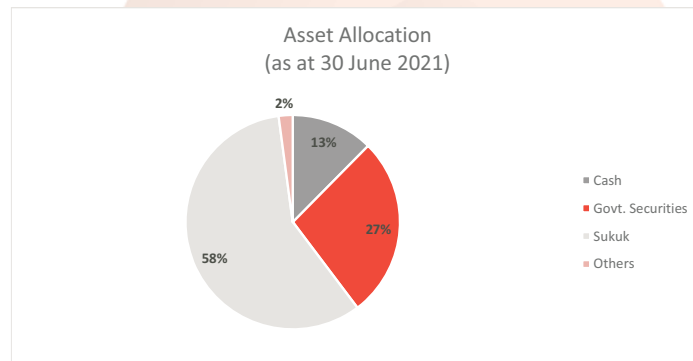


Fund Performance

The fund generated a return of 7.87% against the benchmark which generated 3.63%. The fund also paid dividends of PKR6.6449/unit during the year.



Assets Allocation



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
There were no significant changes in the state of affairs during the year under review.
- **Disclosure on unit split (if any), comprising:-**
There were no unit splits during the period.
- **Disclosures of circumstances that materially affect any interests of unit holders**
Investments are subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**
No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Dedicated Equity Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021





Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



**SHARIAH REVIEW REPORT
ALFALSH GHP ISLAMIC VALUE FUND**

We, the Shariah Advisors of the Alfalah GHP Islamic Value Fund ('AGIVF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we have checked following avenues presented to us by the Management in which AGIVF made Investment during the period from July 1, 2020 to June 30, 2021.

| Investment Head | Investment Avenue |
|-----------------|---|
| Sukuk | Approved Shariah Compliant Sukuk GoP (Government of Pakistan) Ijarah Sukuk |

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

For the Year 2020-21 no provision against Charity is made no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalsh GHP Investment Management Ltd
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahghp.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Value Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2021. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 30, 2021

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Islamic Value Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|---|
| 1 | Net Asset Value (NAV) (Refer notes 4 to the financial statements) | |
| | Investments constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 1,962.60 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 30 September, 2021

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|-----------------------------|---------------------------|
| | | -----Rupees----- | |
| Assets | | | |
| Bank balances | 4 | 283,217,941 | 725,326,396 |
| Investments | 5 | 1,962,597,858 | 17,328,184 |
| Security deposits | 6 | 2,600,000 | 2,600,000 |
| Profit and other receivables | 7 | 46,161,594 | 3,875,933 |
| 'financial assets at fair value through profit or loss' - net | 8 | 87,774 | 156,890 |
| 'financial assets at fair value through profit or loss' - net | | 2,294,665,167 | 749,287,403 |
| Liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 9 | 325,922 | 466,221 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 10 | 189,982 | 58,848 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 11 | 411,554 | 24,269 |
| Accrued expenses and other liabilities | 12 | 5,827,246 | 2,131,928 |
| Dividend payable | | 3,502 | 44,412 |
| Total liabilities | | 6,758,206 | 2,725,678 |
| Net assets attributable to the unit holders | | <u>2,287,906,961</u> | <u>746,561,725</u> |
| Unit holders' fund (as per the statement attached) | | <u>2,287,906,961</u> | <u>746,561,725</u> |
| Contingencies and commitments | 13 | | |
| | | -----Number of units----- | |
| Number of units in issue | | <u>25,661,397</u> | <u>8,405,875</u> |
| | | ----- (Rupees) ----- | |
| Net asset value per unit | | <u>89.1575</u> | <u>88.8143</u> |

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|--|------|---------------------------|-----------------------|
| | | ----- (Rupees) ----- | |
| Income | | | |
| Profit income | 14 | 166,842,350 | 6,697,863 |
| Loss on sale of investments - net | | (823,039) | (3,868,352) |
| Dividend income | | - | 2,831,587 |
| Unrealised gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net | 5.3 | 2,355,908 | 295,337 |
| 'financial assets at fair value through profit or loss' - net | | 50,439 | - |
| Total income | | <u>168,425,658</u> | <u>5,956,435</u> |
| Expenses | | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 9.1 | 3,087,941 | 2,352,918 |
| Sindh sales tax on remuneration of the Management Company | 9.2 | 401,432 | 305,893 |
| Allocated expenses | 9.3 | 61,301 | 119,661 |
| Selling and marketing expenses | 9.4 | - | 136,227 |
| Remuneration of Central Depository Company of Pakistan Limited- Trustee | 10.1 | 1,665,977 | 242,853 |
| Sindh sales tax on remuneration of the Trustee | 10.2 | 216,577 | 31,558 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 11.1 | 411,554 | 24,294 |
| Settlement and bank charges | | 354,821 | 520,726 |
| Auditors' remuneration | 15 | 573,890 | 572,418 |
| Brokerage expenses | | 262,501 | 298,239 |
| Amortisation of preliminary expenses and floatation costs | 8 | 69,116 | 69,116 |
| Printing and related costs | | 30,014 | 30,012 |
| Annual listing fee | | 21,976 | 22,002 |
| Shariah advisory fee | | 322,924 | 360,081 |
| Charity expense | | - | 85,573 |
| Bank charges | | 1,563 | 12,394 |
| Legal charges | | 174,020 | - |
| Provision for Sindh Workers' Welfare Fund | 12.1 | 3,215,401 | 15,444 |
| Total expenses | | <u>10,871,008</u> | <u>5,199,409</u> |
| Net income for the year before taxation | | <u>157,554,650</u> | <u>757,026</u> |
| Taxation | 17 | - | - |
| Net income for the year after taxation | | <u><u>157,554,650</u></u> | <u><u>757,026</u></u> |
| Allocation of net income for the year | | | |
| Net income for the period after taxation | | 157,554,650 | 757,026 |
| Income already paid on units redeemed | | (154,389,028) | (387,000) |
| | | <u>3,165,622</u> | <u>370,026</u> |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | - | - |
| - Excluding capital gains | | 3,165,622 | 370,026 |
| | | <u><u>3,165,622</u></u> | <u><u>370,026</u></u> |

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 ----- (Rupees) ----- | 2020 ----- |
|--|------------------------------|----------------|
| Net income for the year after taxation | 157,554,650 | 757,026 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>157,554,650</u> | <u>757,026</u> |

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|--|----------------------|---------------------|----------------------|--------------------|---------------------|--------------------|
| | Capital Value | Accumulated loss | Total | Capital Value | Accumulated loss | Total |
| | (Rupees) | | | (Rupees) | | |
| Net assets at the beginning of the year | 768,488,436 | (21,926,711) | 746,561,725 | 165,085,881 | (21,926,561) | 143,159,320 |
| Issuance of 43,512,000 (2020: 14,771,443 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 3,864,487,822 | - | 3,864,487,822 | 1,320,808,497 | - | 1,320,808,497 |
| - Element of income | 176,882,656 | - | 176,882,656 | (8,714,225) | - | (8,714,225) |
| Total proceeds on issuance of units | 4,041,370,478 | - | 4,041,370,478 | 1,312,094,272 | - | 1,312,094,272 |
| Redemption of 26,256,478 (2020: 7,966,610 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 2,331,950,714 | - | 2,331,950,714 | 712,345,188 | - | 712,345,188 |
| - Element of loss | 12,395,392 | 154,389,028 | 166,784,420 | (4,302,874) | 387,000 | (3,915,874) |
| Total payments on redemption of units | 2,344,346,106 | 154,389,028 | 2,498,735,134 | 708,042,314 | 387,000 | 708,429,314 |
| Total comprehensive income for the year | - | 157,554,650 | 157,554,650 | - | 757,026 | 757,026 |
| Final distribution for the year ended June 30, 2020 @ Re 0.7023 per unit (declared on June 30, 2020) | - | - | - | (649,403) | (370,176) | (1,019,579) |
| Interim distribution for the year ended June 30, 2021 @ Rs. 6.6178 per unit (declared on June 28, 2021) | (155,679,455) | (2,470,057) | (158,149,512) | - | - | - |
| Final distribution for the year ended June 30, 2021 @ Re. 0.0271 per unit (declared on June 30, 2021) | - | (695,246) | (695,246) | - | - | - |
| Total distributions during the year | (155,679,455) | (3,165,303) | (158,844,758) | (649,403) | (370,176) | (1,019,579) |
| Net assets at the end of the year | 2,309,833,353 | (21,926,392) | 2,287,906,961 | 768,488,436 | (21,926,711) | 746,561,725 |
| | (Rupees) | | | (Rupees) | | |
| Accumulated loss brought forward | | | | | | |
| - Realised loss | | (22,222,048) | | | (6,621,259) | |
| - Unrealised income / (loss) | | 295,337 | | | (15,305,302) | |
| | | (21,926,711) | | | (21,926,561) | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | - | | | | |
| - Excluding capital gains | | 3,165,622 | | | 370,026 | |
| | | 3,165,622 | | | 370,026 | |
| Distributions during the year | | (3,165,303) | | | (370,176) | |
| Accumulated loss carried forward | | (21,926,392) | | | (21,926,711) | |
| Accumulated loss carried forward | | | | | | |
| - Realised loss | | (24,282,300) | | | (22,222,048) | |
| - Unrealised gain | | 2,355,908 | | | 295,337 | |
| | | (21,926,392) | | | (21,926,711) | |
| | | (Rupees) | | | (Rupees) | |
| Net assets value per unit at the beginning of the year | | 88.8143 | | | 89.4164 | |
| Net assets value per unit at the end of the year | | 89.1575 | | | 88.8143 | |

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 |
|---|-----------------------------|--------------------|
| | ----- (Rupees) ----- | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 157,554,650 | 757,026 |
| Adjustments for: | | |
| 'financial assets at fair value through profit or loss' - net | | |
| 'financial assets at fair value through profit or loss' - net | (2,355,908) | (295,337) |
| Amortisation of preliminary expenses and floatation costs | 69,116 | 69,116 |
| Provision for Sindh Workers' Welfare Fund | 3,215,401 | 15,444 |
| | <u>158,483,259</u> | <u>546,249</u> |
| (Increase) / decrease in assets | | |
| Investments - net | (1,942,913,766) | 92,272,368 |
| Profit and other receivables | (42,285,661) | (1,404,092) |
| | <u>(1,985,199,427)</u> | <u>90,868,276</u> |
| Increase in liabilities | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | (140,299) | (247,750) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 131,134 | (6,110) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 387,285 | (178,911) |
| Accrued expenses and other liabilities | 479,917 | 852,444 |
| | <u>858,037</u> | <u>419,673</u> |
| Net cash (used in) / generated from operating activities | <u>(1,825,858,131)</u> | <u>91,834,198</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Amount received against issuance of units (net of refund of capital) | 3,885,691,023 | 1,311,444,869 |
| Amount paid against redemption of units | (2,498,735,134) | (708,429,314) |
| Dividend paid | (3,206,213) | (325,764) |
| Net cash generated from financing activities | <u>1,383,749,676</u> | <u>602,689,791</u> |
| Net (decrease) / increase in cash and cash equivalents during the year | <u>(442,108,455)</u> | <u>694,523,989</u> |
| Cash and cash equivalents at beginning of the year | 725,326,396 | 30,802,407 |
| Cash and cash equivalents at end of the year | <u>4</u> <u>283,217,941</u> | <u>725,326,396</u> |

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Value Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on May 6, 2014 between Alfalah GHP Investment Management Limited as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate issued by the Securities and Exchange Commission of Pakistan (SECP) on March 9, 2017.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a Shariah Compliant Asset Allocation Scheme pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP. The units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the Trust Deed, the objective of the Fund is to earn a potentially high return through allocation of assets between Shariah Compliant equity instruments, Shariah compliant fixed income instruments and any other Shariah compliant instrument as permitted by the SECP and Shariah advisor.
- 1.5** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) dated March 03, 2021 to the Management Company.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.5 and 17)
- iv. Provision for Sindh Workers' Welfare Fund (note 12.1)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI) or;
- at fair value through profit or loss (FVTPL)

Based on the business model of the entity, however, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.2.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.2.6 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the "Income Statement".

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.

- Unrealised gains or losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the income statement in the period in which these arise.
- Income on sukuk certificates and GOP Ijara sukuk are recognised on a time proportion basis using the effective yield method.
- Profit on bank balances and other income is recognised on an accrual basis.
- Dividend income is recognised when the Fund's right to receive the same is established.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

| | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
|---|--|------------------------------|------------------------------|
| 4 Bank Balances | | | |
| Balances with banks in: | | | |
| - Savings accounts | 4.1 | 235,768,982 | 668,857,265 |
| - Current accounts | 4.2 | 47,448,959 | 56,469,131 |
| | | <u>283,217,941</u> | <u>725,326,396</u> |
| 4.1 | These accounts carry profit at rates ranging from 2.11% to 7% per annum (June 30, 2020: 3% to 7.5% per annum). These include bank balances of Rs. 0.213 million (June 30, 2020: 0.305 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 2.11% (2020: 6.5%) per annum. | | |
| 4.2 | These include bank balance of Rs. 47.311 million (2020: Rs. 56.469 million) maintained with Bank Alfalah Limited, a related party. | | |
| 5 INVESTMENTS | Note | 2021 ----- (Rupees) ----- | 2020 ----- (Rupees) ----- |
| At fair value through profit or loss | | | |
| Sukuk certificates | 5.1 | 1,335,873,552 | 17,328,184 |
| GOP Ijara sukuk | 5.2 | 626,724,306 | - |
| | | <u>1,962,597,858</u> | <u>17,328,184</u> |

5.1 Sukuk certificates

| Name of investee company | As at July 01, 2020 | Purchased during the year | Disposed/matured during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised gain / (loss) as at June 30, 2021 | Market value as a percentage of | | Investment as a percentage of total issue size |
|---|---------------------|---------------------------|----------------------------------|------------------------|------------------------------------|----------------------------------|--|---------------------------------|---------------|--|
| | | | | | | | | Total investments | Net assets | |
| | | | | Number of certificates | Rupees | | Percentage | | | |
| INVESTMENT BANKS / INVESTMENT COMPANIES / SECURITIES COMPANIES | | | | | | | | | | |
| Dawood Hercules Corporation Limited | 130 | - | 130 | - | - | - | - | - | - | - |
| COMMERCIAL BANKS | | | | | | | | | | |
| Bank Islami Pakistan Limited | - | 21,855 | 655 | 21,200 | 106,000,000 | 106,000,000 | - | 5.40% | 4.63% | 0.82% |
| Meezan Bank Limited | - | 295 | - | 295 | 295,000,000 | 295,000,000 | - | 15.03% | 12.89% | 7.38% |
| Al-Baraka Bank (Pakistan) Limited | - | 215 | - | 215 | 216,075,000 | 216,786,921 | 711,921 | 11.05% | 9.48% | 14.33% |
| Dubai Islamic Bank Pakistan Limited | - | 35 | - | 35 | 35,875,000 | 35,978,845 | 103,845 | 1.83% | 1.57% | 0.88% |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | |
| The Hub Power Company Limited | - | 2,250 | - | 2,250 | 231,750,000 | 230,400,000 | (1,350,000) | 11.74% | 10.07% | 4.50% |
| K-Electric Limited | - | 50,000 | - | 50,000 | 253,750,000 | 253,875,000 | 125,000 | 12.94% | 11.10% | 1.00% |
| Neelum Jheulam Hydropower Company Limited | - | 3,000 | - | 3,000 | 194,250,000 | 193,125,000 | (1,125,000) | 9.84% | 8.44% | 0.19% |
| Pakistan Energy Sukuk | - | 3,000 | 3,000 | - | - | - | - | - | - | - |
| MISCELLANEOUS | | | | | | | | | | |
| International Brands Limited | 115 | - | - | 115 | 4,636,950 | 4,707,786 | 70,836 | 0.24% | 0.21% | 0.17% |
| Total as at June 30, 2021 | | | | | 1,337,336,950 | 1,335,873,552 | (1,463,398) | 68.07% | 58.39% | 29.26% |
| Total as at June 30, 2020 | | | | | 17,032,847 | 17,328,184 | 295,337 | 100.00% | 2.32% | 2.50% |

5.1.1 The terms and conditions of these sukuk certificates are as follows:

| Name of the investee company | Rating | Unredeemed principal face value | Tenure | Profit payments / principal redemptions | Maturity date | Rate of return |
|---|--------|---------------------------------|----------|---|-------------------|------------------------|
| Dawood Hercules Corporation Limited | AA | 60,000 | 6 years | Quarterly | November 16, 2022 | 3 months Kibor + 1.00% |
| Bank Islami Pakistan Limited | A- | 5,000 | N/A | Quarterly | Perpetual | 3 months Kibor + 2.75% |
| Meezan Bank Limited | AA | 1,000,000 | N/A | Quarterly | Perpetual | 3 months Kibor + 1.75% |
| Al-Baraka Bank (Pakistan) Limited | A | 1,000,000 | 7 years | Semi-annually | August 22, 2024 | 6 months Kibor + 0.75% |
| Dubai Islamic Bank Pakistan Limited | AA- | 1,000,000 | 10 years | Semi-annually / bullet at maturity | July 14, 2027 | 6 months Kibor + 0.5% |
| The Hub Power Company Limited | AA+ | 100,000 | 4 years | Semi-Annually | March 19, 2024 | 12 months Kibor + 1.9% |
| K-Electric Limited | AA+ | 5,000 | 7 years | Quarterly | August 03, 2027 | 3 months Kibor + 1.7% |
| Neelum Jheulam Hydropower Company Limited | AAA | 62,500 | 10 years | Semi-annually | June 29, 2026 | 6 months Kibor + 1.13% |
| Pakistan Energy Sukuk | AAA | 5,000 | 10 years | Semi-annually | May 20, 2030 | 6 months Kibor - 0.1% |
| International Brands Limited | AA | 41,022 | 4 years | Quarterly / Monthly | May 05, 2022 | 3 months Kibor + 0.50% |

5.2 GOP Ijara sukus

| Description | Profit payment | Yield | Issue date | Maturity date | As at July 01, 2020 | Purchased during the year | Matured / sold during the year | As at June 30, 2021 | Carrying value | Market value | Unrealised gain | Market value as a percentage of | |
|----------------------------------|-----------------|-------|---------------|------------------------|---------------------|---------------------------|--------------------------------|---------------------|--------------------|--------------------|------------------|---------------------------------|-------------------|
| | | | | | | | | | | | | Net assets | Total Investments |
| | | | | Number of certificates | | Rupees | | | | | | | |
| GOP Ijarah Sukuk- GIS 20 | Semi - Annually | 8.37% | July 29, 2020 | July 29, 2025 | - | 6,300 | - | 6,300 | 622,905,000 | 626,724,306 | 3,819,306 | 27.39% | 31.93% |
| Total as at June 30, 2021 | | | | | | | | | 622,905,000 | 626,724,306 | 3,819,306 | 27.39% | 31.93% |
| Total as at June 30, 2020 | | | | | | | | | - | - | - | - | - |

5.3 Unrealised gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

| | Note | 2021 | 2020 |
|-------------------------------------|-----------|------------------|----------------|
| ----- (Rupees) ----- | | | |
| Market value of investments | 5.1 & 5.2 | 1,962,597,858 | 17,328,184 |
| Less: carrying value of investments | 5.1 & 5.2 | (1,960,241,950) | (17,032,847) |
| | | 2,355,908 | 295,337 |

| 6 SECURITY DEPOSITS | Note | 2021 | 2020 |
|--|------|----------------------|------------------|
| | | ----- (Rupees) ----- | |
| Security deposits with: | | | |
| - Central Depository Company of Pakistan Limited | | 100,000 | 100,000 |
| - National Clearing Company of Pakistan Limited | | 2,500,000 | 2,500,000 |
| | | <u>2,600,000</u> | <u>2,600,000</u> |

7 PROFIT AND OTHER RECEIVABLES

| | | | |
|-----------------------|-----|-------------------|------------------|
| Profit receivable on: | | | |
| Bank balances | | 1,362,815 | 843,448 |
| Sukuk certificates | | 22,217,090 | 2,434,204 |
| GOP Ijara Sukuk | | 21,720,442 | - |
| Advance tax | 7.1 | 816,834 | 238,640 |
| Dividend receivable | | 44,413 | 359,641 |
| | | <u>46,161,594</u> | <u>3,875,933</u> |

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2020 and June 30, 2021, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividend and profit on debt amounts to Rs. 0.817 million (2020: Rs. 0.238 million)

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of the FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| 8 PRELIMINARY EXPENSES AND FLOATATION COST | Note | 2021 | 2020 |
|--|------|----------------------|----------------|
| | | ----- (Rupees) ----- | |
| At the beginning of the year | | 156,890 | 226,006 |
| Amortisation during the year | | (69,116) | (69,116) |
| At the end of the year | 8.1 | <u>87,774</u> | <u>156,890</u> |

- 8.1 Preliminary expenses and floatation cost represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

| 9 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | Note | 2021 | 2020 |
|---|------|--------------------|----------------|
| | | ----- Rupees ----- | |
| Management remuneration payable | 9.1 | 288,420 | 225,771 |
| Sindh sales tax payable on management remuneration | 9.2 | 37,502 | 29,358 |
| Sales load payable | | - | 130,810 |
| Payable against allocated expenses | 9.3 | - | 32,214 |
| Payable against selling and marketing expenses | 9.4 | - | 48,068 |
| | | <u>325,922</u> | <u>466,221</u> |

9.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.15% (2020: 2.00%) of average annual net assets of the Fund.

The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 During the year, an amount of Rs. 0.401 million (2020: Rs. 0.306 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.393 million (2020: Rs. 0.308 million) has been paid to the Management Company which acts as a collecting agent.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the current year, the Management Company has charged such expenses to the Fund at the rate of 0.1% of the average net assets of the Fund.

9.4 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

| 10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 | 2020 |
|---|------|----------------|---------------|
| -----Rupees----- | | | |
| Trustee remuneration payable | 10.1 | 166,466 | 50,444 |
| Sindh sales tax payable on Trustee remuneration | 10.2 | 23,516 | 8,404 |
| | | <u>189,982</u> | <u>58,848</u> |

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the following rates:

| From July 1, 2020 till August 12, 2020 | |
|---|---|
| Net assets (Rs.) | Tariff |
| - up to Rs. 1 billion | 0.20% per annum of net assets |
| - over Rs. 1 billion | Rs. 2 million plus 0.10% per annum of net assets exceeding Rs. 1 billion. |
| From August 13, 2020 till June 30, 2021 | |
| Tariff | |
| 0.075% of per annum of net assets | |

10.2 During the year, an amount of Rs 0.217 million (2020: Rs. 0.0315 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.201 million (2020: Rs. 0.031 million) was paid to the Trustee which acts as a collecting agent.

| 11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2021 | 2020 |
|--|------|---------|--------|
| -----Rupees----- | | | |
| Annual fee payable | 11.1 | 411,554 | 24,269 |

11.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

| 12 ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2021 | 2020 |
|---|------|------------------|------------------|
| -----Rupees----- | | | |
| Auditors' remuneration | | 701,368 | 520,868 |
| Printing charges | | 70,449 | 65,771 |
| Brokerage payable | | 40,000 | 346,578 |
| Settlement charges payable | | 45,706 | 393,864 |
| Shariah advisory fee | | 718,751 | 598,188 |
| Withholding tax payable | | 720,866 | 76,317 |
| Capital value tax payable | | - | 7,474 |
| Provision for Sindh Workers' Welfare Fund | 12.1 | 3,235,783 | 20,382 |
| Charity payable | | 3,849 | 102,486 |
| Sales load payable | | 290,474 | - |
| | | <u>5,827,246</u> | <u>2,131,928</u> |

- 12.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the year ended June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Re 0.126 (2020: Re 0.002) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

| 14 PROFIT INCOME | 2021 | 2020 |
|-------------------------|--------------------|------------------|
| | -----Rupees----- | |
| Profit income on: | | |
| - Bank balances | 26,728,131 | 2,248,954 |
| - Sukuk certificates | 112,754,935 | 4,448,909 |
| -GOP Ijara sukuks | 27,359,284 | - |
| | <u>166,842,350</u> | <u>6,697,863</u> |

15 AUDITORS' REMUNERATION

| | | |
|---------------------------------|----------------|----------------|
| Annual audit fee | 250,000 | 250,000 |
| Review and other certifications | 225,000 | 225,000 |
| Out of pocket expenses | 56,380 | 55,017 |
| | 531,380 | 530,017 |
| Sindh sales tax on services | 42,510 | 42,401 |
| | <u>573,890</u> | <u>572,418</u> |

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 0.48% which includes 0.19% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit Holders' Fund

| 2021 | | | | | | | | | | | |
|--|---------------------|---|---------------------|---|----------------------|-------------------------------------|---|---------------------|---|-------------------------------------|-------------|
| Note | As at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed/ conversion out / transfer out | As at June 30, 2021 | Net asset value as at July 01, 2020 | Issued for cash / conversion in / transfer in | Dividend Reinvested | Redeemed/ conversion out / transfer out | Net asset value as at June 30, 2021 | |
| | ----- (Units) ----- | | | | ----- (Rupees) ----- | | | | | | |
| Unit holder holding 10% or more Units | | | | | | | | | | | |
| Barrett Hodgson Pakistan (Private) Limited | 18.1.1 | 502,200 | - | 502,200 | - | 44,602,541 | - | - | 46,030,888 | - | |
| Pak Qatar Investment Account | 18.1.1 | 4,506,460 | 20,213,230 | 920,799 | 12,359,845 | 13,280,644 | 400,238,090 | 1,883,830,926 | 82,100,825 | 1,184,069,017 | |
| Pak Qatar Participant Investment Amount Fund | 18.1.1 | 2,816,538 | 19,499,721 | 831,272 | 11,158,129 | 11,989,402 | 250,148,851 | 1,818,730,106 | 74,118,374 | 1,068,945,109 | |
| 2020 | | | | | | | | | | | |
| | As at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend Reinvested | Redeemed/ conversion out / transfer out | As at June 30, 2020 | Net asset value as at July 01, 2019 | Issued for cash / conversion in / transfer in | Dividend Reinvested | Redeemed/ conversion out / transfer out | Net asset value as at June 30, 2020 | |
| | ----- (Units) ----- | | | | ----- (Rupees) ----- | | | | | | |
| Unit holder holding 10% or more Units | | | | | | | | | | | |
| Barrett Hodgson Pakistan (Private) Limited | 18.1.1 | 500,554 | - | 1,646 | - | 502,200 | 44,757,691 | - | 146,199 | - | 44,602,541 |
| Pak Qatar Investment Account | 18.1.1 | - | 9,003,929 | 4,496 | 4,501,965 | 4,506,460 | - | 800,238,154 | 399,324 | 400,238,154 | 400,238,090 |
| Pak Qatar Individual Family Participant Investment Amount Fund | 18.1.1 | - | 5,627,456 | 2,810 | 2,813,728 | 2,816,538 | - | 500,148,846 | 249,578 | 250,148,846 | 250,148,851 |

18.1.1 This reflects the position of related party / connected persons as at June 30, 2021.

18.2 Other transactions

| | 2021 | 2020 |
|--|--------------------|-----------|
| | ----- Rupees ----- | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 3,087,941 | 2,352,918 |
| Sindh sales tax on remuneration of the Management Company | 401,432 | 305,893 |
| Allocated expenses | 61,301 | 119,661 |
| Selling and marketing expenses | - | 136,227 |

| | 2021 | 2020 |
|--|------------------|------------|
| | -----Rupees----- | |
| Bank Alfalah Limited | | |
| Profit on bank balances | 1,034 | 85,649 |
| Bank charges | 945 | 12,394 |
| Sales load | 290,474 | - |
| Alfalah GHP Islamic Income Fund | | |
| Sukuk certificates - purchased | - | 5,922,000 |
| Sukuk certificates - sold | - | 2,467,500 |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration to Central Depository Company of Pakistan Limited - Trustee | 1,665,977 | 242,853 |
| Sindh sales tax on remuneration of the Trustee | 216,577 | 31,558 |
| Settlement charges | 56,365 | - |
| 18.3 Other balances | | |
| Associated companies / undertakings | | |
| Alfalah GHP Investment Management Limited - Management Company | | |
| Management remuneration payable | 288,420 | 225,771 |
| Sindh sales tax payable on management remuneration | 37,502 | 29,358 |
| Payable against allocated expenses | - | 32,214 |
| Payable against marketing and selling expenses | - | 48,068 |
| Sales load payable | - | 130,810 |
| Bank Alfalah Limited | | |
| Bank balances | 47,524,157 | 56,774,928 |
| Profit receivable on bank balances | - | 71,396 |
| Sales load payable | 290,474 | |
| Other related party | | |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee remuneration payable | 166,466 | 50,444 |
| Sindh sales tax payable on Trustee remuneration | 23,516 | 8,404 |
| Security deposit | 100,000 | 100,000 |

19 FINANCIAL INSTRUMENTS BY CATEGORY

| Particulars | 2021 | | |
|---|--------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- Rupees ----- | | |
| Financial assets | | | |
| Bank balances | 283,217,941 | - | 283,217,941 |
| Investments | - | 1,962,597,858 | 1,962,597,858 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Profit and other receivables | 45,344,760 | - | 45,344,760 |
| | <u>331,162,701</u> | <u>1,962,597,858</u> | <u>2,293,760,559</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 325,922 | - | 325,922 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 189,982 | - | 189,982 |
| Accrued expenses and other liabilities | 1,870,597 | - | 1,870,597 |
| Dividend payable | 3,502 | - | 3,502 |
| | <u>2,390,003</u> | <u>-</u> | <u>2,390,003</u> |

| Particulars | 2020 | | |
|---|--------------------|--------------------------------------|--------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| Financial assets | | | |
| Bank balances | 725,326,396 | - | 725,326,396 |
| Investments | - | 17,328,184 | 17,328,184 |
| Security deposits | 2,600,000 | - | 2,600,000 |
| Profit and other receivables | 3,637,293 | - | 3,637,293 |
| | <u>731,563,689</u> | <u>17,328,184</u> | <u>748,891,873</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 466,221 | - | 466,221 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 58,848 | - | 58,848 |
| Accrued expenses and other liabilities | 2,027,755 | - | 2,027,755 |
| Dividend payable | 44,412 | - | 44,412 |
| | <u>2,597,236</u> | <u>-</u> | <u>2,597,236</u> |

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund, the NBFC Regulations and the directives issued by the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds and are explained below:

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP.

Market risk comprises of three types of risks: currency risk, profit rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

| | 2021 | 2020 |
|---|----------------------|--------------------|
| | -----Rupees----- | |
| Variable rate instruments (financial assets) | | |
| Sukuk certificates | 1,335,873,552 | 17,328,184 |
| Bank balances | 283,217,941 | 725,326,396 |
| | <u>1,619,091,493</u> | <u>742,654,580</u> |
| Fixed rate instruments (financial assets) | | |
| GOP Ijara sukuks | 626,724,306 | - |
| | <u>626,724,306</u> | <u>-</u> |

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates on the last repricing date would have increased / decreased net income of the year and the net assets of the Fund by Rs. 16.19 million (2020: Rs. 7.43 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in profit rates on the last repricing date would have increased / decreased net income of the year and the net assets of the Fund by Rs 6.27 million .The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

| Particulars | 2021 | | | | | |
|---|-----------------------|-------------------------------------|---|--------------------|---|---------------|
| | Effective profit rate | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | Total |
| | | Up to three months | More than three months and up to one year | More than one year | | |
| ----- Rupees ----- | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 2.11% - 7% | 283,217,941 | - | - | - | 283,217,941 |
| Investments | 7.79% - 11.05% | 659,582,786 | 676,290,766 | - | 626,724,306 | 1,962,597,858 |
| Security deposits | | - | - | - | 2,600,000 | 2,600,000 |
| Profit and other receivables | | - | - | - | 45,344,760 | 45,344,760 |
| | | 942,800,727 | 676,290,766 | - | 674,669,066 | 2,293,760,559 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 325,922 | 325,922 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 189,982 | 189,982 |
| Accrued expenses and other liabilities | | - | - | - | 1,870,597 | 1,870,597 |
| Dividend payable | | - | - | - | 3,502 | 3,502 |
| | | - | - | - | 2,390,003 | 2,390,003 |
| On-balance sheet gap | | 942,800,727 | 676,290,766 | - | 672,279,063 | 2,291,370,556 |
| Total profit rate sensitivity gap | | 942,800,727 | 676,290,766 | - | 672,279,063 | 2,291,370,556 |
| Cumulative profit rate sensitivity gap | | 942,800,727 | 1,619,091,493 | 1,619,091,493 | | |
| ----- Rupees ----- | | | | | | |
| Particulars | 2020 | | | | | |
| | Effective profit rate | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | Total |
| | | Up to three months | More than three months and up to one year | More than one year | | |
| ----- Rupees ----- | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 3% - 7.5% | 725,326,396 | - | - | - | 725,326,396 |
| Investments | 8.65% - 14.99% | 17,328,184 | - | - | - | 17,328,184 |
| Security deposits | | - | - | - | 2,600,000 | 2,600,000 |
| Profit and other receivables | | - | - | - | 3,637,293 | 3,637,293 |
| | | 742,654,580 | - | - | 6,237,293 | 748,891,873 |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 466,221 | 466,221 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 58,848 | 58,848 |
| Accrued expenses and other liabilities | | - | - | - | 2,072,167 | 2,072,167 |
| Dividend payable | | - | - | - | 44,412 | 44,412 |
| | | - | - | - | 2,641,648 | 2,641,648 |
| On-balance sheet gap | | 742,654,580 | - | - | 3,595,645 | 746,250,225 |
| Total profit rate sensitivity gap | | 742,654,580 | - | - | 3,595,645 | 746,250,225 |
| Cumulative profit rate sensitivity gap | | 742,654,580 | 742,654,580 | 742,654,580 | | |

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at reporting date, the Fund is not exposed to price risk, as no equity securities are held by the Fund.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

| 2021 | Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial Instruments with no fixed maturity | Total |
|---|------------------|---|--|--|-------------------|--|---------------|
| Rupees | | | | | | | |
| Financial assets | | | | | | | |
| Bank balances | 283,217,941 | - | - | - | - | - | 283,217,941 |
| Investments | - | - | 4,707,786 | 1,267,036,227 | 289,853,845 | 401,000,000 | 1,561,597,858 |
| Security deposits | - | - | - | - | - | 2,600,000 | 2,600,000 |
| Profit and other receivables | 46,161,594 | - | - | - | - | - | 46,161,594 |
| | 329,379,535 | - | 4,707,786 | 1,267,036,227 | 289,853,845 | 403,600,000 | 1,893,577,393 |
| Financial liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 325,922 | - | - | - | - | - | 325,922 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 189,982 | - | - | - | - | - | 189,982 |
| Accrued expenses and other liabilities | 1,870,597 | - | - | - | - | - | 1,870,597 |
| Dividend payable | 3,502 | - | - | - | - | - | 3,502 |
| | 2,390,003 | - | - | - | - | - | 2,390,003 |
| Net financial assets | 326,989,532 | - | 4,707,786 | 1,267,036,227 | 289,853,845 | 403,600,000 | 1,891,187,390 |
| Rupees | | | | | | | |
| Financial assets | | | | | | | |
| Bank balances | 725,326,396 | - | - | - | - | - | 725,326,396 |
| Investments | - | - | - | 17,328,184 | - | - | 17,328,184 |
| Security deposits | - | - | - | - | - | 2,600,000 | - |
| Receivable against sale of investments | 3,637,293 | - | - | - | - | - | 3,637,293 |
| | 728,963,689 | - | - | 17,328,184 | - | 2,600,000 | 746,291,873 |
| Financial liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 466,221 | - | - | - | - | - | 466,221 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 58,848 | - | - | - | - | - | 58,848 |
| Accrued expenses and other liabilities | 2,072,167 | - | - | - | - | - | 2,072,167 |
| Dividend payable | 44,412 | - | - | - | - | - | 44,412 |
| | 2,641,648 | - | - | - | - | - | 2,641,648 |
| Net financial assets | 726,322,041 | - | - | 17,328,184 | - | 2,600,000 | 743,650,225 |

20.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.3.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2021 was as follows:

| | 2021 | | 2020 | |
|------------------------------|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| | -----Rupees----- | | -----Rupees----- | |
| Bank balances | 283,217,941 | 283,217,941 | 725,326,396 | 725,326,396 |
| Investments | 1,962,597,858 | 1,335,873,552 | 17,328,184 | 17,328,184 |
| Security deposits | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 |
| Profit and other receivables | 45,344,760 | 23,624,318 | 3,637,293 | 3,637,293 |
| | <u>2,293,760,559</u> | <u>1,645,315,811</u> | <u>748,891,873</u> | <u>748,891,873</u> |

Difference in the balance as per statement of assets and liabilities and maximum exposure is due to the fact that the investments in GOP Ijara sukuk and profit receivable on GOP Ijara sukuk amounting to Rs. 626.7 million (2020: Nil) and Rs. 21.720 million (2020: Nil) respectively are not exposed to credit risk.

No financial assets were considered to be past due or impaired at June 30, 2021 and June 30, 2020.

20.3.2 Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

| Name of Bank | Rating agency | Rating | 2021 | 2020 |
|-------------------------------------|---------------|--------|----------------------------------|----------------|
| | | | Percentage of total bank balance | |
| Bank Alfalah Limited | PACRA | AA+ | 16.78% | 8.03% |
| Habib Metropolitan Bank | PACRA | AA+ | 0.00% | 0.00% |
| Allied Bank Limited | PACRA | AAA | 0.00% | 0.00% |
| BankIslami Pakistan Limited | PACRA | A+ | 83.15% | 91.54% |
| Dubai Islamic Bank Pakistan Limited | VIS | AA | 0.03% | 0.21% |
| MCB Islamic Bank Limited | VIS | A | 0.04% | 0.22% |
| Meezan Bank Limited | VIS | AAA | 0.00% | 0.00% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

20.3.3 Investments

The Fund held investment in sukuk certificates at June 30, 2021 with entities having following credit ratings:

| Sukuk certificates by rating category | Rating agency | Rating | 2021 | 2020 |
|---|---------------|--------|---------------------------|----------------|
| | | | Percentage of investments | |
| Dawood Hercules Corporation Limited | VIS | AA | 0.00% | 56.34% |
| Bank Islami Pakistan Limited | PACRA | A- | 7.93% | 0.00% |
| Meezan Bank Limited | VIS | AA | 22.08% | 0.00% |
| Al-Baraka Bank (Pakistan) Limited | VIS | A | 16.23% | 0.00% |
| Dubai Islamic Bank Pakistan Limited | VIS | AA- | 2.69% | 0.00% |
| The Hub Power Company Limited | PACRA | AA+ | 17.25% | 0.00% |
| K-Electric Limited | VIS | AA+ | 19.00% | 0.00% |
| Neelum Jheulam Hydropower Company Limited | VIS | AAA | 14.46% | 0.00% |
| Pakistan Energy Sukuk | PACRA | AAA | 0.00% | 0.00% |
| International Brands Limited | VIS | AA | 0.36% | 43.66% |
| | | | <u>100.00%</u> | <u>100.00%</u> |

Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2021.

20.3.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk. Details of Fund's concentration of credit risk of financial instruments is as follows:

| | 2021 | | 2020 | |
|--|----------------------|----------------|--------------------|----------------|
| | Rupees | % | Rupees | % |
| Commercial banks (including profit receivable) [ratings disclosed in note 20.3.2] | 284,580,756 | 12.41% | 726,169,844 | 96.97% |
| Investments (including profit receivable) [ratings disclosed in 20.3.3] | 2,006,535,390 | 87.48% | 19,762,401 | 2.64% |
| Dividend receivable | 44,413 | 0.00% | 359,641 | 0.05% |
| National Clearing Company of Pakistan Limited (security deposit) | 2,500,000 | 0.11% | 2,500,000 | 0.33% |
| Central Depository Company of Pakistan Limited (security deposit) | 100,000 | 0.00% | 100,000 | 0.01% |
| | <u>2,293,760,559</u> | <u>100.00%</u> | <u>748,891,886</u> | <u>100.00%</u> |

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021 and June 30, 2020, the Fund held the following assets measured at fair values:

| | 2021 | | | |
|---|----------|----------------------|----------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | Rupees | | | |
| At fair value through profit or loss | | | | |
| Investments | | | | |
| Sukuk certificates | - | 1,335,873,552 | - | 1,335,873,552 |
| GOP Ijara sukuks | - | 626,724,306 | - | 626,724,306 |
| | <u>-</u> | <u>1,962,597,858</u> | <u>-</u> | <u>1,962,597,858</u> |
| | Rupees | | | |
| | | | | |
| At fair value through profit or loss | | | | |
| Sukuk certificates | - | 17,328,184 | - | 17,328,184 |
| | <u>-</u> | <u>17,328,184</u> | <u>-</u> | <u>17,328,184</u> |

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

24 GENERAL

24.1 Rounding off

Figures have been rounded off to the nearest rupee.

24.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 275 | 336,876 | 30,036,009 | 1% |
| Associated Co./ Directors | - | - | - | 0% |
| Banks/Dfis | - | - | - | 0% |
| Insurance Co. | - | - | - | 0% |
| Retirement & Other Funds | - | - | - | 0% |
| Others | 11 | 25,324,521 | 2,257,870,953 | 99% |
| | 286 | 25,661,397 | 2,287,906,961 | 100% |

| Category | As at 30 June 2020 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 80 | 529,448 | 47,020,000 | 6% |
| Associated Co./ Directors | - | - | - | 0% |
| Banks/Dfis | - | - | - | 0% |
| Insurance Co. | - | - | - | 0% |
| Retirement & Other Funds | 0 | - | - | 0% |
| Others | 4 | 7,876,427 | 699,541,725 | 94% |
| | 84 | 8,405,875 | 746,561,725 | 100% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|---|---------------------|
| | 30 June 2021 |
| | % |
| Paramount Capital (Pvt.) Limited | 39% |
| Summit Capital (Private) Limited | 28% |
| Invest One Markets Limited | 17% |
| Next Capital Limited | 17% |
| | 30 June 2020 |
| | % |
| Al Habib Capital Markets Limited | 13% |
| Arif Habib Limited | 4% |
| BIPL Securities | 6% |
| BMA Capital Management Limited | 10% |
| EFG Hermes Pakistan Limited | 9% |
| Foundation Securities Limited | 13% |
| Inter Market Securities Limited | 4% |
| Nael Capital Private Limited | 6% |
| Taurus Securities Limited | 6% |
| Topline Securities (Pvt) Limited | 4% |

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & and Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi"

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level I Exam

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachelors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

| Name of Director | Number of Meetings | | | Meeting not attended |
|---------------------------|--------------------|----------|---------------|----------------------|
| | Held | Attended | Leave Granted | |
| Hanspeter Beier | 4 | 3 | 1 | 1 |
| Syed Ali Sultan | 4 | 4 | - | - |
| Ms. Maheen Rahman | 4 | 2 | Resigned | Resigned |
| Mr. Abid Naqvi | 4 | 3 | 1 | 1 |
| Mr. Tufail Jawed Ahmad | 4 | 3 | 1 | 1 |
| Ms. Mehreen Ahmed | 4 | 4 | - | - |
| Ms. Dominique Liana Russo | 4 | 1 | Resigned | Resigned |
| Mr. Edward Phillip Hurt | 4 | 1 | 3 | 3 |
| Mr. Tanveer Awan | 3 | 3 | - | - |
| Mr. Nabeel Malik | 2 | 2 | - | - |

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
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PERFORMANCE TABLE - AGIVF

| | 30 June 2021 (Rupees in '000) | 30 June 2020 (Rupees in '000) | 30 June 2019 (Rupees in '000) | 30 June 2018 (Rupees in '000) |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Net Assets | 2,287,907 | 746,562 | 143,159 | 290,423 |
| NAV per unit | 89.1575 | 88.8143 | 89.4164 | 100.5300 |
| Selling price per unit | 89.9131 | 89.5670 | 92.4476 | 103.9386 |
| Redemption price per unit | 89.1575 | 88.8143 | 89.4164 | 100.5300 |
| Highest selling price per unit | 96.5921 | 106.4587 | 106.3914 | 110.0563 |
| Highest redemption price per unit | 95.7804 | 102.9681 | 102.9030 | 106.4477 |
| Lowest selling price per unit | 89.5810 | 79.3273 | 88.3010 | 99.7689 |
| Lowest redemption price per unit | 88.8282 | 76.7263 | 88.3010 | 96.4976 |
| Total interim distribution per unit | 6.6178 | 0.2547 | N/A | Nil |
| Interim distribution date | 28 Jun,2021 | 26 Jun,2020 | N/A | N/A |
| Final distribution per unit | 0.0271 | 0.0743 | N/A | 0.236 |
| Final distribution date | 30 Jun,2021 | 30 Jun,2020 | N/A | 02 Jul,2018 |
| Annualized returns | 7.87% | 1.86% | -10.80% | 0.53% |
| Income distribution | N/A | N/A | N/A | 0.24% |
| Weighted avg. portfolio duration | N/A | N/A | N/A | N/A |

Return since inception is -3.18%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



Alfalah
Islamic Rozana Amdani Fund

FUND INFORMATION

| | |
|---|--|
| Management Company: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | Mr. Tanveer Awan Mr. Nabeel Malik (CEO - Acting) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed |
| Audit Committee: | Mr. Abid Naqvi Syed Ali Sultan |
| HR Committee: | Mr. Tanveer Awan Syed Ali Sultan Mr. Tufail Jawed Ahmed Mr. Nabeel Malik (CEO - Acting) |
| Risk Committee: | Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Nabeel Malik (CEO - Acting) |
| Chief Operating Officer and Company Secretary: | Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | Syed Hyder Raza Zaidi |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan |
| Legal Advisor: | Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi |
| Shariah Advisor: | Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi |
| Registrar: | Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | Not Yet Rated |

Alfalah Islamic Rozana Amdani Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

The objective of Alfalah Islamic Rozana Amdani Fund (AIRAF) is to provide competitive returns and to meet liquidity needs of investors by providing investors a daily dividend by investing in low risk and highly liquid Shari'ah Compliant money market instruments.

Accomplishment of Objective

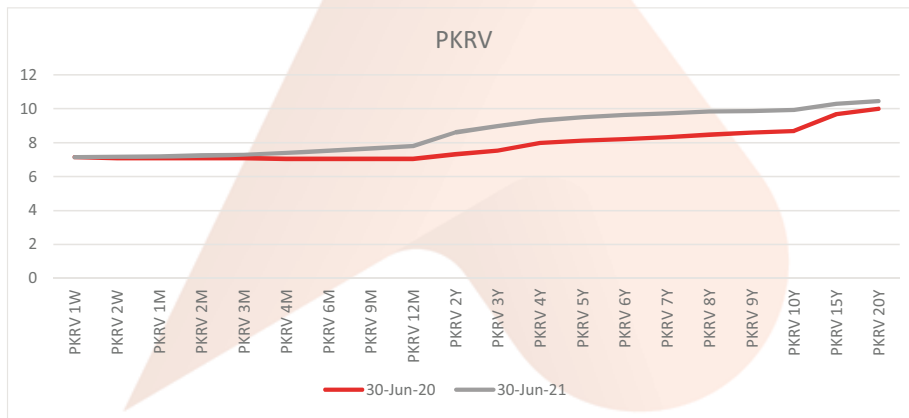
The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration shariah compliant fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review:-

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

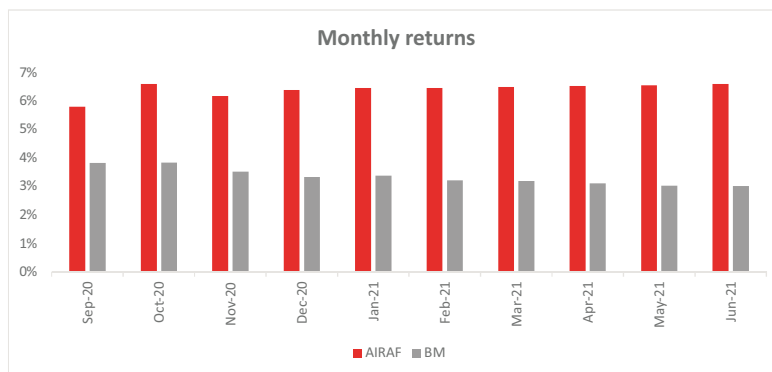
Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

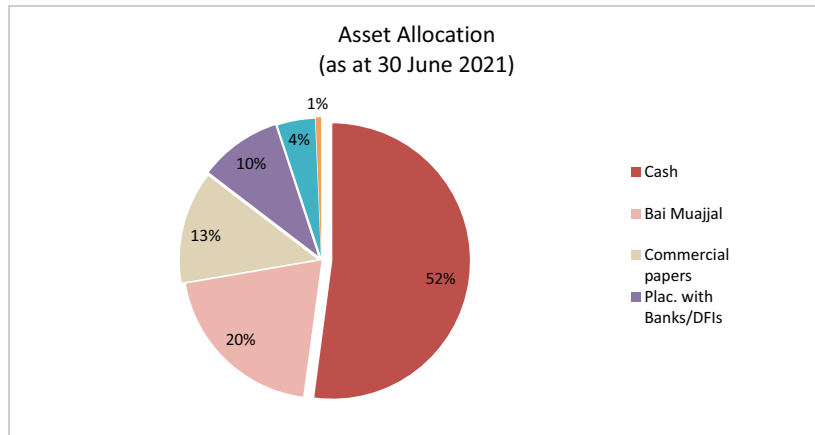
The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



Fund Performance

For the year ended June 30 2021, the fund posted a return of 6.58% against the benchmark of 3.34%.





| Credit Quality (as % of Total Assets) | | | |
|---------------------------------------|--------|-----------|-------|
| Govt. Secs / Guar | 0.00% | A | 0.00% |
| AAA | 31.15% | A- | 0.00% |
| AA+ | 20.18% | BBB+ | 0.00% |
| AA | 48.00% | BBB | 0.00% |
| AA- | 0.00% | Below IG | 0.00% |
| A+ | 0.00% | NR/UR/MTS | 0.67% |

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



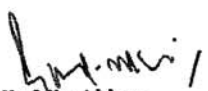
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH ISLAMIC ROZANA AMDANI FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Islamic Rozana Amdani 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 period from August 13, 2020 to June 30, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 14, 2021





Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC ROZANA AMDANI FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Rozana Amdani Fund ('AIRAF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed dated June 25, 2020 and Offering Document dated July 17, 2020 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor, we have reviewed and given approval for investment in following avenues during the period from July 01, 2020 to June 30, 2021.

| Investment Avenue |
|--|
| <i>Approved Shariah Compliant Sukuk</i> |
| <i>Approved Islamic Commercial Papers</i> |
| <i>Approved Bai Muajjal Transactions</i> |
| <i>Term Deposit Receipts with Approved Islamic Banks</i> |

We hereby certify that all the above-mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2021, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalsh GHP Investment Management Ltd
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahghp.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah Islamic Rozana Amdani Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2021. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 30, 2021

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah Islamic Rozana Amdani Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Islamic Rozana Amdani Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from August 13, 2020 to June 30, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the period from August 13, 2020 to June 30, 2021 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|--|--|
| 1 | Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements) | |
| | <p>The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2021 amounted to Rs. 2,430.74 million and bank balances aggregated to Rs. 2,668.81 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.</p> | <p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">▪ Tested the design and operating effectiveness of the key controls for valuation of investments;▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 30, 2021

ALFALAH ISLAMIC ROZANA AMDANI FUND**STATEMENT OF ASSETS AND LIABILITIES***AS AT JUNE 30, 2021*

| | Note | June 30, 2021 (Rupees) |
|---|-------------|-----------------------------------|
| Assets | | |
| Bank balances | 4 | 2,668,806,269 |
| Investments | 5 | 2,430,737,251 |
| Deposits, advances and other receivables | 6 | 19,261,755 |
| Preliminary expenses and floatation costs | 7 | 2,730,789 |
| Total assets | | <u>5,121,536,064</u> |
| Liabilities | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 8 | 4,529,230 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 315,385 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 10 | 627,419 |
| Accrued expenses and other liabilities | 11 | 8,728,830 |
| Total liabilities | | <u>14,200,864</u> |
| Net assets attributable to the unit holders | | <u>5,107,335,200</u> |
| Unit holders' fund (as per the statement attached) | | <u>5,107,335,200</u> |
| Contingencies and commitments | 12 | |
| | | (Number of units) |
| Number of units in issue | | <u>51,073,352</u> |
| | | (Rupees) |
| Net asset value per unit | | <u>100.000</u> |

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

INCOME STATEMENT

FOR THE YEAR PERIOD FROM AUGUST 13, 2020 TO JUNE 30, 2021

| | Note | For the period from August 13, 2020 to June 30, 2021 |
|---|------|--|
| | | ----- Rupees ----- |
| Income | | |
| Profit earned | 13 | 219,759,244 |
| Gain on sale of investments - net | | 1,017,665 |
| Total income | | <u>220,776,909</u> |
| Expenses | | |
| Remuneration of Alfalah GHP Investment Management Limited - Management Company | 8.1 | 7,842,761 |
| Sindh sales tax on remuneration of the Management Company | 8.2 | 1,019,559 |
| Remuneration of Central Depository Company of Pakistan - Trustee | 9.1 | 2,039,123 |
| Sindh sales tax on remuneration of the Trustee | 9.2 | 265,086 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10.1 | 627,419 |
| CDS charges | | 193,550 |
| Bank and settlement charges | | 71,106 |
| Auditors' remuneration | 14 | 202,069 |
| Printing and publication charges | | 50,727 |
| Brokerage expense | | 375,546 |
| Amortisation of preliminary expenses and floatation costs | 7 | 505,471 |
| Fees and subscriptions | | 328,565 |
| Shariah advisor fee | | 202,069 |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 4,141,077 |
| Total expenses | | <u>17,864,128</u> |
| Net income for the period before taxation | | <u>202,912,781</u> |
| Taxation | 17 | - |
| Net income for the period after taxation | | <u><u>202,912,781</u></u> |
| Allocation of net income for the period | | |
| Net income for the period after taxation | | 202,912,781 |
| Income already paid on units redeemed | | - |
| | | <u><u>202,912,781</u></u> |
| Accounting income available for distribution | | |
| - Relating to capital gain | | 1,017,665 |
| - Excluding capital gain | | 201,895,116 |
| | | <u><u>202,912,781</u></u> |

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR PERIOD FROM AUGUST 13, 2020 TO JUNE 30, 2021

**For the period
from August 13,
2020 to June 30,
2021**

----- Rupees -----

Net income for the period after taxation

202,912,781

Other comprehensive income for the period

-

Total comprehensive income for the period

202,912,781

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR PERIOD FROM AUGUST 13, 2020 TO JUNE 30, 2021

| For the period from August 13, 2020 to June 30, 2021 | | |
|--|-----------------------------|----------------------|
| Capital value | Undistributed income | Total |
| ----- (Rupees) ----- | | |
| Issuance of 84,580,450 units | | |
| - Capital value (at par value per unit at the beginning of the period) | 8,458,045,000 | 8,458,045,000 |
| - Element of income / (loss) | - | - |
| Total proceeds on issuance of units | 8,458,045,000 | 8,458,045,000 |
| Redemption of 33,507,098 units | | |
| - Capital value (at par value per unit at the beginning of the period) | 3,350,709,800 | 3,350,709,800 |
| - Element of income / (loss) | - | - |
| Total payments on redemption of units | 3,350,709,800 | 3,350,709,800 |
| Total comprehensive income for the period | - | 202,912,781 |
| Distributions during the period* | - | (202,912,781) |
| Net assets at end of the period | <u>5,107,335,200</u> | <u>5,107,335,200</u> |
| | (Rupees) | |
| Accounting income available for distribution | | |
| - Relating to capital gain | 1,017,665 | |
| - Excluding capital gain | 201,895,116 | |
| | 202,912,781 | |
| Distributions during the period: Rs. 5.0138 per unit i.e. 5.01% of the par value of Rs. 100/- each | | (202,912,781) |
| Undistributed income carried forward | | <u>-</u> |
| Net asset value per unit at the end of the period | | <u>100.00</u> |

* Alfalah Islamic Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the period ended June 30, 2021 amounted to Rs.5.0138 per unit.

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

CASH FLOW STATEMENT

FOR THE YEAR PERIOD FROM AUGUST 13, 2020 TO JUNE 30, 2021

| | Note | For the period from August 13, 2020 to June 30, 2021 (Rupees) |
|---|------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | | 202,912,781 |
| Adjustments for: | | |
| Amortisation of preliminary expenses and floatation costs | | 505,471 |
| Provision for Sindh Workers' Welfare Fund | | 4,141,077 |
| | | <u>207,559,329</u> |
| Increase in assets | | |
| Investments - net | | (900,298,097) |
| Deposits, advances and other receivables | | (19,261,755) |
| | | <u>(919,559,852)</u> |
| Increase in liabilities | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | 1,292,970 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 315,385 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | 627,419 |
| Accrued expenses and other liabilities | | 4,587,753 |
| | | <u>6,823,527</u> |
| Net cash used in operating activities | | <u>(705,176,996)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amount received against issuance of units | | 8,458,045,000 |
| Payment made against redemption of units | | (3,350,709,800) |
| Dividend paid | | (202,912,781) |
| Net cash generated from financing activities | | <u>4,904,422,419</u> |
| Net increase in cash and cash equivalents during the period | | <u>4,199,245,423</u> |
| Cash and cash equivalents at the end of the period | 15 | <u><u>4,199,245,423</u></u> |

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR PERIOD FROM AUGUST 13, 2020 TO JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah Islamic Rozana Amdani Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on May 19, 2020, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules) on June 25, 2020.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f. March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.
- 1.3** The Fund has been categorised as a 'Shari'ah Compliant Money Market Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from September 21, 2020 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Fund is to provide competitive returns and to meet liquidity needs of investors by providing investors a daily dividend by investing in low risk and highly liquid Shariah Compliant money market instruments. The Management Company has appointed Mufti Atta Ullah as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.5 The Fund has the following specific features:**
- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day).
 - (b) Daily dividend received by the unit holder shall be reinvested.
- By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2021 and AA(f) to the Fund in its credit rating report dated May 19, 2021.
- 1.7** As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from August 13, 2020.
- 1.8** The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.9** These are the first financial statements of the Fund for the period from August 13, 2020 to June 30, 2021 therefore, comparative figures have not been presented.
- 1.10** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial instruments (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.6 and 17)
- iv. Provision for Sindh Workers' Welfare Fund (note 11.1)

2.4 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost ; or
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

Based on the business model of the entity, however, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted around that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company 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 / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Profit on term deposit receipts and commercial papers is recognised on time proportion basis using the effective yield.
- Income on sukuk certificates is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis.
- Income on bai muajjal is recognised on time proportion basis, the difference between the sale and the credit price is recognised over the credit period.
- Profit on bank balances is recognised on an accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period after taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

| | Note | 2021 (Rupees) |
|------------------------|------|----------------------|
| 4 BANK BALANCES | | |
| In Savings accounts | 4.1 | 2,668,806,269 |
| | | <u>2,668,806,269</u> |

4.1 These accounts carry profit rates ranging from 6.40% to 7% per annum. These include bank balance of Rs.Nil which is maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS

At fair value through profit or loss

| | | |
|-------------------------------|-----|----------------------|
| Commercial papers | 5.1 | 675,298,097 |
| Bai muajjal receivable | 5.2 | 1,040,439,154 |
| Term deposit receipts | 5.3 | 490,000,000 |
| Short term sukuk certificates | 5.4 | 225,000,000 |
| | | <u>2,430,737,251</u> |

5.1 Commercial papers - at fair value through profit or loss

| Name of the Investee Company | Profit rate | Maturity date | Face value | | | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|--|-------------|--------------------|-----------------------------|----------------------------------|---------------------|-----------------------------|--------------------|--------------------------|---------------------------------|-------------------------------|
| | | | Purchased during the period | Sold / Matured during the period | As at June 30, 2021 | Carrying Value | Market Value | Unrealised gain / (loss) | Net assets of the Fund | Total investments of the Fund |
| | | | (Rupees) | | | | | (%) | | |
| K-Electric Limited ICP-12 (A1+, PACRA) | 8.04% | March 24, 2021 | 3,192,000,000 | 3,192,000,000 | - | - | - | - | - | |
| K-Electric Limited ICP-13 (A1+, PACRA) | 9.59% | April 20, 2021 | 2,440,000,000 | 2,440,000,000 | - | - | - | - | - | |
| K-Electric Limited ICP-14 (A-1+, VIS) | 7.96% | August 10, 2021 | 1,351,000,000 | 1,141,000,000 | 210,000,000 | 208,228,183 | 208,228,183 | - | 4.08% | |
| K-Electric Limited ICP-16 (A1+, PACRA) | 8.48% | September 16, 2021 | 1,430,500,000 | 1,144,000,000 | 286,500,000 | 281,643,277 | 281,643,277 | - | 5.51% | |
| K-Electric Limited ICP-18 (A-1+, VIS) | 8.32% | October 19, 2021 | 190,000,000 | - | 190,000,000 | 185,426,637 | 185,426,637 | - | 3.63% | |
| Total as at June 30, 2021 | | | | | | <u>675,298,097</u> | <u>675,298,097</u> | | | |

5.2 Bai muajjal receivable - at fair value through profit or loss

| Name of the Investee Company | Note | Profit rate | Maturity date | Rating (Long Term / Short Term) | Total transaction price | Deferred income | Accrued profit | Carrying value as at June 30, 2021 | Carrying value as a percentage of | |
|---------------------------------------|------|-------------|-------------------|---------------------------------|-------------------------|-----------------|----------------|------------------------------------|-----------------------------------|-------------------------------|
| | | | | | | | | | Net assets of the Fund | Total investments of the Fund |
| | | | | | | | | | Rupees ----- % | |
| Pak Oman Investment Company Limited | - | 6.85% | December 30, 2020 | AA+ / A-1+ | 105,288,647 | 1,767,935 | - | - | - | - |
| Pak Kuwait Investment Company Limited | - | 6.80% | January 4, 2021 | AAA / A1+ | 105,409,340 | 1,757,258 | - | - | - | - |
| Samba Bank Limited | - | 6.85% | January 20, 2021 | AA / A-1 | 127,011,153 | 2,155,723 | - | - | - | - |
| Samba Bank Limited | - | 6.85% | January 29, 2021 | AA / A-1 | 106,083,177 | 1,800,519 | - | - | - | - |
| Pak Oman Investment Company Limited | - | 6.85% | February 3, 2021 | AA+ / A-1+ | 128,522,345 | 2,181,372 | - | - | - | - |
| Pak Brunei Investment Company Limited | - | 6.75% | March 29, 2021 | AA+ / A-1+ | 129,593,072 | 2,859,322 | - | - | - | - |
| Pak Brunei Investment Company Limited | - | 6.75% | March 29, 2021 | AA+ / A-1+ | 119,636,612 | 2,576,132 | - | - | - | - |
| Pak China Investment Company Limited | - | 6.75% | March 1, 2021 | AAA / A-1+ | 128,953,971 | 2,111,151 | - | - | - | - |
| Pak China Investment Company Limited | - | 6.75% | March 2, 2021 | AAA / A-1+ | 128,981,593 | 2,111,603 | - | - | - | - |
| Pak China Investment Company Limited | - | 6.75% | March 4, 2021 | AAA / A-1+ | 99,259,309 | 1,625,009 | - | - | - | - |
| Pak Kuwait Investment Company Limited | - | 6.80% | March 8, 2021 | AAA / A1+ | 129,163,913 | 2,129,993 | - | - | - | - |
| Pak Kuwait Investment Company Limited | - | 6.80% | March 9, 2021 | AAA / A1+ | 119,253,850 | 1,966,570 | - | - | - | - |
| Pak Oman Investment Company Limited | - | 6.87% | April 6, 2021 | AA+ / A-1+ | 99,997,921 | 1,665,721 | - | - | - | - |
| Pak Oman Investment Company Limited | - | 6.87% | April 8, 2021 | AA+ / A-1+ | 100,041,242 | 1,666,442 | - | - | - | - |
| Samba Bank Limited | - | 7.00% | April 19, 2021 | AA / A-1 | 130,405,382 | 2,212,642 | - | - | - | - |
| Samba Bank Limited | - | 7.00% | April 20, 2021 | AA / A-1 | 120,398,857 | 2,042,857 | - | - | - | - |
| Samba Bank Limited | - | 7.05% | April 29, 2021 | AA / A-1 | 100,541,303 | 1,717,903 | - | - | - | - |
| Samba Bank Limited | - | 7.05% | May 3, 2021 | AA / A-1 | 100,626,126 | 1,738,126 | - | - | - | - |
| Pak Oman Investment Company Limited | - | 7.05% | May 4, 2021 | AA+ / A-1+ | 130,846,270 | 2,235,710 | - | - | - | - |
| Pak Oman Investment Company Limited | - | 7.05% | May 17, 2021 | AA+ / A-1+ | 121,096,668 | 2,249,628 | - | - | - | - |

| Name of the Investee Company | Note | Profit rate | Maturity date | Rating (Long Term / Short Term) | Total transaction price | Deferred income | Accrued profit | Carrying value as at June 30, 2021 | Carrying value as a percentage of | |
|---------------------------------------|-------|-------------|-------------------|---------------------------------|-------------------------|------------------|----------------------|------------------------------------|-----------------------------------|-------------------------------|
| | | | | | | | | | Net assets of the Fund | Total investments of the Fund |
| ----- Rupees ----- % ----- | | | | | | | | | | |
| Pak Kuwait Investment Company Limited | - | 7.00% | May 17, 2021 | AAA / A1+ | 100,909,695 | 1,805,595 | - | - | - | - |
| Pak Kuwait Investment Company Limited | - | 7.00% | May 17, 2021 | AAA / A1+ | 100,912,780 | 1,786,980 | - | - | - | - |
| Pak China Investment Company Limited | - | 7.00% | May 31, 2021 | AAA / A-1+ | 131,609,065 | 2,233,065 | - | - | - | - |
| Pak China Investment Company Limited | - | 7.00% | June 1, 2021 | AAA / A-1+ | 131,637,762 | 2,233,552 | - | - | - | - |
| Pak China Investment Company Limited | - | 7.00% | June 2, 2021 | AAA / A-1+ | 131,666,459 | 2,234,039 | - | - | - | - |
| Pak Kuwait Investment Company Limited | - | 7.05% | June 7, 2021 | AAA / A1+ | 131,826,315 | 2,252,455 | - | - | - | - |
| Pak Kuwait Investment Company Limited | - | 7.05% | June 8, 2021 | AAA / A1+ | 131,855,148 | 2,252,948 | - | - | - | - |
| Pak Brunei Investment Company Limited | - | 7.11% | June 25, 2021 | AA+ / A-1+ | 91,125,051 | 1,467,051 | - | - | - | - |
| Pak Brunei Investment Company Limited | - | 7.11% | June 28, 2021 | AA+ / A-1+ | 91,208,016 | 1,399,536 | - | - | - | - |
| Pak Brunei Investment Company Limited | - | 7.11% | June 28, 2021 | AA+ / A-1+ | 91,208,425 | 1,347,835 | - | - | - | - |
| Pak Brunei Investment Company Limited | - | 7.11% | June 28, 2021 | AA+ / A-1+ | 91,208,639 | 1,330,589 | - | - | - | - |
| Pak Oman Investment Company Limited | 5.2.1 | 7.09% | August 23, 2021 | AA+ / A-1+ | 200,167,592 | 3,701,792 | 1,679,164 | 198,144,964 | 3.88% | 8.15% |
| Pak Oman Investment Company Limited | 5.2.1 | 7.09% | August 24, 2021 | AA+ / A-1+ | 200,209,773 | 3,702,573 | 1,641,347 | 198,148,547 | 3.88% | 8.15% |
| Pak Oman Investment Company Limited | 5.2.1 | 7.09% | August 25, 2021 | AA+ / A-1+ | 100,125,976 | 1,851,676 | 801,757 | 99,076,057 | 1.94% | 4.08% |
| Samba Bank Limited | 5.2.1 | 7.15% | September 1, 2021 | AA / A-1 | 200,597,350 | 3,551,150 | 1,157,984 | 198,204,184 | 3.88% | 8.15% |
| Samba Bank Limited | 5.2.1 | 7.15% | September 2, 2021 | AA / A-1 | 200,639,700 | 3,551,900 | 1,119,621 | 198,207,421 | 3.88% | 8.15% |
| Samba Bank Limited | 5.2.1 | 7.15% | September 3, 2021 | AA / A-1 | 150,511,537 | 2,664,487 | 810,931 | 148,657,981 | 2.91% | 6.12% |
| Total as at June 30, 2021 | | | | | 79,938,839 | 7,210,804 | 1,040,439,154 | 20.37% | 42.80% | |

5.2.1 These Bai Muajjal transactions are carried out against K-Electric Limited Commercial Paper (ICP-14) which was issued on February 10, 2021.

5.3 Term deposit receipts - at fair value through profit or loss

| Name of Investee Company | Profit rate | Issue date | Maturity date | Face value | | | Market Value as at June 30, 2021 | Market value as a percentage of | |
|--|-------------|-------------------|------------------|-----------------------------|---------------------------|---------------------|----------------------------------|---------------------------------|-------------------------------|
| | | | | Purchased during the period | Matured during the period | As at June 30, 2021 | | Net assets of the Fund | Total investments of the Fund |
| ----- Rupees ----- | | | | | | | | | |
| Askari Bank Limited (A1+, PACRA) | 6.40% | October 28, 2020 | January 26, 2021 | 130,000,000 | 130,000,000 | - | - | - | - |
| Askari Bank Limited (A1+, PACRA) | 6.40% | November 2, 2020 | January 26, 2021 | 100,000,000 | 100,000,000 | - | - | - | - |
| Dubai Islamic Bank Limited (A-1+, VIS) | 6.75% | December 30, 2020 | March 30, 2021 | 300,000,000 | 300,000,000 | - | - | - | - |
| Askari Bank Limited (A1+, PACRA) | 6.95% | March 29, 2021 | June 29, 2021 | 229,000,000 | 229,000,000 | - | - | - | - |
| Askari Bank Limited (A1+, PACRA) | 6.95% | March 29, 2021 | June 29, 2021 | 200,000,000 | 200,000,000 | - | - | - | - |
| Askari Bank Limited (A1+, PACRA) | 6.95% | April 15, 2021 | June 29, 2021 | 429,000,000 | 429,000,000 | - | - | - | - |
| Faysal Bank Limited (A1+, PACRA) | 7.25% | June 30, 2021 | July 30, 2021 | 490,000,000 | - | 490,000,000 | 490,000,000 | 9.59% | 20.16% |
| Total as at June 30, 2021 | | | | | | | 490,000,000 | 9.59% | 20.16% |

5.4 Short term sukus - at fair value through profit or loss

| Name of the Investee Company | Profit rate | Maturity date | Purchased during the period | Sold / matured during the period | As at June 30, 2021 | Balance as at June 30, 2021 | | | Market value as a percentage of | |
|--|------------------|-------------------|-----------------------------|----------------------------------|---------------------|-----------------------------|--------------------|--------------------------|---------------------------------|-------------------------------|
| | | | | | | Carrying value | Market value | Unrealised gain / (loss) | Net assets of the Fund | Total investments of the Fund |
| --- (Number of certificates) --- | | | | | | | | | | |
| ----- (Rupees) ----- | | | | | | | | | | |
| ----- (%) ----- | | | | | | | | | | |
| The Hub Power Company Limited (A1+, PACRA) | 6M Kibor + 1.30% | November 19, 2020 | 16,840 | 16,840 | - | - | - | - | - | - |
| The Hub Power Company Limited (A1+, PACRA) | 6M Kibor + 1.30% | May 16, 2021 | 2,250 | 2,250 | - | - | - | - | - | - |
| Kot Addu Power Company Limited (A-1+, VIS) | 3M Kibor + 0.7% | June 3, 2021 | 1,900 | 1,900 | - | - | - | - | - | - |
| The Hub Power Company Limited (A1+, PACRA) | 6M Kibor + 1.30% | November 5, 2021 | 2,250 | - | 2,250 | 225,000,000 | 225,000,000 | - | 4.41% | 9.26% |
| Total as at June 30, 2021 | | | | | | 225,000,000 | 225,000,000 | - | 4.41% | 9.26% |

5.5 Non compliant investments

The Securities and Exchange Commission of Pakistan (SECP), vide its circular no. 16 dated July 7, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

| Name of non-compliant investment under NBFC Regulation 55 | Note | Type of instrument | Market value of investment | Provision held if any | Market value of investment after provision | % of net assets | % of gross assets |
|---|-------------|------------------------|----------------------------|-----------------------|--|-----------------|-------------------|
| ----- (Rupees) ----- | | | | | | | |
| Non-compliance under NBFC Regulation 55 (5) | | | | | | | |
| Samba Bank Limited | 5.2 & 5.5.1 | Bai Muajjal receivable | 545,069,586 | - | 545,069,586 | 10.67% | 10.64% |
| | | | <u>545,069,586</u> | <u>-</u> | <u>545,069,586</u> | <u>10.67%</u> | <u>10.64%</u> |

5.5.1 As per the NBFC Regulations, regulation 55 sub-regulation (5), the exposure of collective investment scheme to any single entity shall not exceed the lower of an amount equal to 10% of the total net assets of the collective investment scheme or 10% of the debt issue. As at period end investment exceeds 10% of net assets value.

| 6 DEPOSITS, ADVANCES AND OTHER RECEIVABLES | Note | 2021 (Rupees) |
|--|------|-------------------|
| Profit receivable on: | | |
| Bank balances | | 15,510,984 |
| Term deposit receipts | | 97,329 |
| Short term sukuk certificates | | <u>2,970,411</u> |
| | | 18,578,724 |
| Advance tax | 6.1 | 523,031 |
| Other receivable | | 60,000 |
| Security Deposit with Central Depository Company of Pakistan Limited - Trustee | | <u>100,000</u> |
| | | <u>19,261,755</u> |

6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the period ended June 30, 2021, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs. 0.523 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| 7 PRELIMINARY EXPENSES AND FLOATION COSTS | Note | 2021 (Rupees) |
|--|------|------------------|
| Preliminary expenses and floatation costs incurred prior to commencement of operations | 7.1 | 3,236,260 |
| Less: amortised during the period | | <u>505,471</u> |
| Balance as at period end | | <u>2,730,789</u> |

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

| 8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | Note | 2021 (Rupees) |
|--|--|--------------------------|
| Management remuneration payable | 8.1 | 1,073,425 |
| Sindh sales tax payable on management remuneration | 8.2 | 139,545 |
| Payable against preliminary expenses and floatation costs | 7.1 | 3,236,260 |
| Other payable | | 80,000 |
| | | <u>4,529,230</u> |
| 8.1 | <p>'As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 2% of the gross earnings of the Scheme, calculated on a daily basis not exceeding 1% of average annual net assets of the scheme with effect from the closure of initial public offer (IPO) i.e: September 21, 2020. Provided that the Fund is subject to a minimum fee of 0.25% of the average net assets of the Scheme. The remuneration is paid to the Management Company on a monthly basis in arrears.</p> | |
| 8.2 | <p>During the period, an amount of Rs. 1.02 million was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.88 million has been paid to the Management Company which acts as a collecting agent.</p> | |
| 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2021 (Rupees) |
| Trustee remuneration payable | 9.1 | 279,094 |
| Sindh sales tax payable on Trustee remuneration | 9.2 | 36,291 |
| | | <u>315,385</u> |
| 9.1 | <p>The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund with effect from the closure of initial public offer (IPO) i.e: September 21, 2020. During the period, the Trustee has charged remuneration at the rate of 0.065% per annum of net assets of the Fund.</p> | |
| 9.2 | <p>During the period, an amount of Rs. 0.265 million was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.229 million was paid to the Trustee which acts as a collecting agent.</p> | |
| 10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2021 (Rupees) |
| Annual fee payable | 10.1 | <u>627,419</u> |
| 10.1 | <p>Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.</p> | |
| 11 ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2021 (Rupees) |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 4,141,077 |
| Auditors' remuneration payable | | 202,069 |
| Settlement charges payable | | 244,380 |
| Listing fee payable | | 25,328 |
| Brokerage expense payable | | 101,116 |
| Withholding tax payable | | 2,783,414 |
| Printing charges payable | | 50,472 |
| Rating fee payable | | 303,237 |
| Shariah advisory fee payable | | 202,069 |
| Sales load payable | | 675,668 |
| | | <u>8,728,830</u> |
| 11.1 | <p>As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to</p> | |

have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act. Since the Fund has started operations with effect from September 21, 2020 therefore, the provision has been recognised from September 21, 2020 to June 30, 2021.

Subsequent to the period ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from September 21, 2020 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. Had the provision for SWWF been reversed in the financial statements of the Fund for the period ended June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Re 0.08 per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021.

| | | For the period from August 13, 2020 to June 30, 2021 |
|-----------|---|---|
| | | (Rupees) |
| 13 | PROFIT EARNED | |
| | Profit on: | |
| | - Commercial papers | 26,276,544 |
| | - Term deposits receipts | 16,144,526 |
| | - Bai Muajjal | 67,965,565 |
| | - Short term sukuks | 18,542,349 |
| | - Bank deposits | 90,830,260 |
| | | <u>219,759,244</u> |
| 14 | AUDITORS' REMUNERATION | |
| | Audit fee | 100,000 |
| | Review and other certifications | 70,000 |
| | Out of pocket expenses | 17,101 |
| | Sindh sales tax | 14,968 |
| | | <u>202,069</u> |
| | | 2021 |
| | | (Rupees) |
| 15 | CASH AND CASH EQUIVALENTS | |
| | Bank balances | 2,668,806,269 |
| | Bai muajjal receivable (with original maturity of 3 months or less) | 1,040,439,154 |
| | Term deposit receipts (with original maturity of 3 months or less) | 490,000,000 |
| | | <u>4,199,245,423</u> |

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 0.57% which includes 0.19% representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the period from August 13, 2020 to June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit holders' fund

| For the period from August 13, 2020 to June 30, 2021 | | | | | | | | | |
|---|---|---------------------|--|---------------------|---|---------------------|--|-------------------------------------|---------------|
| Note | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | As at June 30, 2021 | Issued for cash / conversion in / transfer in | Dividend reinvested | Redeemed / conversion out / transfer out | Net asset value as at June 30, 2021 | |
| | Units | | | | Rupees | | | | |
| Associated companies / undertakings | | | | | | | | | |
| Alfalah GHP Investment Management Limited | 18.1.1 | 6,260,498 | 183,578 | 3,000,000 | 3,444,076 | 626,049,831 | 18,357,750 | 300,000,000 | 344,407,600 |
| Key management personnel | | | | | | | | | |
| Ms. Mehwish Aslam - Head of Corporate & Institutional Sales | 18.1.1 | 2,000 | 54 | 2,054 | - | 200,000 | 5,384 | 205,384 | - |
| Unit holder holding 10% or more units | | | | | | | | | |
| Artistic Milliners (Private) Limited | 18.1.1 | 19,992,748 | 685,189 | 585,932 | 20,092,005 | 1,999,274,825 | 68,518,894 | 58,593,223 | 2,009,200,500 |
| Pakistan Defence Officers Housing Authority | 18.1.1 | 8,000,000 | 188,527 | - | 8,188,527 | 800,000,000 | 18,852,661 | - | 818,852,700 |
| Qarshi Industries (Private) Limited | 18.1.1 | 11,500,000 | 108,003 | 5,074,363 | 6,533,640 | 1,150,000,000 | 10,800,311 | 507,436,298 | 653,364,000 |

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2021.

18.2 Other transactions

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

| | |
|---|-----------|
| Remuneration of the Management Company | 7,842,761 |
| Sindh sales tax on remuneration of the Management Company | 1,019,559 |
| Sales load | 19,741 |

Bank Alfalah Limited

| | |
|------------|---------|
| Sales load | 956,420 |
|------------|---------|

Alfalah GHP Islamic Income Fund

| | |
|--------------------------------|--------------------|
| Sukuk certificates - purchased | <u>559,000,000</u> |
|--------------------------------|--------------------|

Alfalah GHP Money Market Fund

| | |
|---------------------------|--------------------|
| Sukuk certificates - sold | <u>189,172,400</u> |
|---------------------------|--------------------|

Other related party

Central Depository Company of Pakistan Limited - Trustee

| | |
|--|-----------|
| Remuneration of the Trustee | 2,039,123 |
| Sindh sales tax on remuneration of the Trustee | 265,086 |
| CDS charges | 193,550 |

For the period
from August 13,
2020 to June 30,
2021
(Rupees)

18.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

| | |
|---|-----------|
| Management remuneration payable | 1,073,425 |
| Sindh sales tax payable on management remuneration | 139,545 |
| Payable against preliminary expenses and floatation costs | 3,236,260 |
| Other payable | 80,000 |

Bank Alfalah Limited

| | |
|--------------------|---------|
| Sales load payable | 675,668 |
|--------------------|---------|

Other related party

Central Depository Company of Pakistan Limited - Trustee

| | |
|---|---------|
| Trustee remuneration payable | 279,094 |
| Sindh sales tax payable on trustee remuneration | 36,291 |
| Others payable | 191,050 |

For the period
from August 13,
2020 to June 30,
2021

(Rupees)

19 FINANCIAL INSTRUMENTS BY CATEGORY

| | 2021 | | |
|---|----------------------|--------------------------------------|----------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | (Rupees) | | |
| Financial assets | | | |
| Bank balances | 2,668,806,269 | - | 2,668,806,269 |
| Investments | - | 2,430,737,251 | 2,430,737,251 |
| Deposits, advances and other receivables | 18,738,724 | - | 18,738,724 |
| | <u>2,687,544,993</u> | <u>2,430,737,251</u> | <u>5,118,282,244</u> |
| Financial liabilities | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 4,529,230 | - | 4,529,230 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 315,385 | - | 315,385 |
| Accrued expenses and other liabilities | 1,804,339 | - | 1,804,339 |
| | <u>6,648,954</u> | <u>-</u> | <u>6,648,954</u> |

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / interest rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

20.1.2 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2021, is as follows:

| | 2021 (Rupees) |
|---|--------------------------------|
| Variable rate instruments (financial assets) | |
| Bank balances | 2,668,806,269 |
| Sukuk certificates | 225,000,000 |
| | <u>2,893,806,269</u> |
| Fixed rate instruments (financial assets) | |
| Bai muajjal receivable | 1,040,439,154 |
| Term deposit receipts | 490,000,000 |
| Commercial papers | 675,298,097 |
| | <u>2,205,737,251</u> |

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the period and net assets of the Fund would have been higher / lower by Rs 28.94 million. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at June 30, 2021, the Fund holds bai muajjal receivable, term deposit receipts and commercial papers which are classified as financial assets 'at fair value through profit or loss' exposing the Fund to fair value profit rate risk. In case of 100 basis points increase / decrease in interest rates, with all other variables held constant, the net income for the period and net assets of the Fund would have been higher / lower by Rs. 22.06 million. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

| | ----- 2021 ----- | | | | | |
|--|-------------------------------|--------------------------------|---|----------------------|---|-------|
| | Effective yield / profit rate | Exposed to yield / profit risk | | | Not exposed to yield / profit rate risk | Total |
| | | Upto three months | More than three months and up to one year | More than one year | | |
| | | | | | | |
| | | | | | ----- (Rupees) ----- | |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 6.40% - 7% | 2,668,806,269 | - | - | 2,668,806,269 | |
| Investments: | | | | | | |
| - Commercial papers | 7.96% - 8.48% | 489,871,460 | 185,426,637 | - | 675,298,097 | |
| - Bai Muajjal receivable | 7.09% - 7.15% | 1,040,439,154 | - | - | 1,040,439,154 | |
| - Term deposit receipts | 7.25% | 490,000,000 | - | - | 490,000,000 | |
| - Short term sukuk certificates | 8.95% | - | 225,000,000 | - | 225,000,000 | |
| Deposits, advances and other receivables | | - | - | - | 18,738,724 | |
| Sub total | | <u>4,689,116,883</u> | <u>410,426,637</u> | <u>-</u> | <u>5,118,282,244</u> | |
| Financial liabilities | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | | - | - | - | 4,529,230 | |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 315,385 | |
| Accrued expenses and other liabilities | | - | - | - | 1,804,339 | |
| Sub total | | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,648,954</u> | |
| On-balance sheet gap | | <u>4,689,116,883</u> | <u>410,426,637</u> | <u>-</u> | <u>5,111,633,290</u> | |
| Total interest rate sensitivity gap | | <u>4,689,116,883</u> | <u>410,426,637</u> | <u>-</u> | <u>5,111,633,290</u> | |
| Cumulative interest rate sensitivity gap | | <u>4,689,116,883</u> | <u>5,099,543,520</u> | <u>5,099,543,520</u> | | |

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2021.

20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

| | 2021 | |
|--|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| | (Rupees) | |
| Bank balances | 2,668,806,269 | 2,668,806,269 |
| Investments | 2,430,737,251 | 2,430,737,251 |
| Deposits, advances and other receivables | 18,738,724 | 18,738,724 |
| | <u>5,118,282,244</u> | <u>5,118,282,244</u> |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2021 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired as at June 30, 2021.

20.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2021 with banks having following credit ratings:

| Banks | Rating agency | Rating (Short Term / Long Term) | 2021 |
|--|---------------|---------------------------------|--|
| | | | % of financial assets exposed to credit risk |
| Allied Bank Limited | PACRA | A1+ / AAA | 59.73% |
| Askari Bank Limited | PACRA | A1+ / AA+ | 0.00% |
| Bank Alfalah Limited | PACRA | A1+ / AA+ | 0.00% |
| Dubai Islamic Bank Pakistan Limited | VIS | A-1+ / AA | 21.62% |
| Faysal Bank Limited | PACRA | A1+ / AA | 18.59% |
| Habib Metropolitan Bank Limited | PACRA | A1+ / AA+ | 0.00% |
| National Bank of Pakistan | PACRA | A-1+ / AAA | 0.06% |
| Central Depository Company of Pakistan Limited | N/A | N/A | 0.00% |
| | | | <u>100.00%</u> |

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

Ratings of bai muajjal receivable, term deposit receipts, commercial papers and sukuk certificates have been disclosed in related notes to financial statements.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

| | 2021 | | | | | | |
|---|----------------------|---|--|--|-------------------|--|----------------------|
| | Within one month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial Instruments with no fixed maturity | Total |
| | (Rupees) | | | | | | |
| Financial assets | | | | | | | |
| Bank balances | 2,668,806,269 | - | - | - | - | - | 2,668,806,269 |
| Investments | 490,000,000 | 1,530,310,614 | 410,426,637 | - | - | - | 2,430,737,251 |
| Deposits, advances and other receivables | 15,668,313 | - | 2,970,411 | - | - | 100,000 | 18,738,724 |
| | 3,174,474,582 | 1,530,310,614 | 413,397,048 | - | - | 100,000 | 5,118,282,244 |
| Financial liabilities | | | | | | | |
| Payable to Alfalah GHP Investment Management Limited - Management Company | 4,529,230 | - | - | - | - | - | 4,529,230 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 315,385 | - | - | - | - | - | 315,385 |
| Accrued expenses and other liabilities | 1,804,339 | - | - | - | - | - | 1,804,339 |
| | 6,648,954 | - | - | - | - | - | 6,648,954 |
| Net financial assets | 3,167,825,628 | 1,530,310,614 | 413,397,048 | - | - | 100,000 | 5,111,633,290 |

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

21.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021, the Fund held the following financial instruments measured at fair values:

| ----- 2021 ----- | | | |
|---|---------|----------------------|----------------------|
| Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees) ----- | | | |
| At fair value through profit or loss | | | |
| Commercial papers* | - | 675,298,097 | - |
| Bai muajjal receivable* | - | 1,040,439,154 | - |
| Term deposit receipts** | - | 490,000,000 | - |
| Short term sukuk certificates** | - | 225,000,000 | - |
| | - | <u>2,430,737,251</u> | - |
| | | - | <u>2,430,737,251</u> |

* The valuation of commercial papers and Bai Muajjal receivable have been carried out based on amortisation to their face values / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and they are placed with counterparties which have high credit ratings.

** The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

During the period from August 13, 2020 to June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the period from August 13, 2020 to June 30, 2021.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

24 GENERAL

24.1 Rounding off

Figures have been rounded off to the nearest rupee.

24.2 Impacts of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

25 DATE OF AUTHORISATION FOR ISSUE

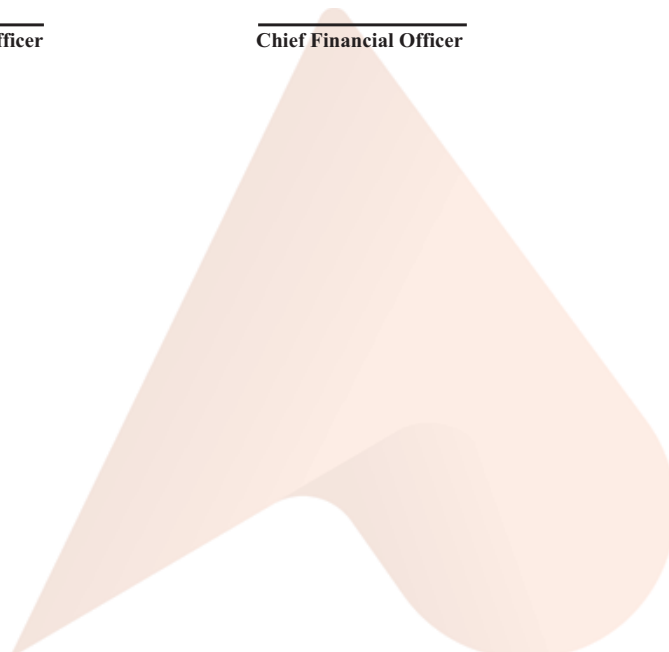
These financial statements were authorised for issue on **30 August, 2021** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at 30 June 2021 | | | |
|---------------------------|------------------------|----------------------|----------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 180 | 12,941,876 | 1,294,187,509 | 25% |
| Associated Co./ Directors | 2 | 3,444,076 | 344,407,581 | 7% |
| Banks/Dfis | 1 | 385,659 | 38,565,886 | 1% |
| Insurance Co. | 3 | 74,636 | 7,463,589 | 0% |
| Retirement & Other Funds | 5 | 780,270 | 78,027,008 | 2% |
| Others | 26 | 33,446,836 | 3,344,683,627 | 65% |
| | 217 | 51,073,352 | 5,107,335,200 | 100% |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| | |
|------------------------------------|-------------------------------|
| | 30 June 2021 % |
| Summit Capital Private Limited | 44.91% |
| Bright Capital Private Limited | 14.78% |
| Continental Exchange (Pvt) Limited | 13.95% |
| Invest One Markets Limited | 12.40% |
| Arif Habib Limited | 8.12% |
| Magenta Capital (Pvt) Limited | 3.29% |
| Paramount Capital | 2.55% |

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabil Malik
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Sana Abdullah
Wahaj Ahmed
Usama Bin Razi
Hussain Salim Syani

Nabil Malik – CEO

Mr. Malik has over eighteen years in the field of Investment Management & Advisory. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi"

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level I Exam

Usama Bin Razi

Mr. Usama has more than 14 years experience of managing Fixed Income Portfolios. Prior joining to Alfalah GHP investment Management Limited, he was serving as Head of Fixed Income at UBL Fund Managers. Currently he is serving the company as Head of Fixed Income.

Mr. Usama holds a Master's degree in Business Administration from SZABIST, B.E (Bachlors of Engineering) from Usman Institute of Technology - Hamdard University and has also cleared CFA Level II Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM)

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 94th, 95th, 96th and 97th Board Meetings were held on 24 Aug 2020, 28 Oct 2020, 24 Feb 2021 and 05 May 2021 respectively.

| Name of Director | Number of Meetings | | | Meeting not attended |
|---------------------------|--------------------|----------|---------------|----------------------|
| | Held | Attended | Leave Granted | |
| Hanspeter Beier | 4 | 3 | 1 | 1 |
| Syed Ali Sultan | 4 | 4 | - | - |
| Ms. Maheen Rahman | 4 | 2 | Resigned | Resigned |
| Mr. Abid Naqvi | 4 | 3 | 1 | 1 |
| Mr. Tufail Jawed Ahmad | 4 | 3 | 1 | 1 |
| Ms. Mehreen Ahmed | 4 | 4 | - | - |
| Ms. Dominique Liana Russo | 4 | 1 | Resigned | Resigned |
| Mr. Edward Phillip Hurt | 4 | 1 | 3 | 3 |
| Mr. Tanveer Awan | 3 | 3 | - | - |
| Mr. Nabeel Malik | 2 | 2 | - | - |

اتھارٹشکر

ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے شکر گزار ہیں۔ بورڈ لیگن اور محنت پر بینجمنٹ کمپنی کے ملازمین اور سٹریٹس کا اور بینجمنٹ میں اعتماد پر یونٹ ہولڈرز کا بھی شکر یہ ادا کرتے ہیں۔

منجانب بورڈ

چیف ایگزیکٹو آفیسر

30 اگست 2021ء

الفلاح GHP اسلامک ڈیولپمنٹ اینڈ اینڈریجمنٹ فنڈ

فنڈ نے بیچ مارک 39.32 فیصد کمانے کے برعکس 38.03 فیصد برین کمایا۔

سال کے دوران، فنڈ نے 8.6173 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

(Rupees in Million)

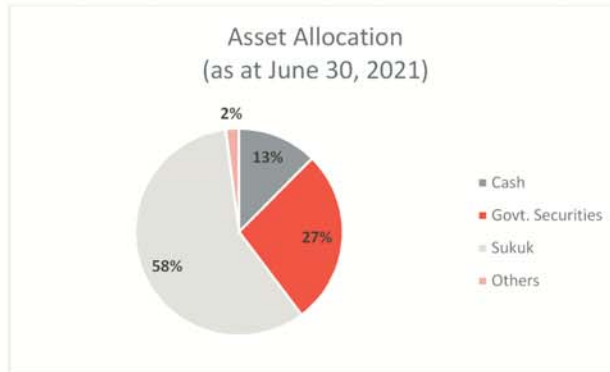
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 376.944 | 194.490 |
| Gross (loss) / income | 130.81 | -20.98 |
| Total Comprehensive Loss | -112.61 | -29.70 |
| Net Assets Value per Unit (PKR) | 79.7674 | 63.9614 |
| Issuance of units during the period | 218.62 | 576.00 |
| Redemption of units during the period | -122.00 | -244.66 |

الفلاح GHP اسلامک ویلیو فنڈ

فنڈ نے بیچ مارک 3.63 فیصد کمانے کے برعکس 7.87 فیصد برین کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 6.6449 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 2,053.813 | 121.418 |
| Gross (loss) / income | 168.43 | 5.96 |
| Total Comprehensive Loss | 157.55 | 0.76 |
| Net Assets Value per Unit (PKR) | 89.1575 | 88.8143 |
| Issuance of units during the period | 4,041.37 | 1,312.92 |
| Redemption of units during the period | -2,498.74 | -709.53 |

Key Financial Data *Alfalah GHP Islamic Prosperity Planning Fund*

(Rupees in Million)

| Description | Islamic Moderate Plan | Islamic Balance Allocation Plan | Islamic Active Allocation Plan - II | Islamic Active Allocation Plan - III | Islamic Capital Preservation Plan - IV | Islamic Capital Preservation Plan - V |
|--|----------------------------------|---------------------------------|-------------------------------------|--------------------------------------|--|---------------------------------------|
| | For the year ended June 30, 2021 | | | | | |
| <i>Average Net Assets</i> | 71.772 | 234.664 | 392.020 | 75.691 | 65.244 | 28.415 |
| <i>Gross income / (loss)</i> | 11.85 | 23.89 | 87.23 | 16.70 | 3.40 | 1.39 |
| <i>Total Comprehensive Income / (loss)</i> | 11.38 | 22.59 | 84.23 | 16.05 | 3.06 | 1.26 |
| <i>Net Assets Value per Unit (PKR)</i> | 103.3169 | 100.3020 | 97.2449 | 87.6002 | 99.7087 | 99.6445 |
| <i>Issuance of units during the year</i> | 16.22 | 15.59 | 46.82 | 9.42 | 1.92 | 2.39 |
| <i>Redemption of units</i> | -27.71 | -39.06 | -33.22 | -11.06 | -37.60 | -6.21 |

| Description | Islamic Moderate Plan | Islamic Balance Allocation Plan | Islamic Active Allocation Plan - II | Islamic Active Allocation Plan - III | Islamic Capital Preservation Plan - IV | Islamic Capital Preservation Plan - V |
|--|----------------------------------|---------------------------------|-------------------------------------|--------------------------------------|--|---------------------------------------|
| | For the year ended June 30, 2020 | | | | | |
| <i>Average Net Assets</i> | 154.42 | 279.633 | 375.383 | 166.081 | 113.571 | 45.587 |
| <i>Gross income / (loss)</i> | 13.43 | 27.79 | 8.52 | 11.29 | 10.10 | 4.53 |
| <i>Total Comprehensive Income / (loss)</i> | 12.46 | 25.77 | 6.44 | 10.37 | 9.43 | 4.22 |
| <i>Net Assets Value per Unit (PKR)</i> | 98.5484 | 99.4139 | 90.0817 | 81.2741 | 100.2739 | 100.2582 |
| <i>Issuance of units during the year</i> | 3.23 | 19.32 | 9.30 | 8.89 | 5.73 | 1.83 |
| <i>Redemption of units</i> | -235.57 | -162.69 | -70.01 | -543.26 | -96.86 | -30.80 |

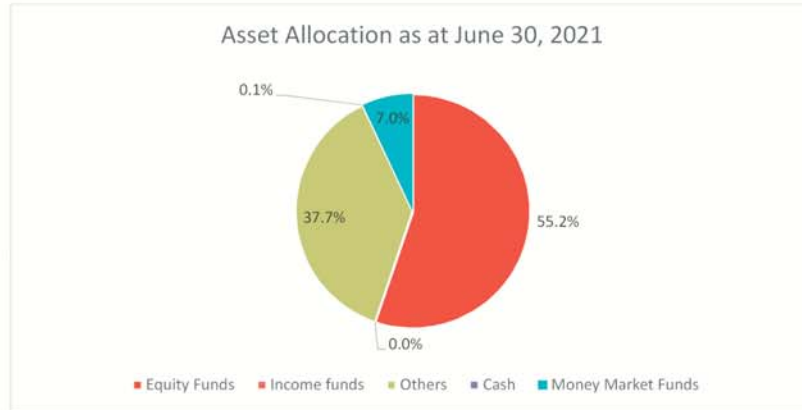
الفلاح GHP اسلاک پراسیوریٹی پلاننگ فنڈ - کیپٹل پریزرویشن 4
 فنڈ نے بیچ مارک 1.69 فیصد کمانے کے برعکس 4.49 فیصد ریٹرن کمایا۔
 ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 5.0917 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



الفلاح GHP اسلاک پراسیوریٹی پلاننگ فنڈ - کیپٹل پریزرویشن 5
 فنڈ نے بیچ مارک 1.57 فیصد کمانے کے برعکس 4.36 فیصد ریٹرن کمایا۔
 ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 5.0202 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

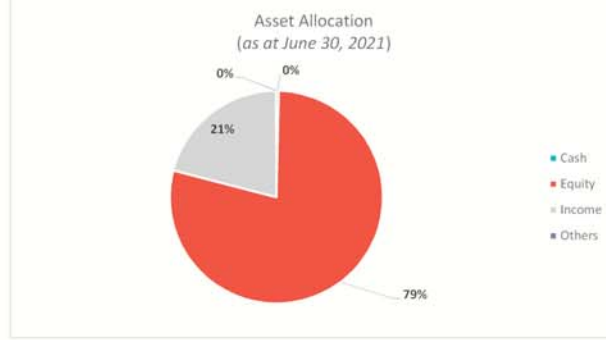


الفلاح GHP اسلامک پراسیورٹی پلاننگ فنڈ-1 ایکٹو ایلیکیشن پلان II

فنڈ نے بیچ مارک 25.83 فیصد کمانے کے برعکس 24.5 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 15.0438 روپے فی یونٹ نقد منافع منقسمہ ادا کیا۔



الفلاح GHP اسلامک پراسیورٹی پلاننگ فنڈ-1 ایکٹو ایلیکیشن پلان III

فنڈ نے بیچ مارک 25.3 فیصد کمانے کے برعکس 23.91 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 13.2285 روپے فی یونٹ نقد منافع منقسمہ ادا کیا۔



الفلاح GHP اسلامک پراسیورٹی پلاننگ فنڈ- بیلیٹس ایلیکیشن پلان

فنڈ نے بیچ مارک 8.564 فیصد کمانے کے برعکس 10.06 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 9.1196 روپے فی یونٹ نقد منافع منقسمہ ادا کیا۔



Key Financial Data *Alfalah GHP Prosperity Planning Fund*

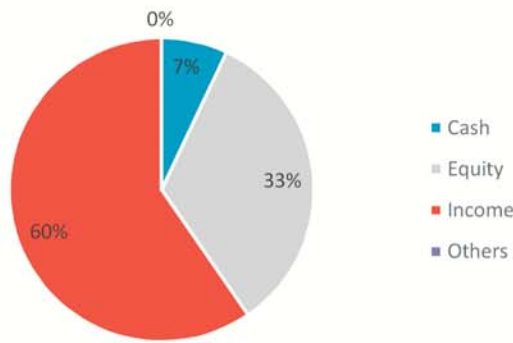
(Rupees in Million)

| Description | Alfalah GHP Active Allocation Plan | Alfalah GHP Conservative Allocation Plan | Alfalah GHP Moderate Allocation Plan | Alfalah GHP Active Allocation Plan | Alfalah GHP Conservative Allocation Plan | Alfalah GHP Moderate Allocation Plan |
|-------------------------------------|------------------------------------|--|--------------------------------------|------------------------------------|--|--------------------------------------|
| | For the year ended June 30, 2021 | | | For the year ended June 30, 2020 | | |
| Average Net Assets | 167.965 | 191.626 | 194.392 | 151.726 | 181.622 | 230.629 |
| Gross (loss) / income | 40.12 | 18.56 | 26.45 | 0.60 | 17.86 | 20.48 |
| Total Comprehensive (loss) / Income | 38.86 | 17.49 | 25.31 | 0.13 | 16.39 | 19.27 |
| Net Assets Value per Unit (PKR) | 100.0148 | 103.6812 | 97.9772 | 98.0903 | 102.8413 | 98.3850 |
| Issuance of units during the year | 36.57 | 14.30 | 49.26 | 0.14 | 11.84 | 12.41 |
| Redemption of units during the year | -38.86 | -17.49 | -25.31 | -17.89 | -9.10 | -74.41 |

الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ - ماڈریٹ ایلیکشن پلان
 فنڈ نے چھ ماہ کے دوران 16.50 فیصد کمائی کے برعکس 17.00 فیصد ریٹرن کمایا۔
 ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 12.0278 روپے فی یونٹ نقد منافع منظمہ ادا کیا۔

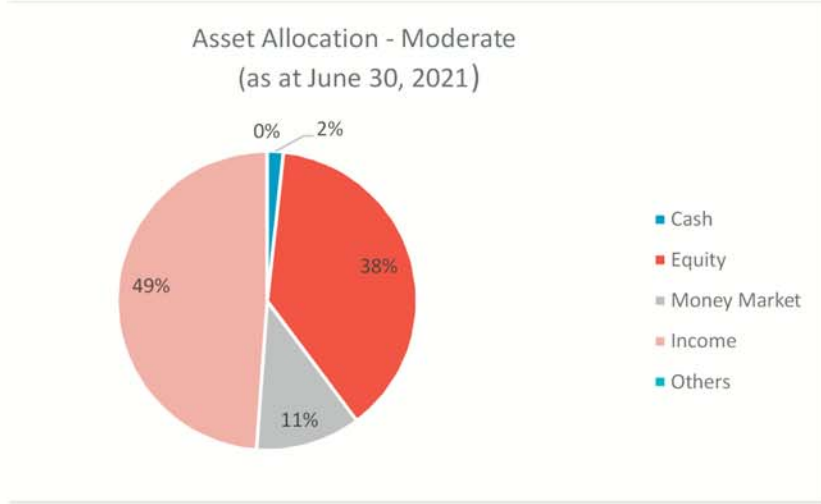
Asset Allocation
(as at June 30, 2021)



الفلاح GHP پراسپیریٹی پلاننگ فنڈ- ماڈریٹ پلان
 فنڈ کارٹین 17.48 فیصد بیج مارک ریٹرن کے برعکس 13.42 فیصد پر قائم رہا۔

ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 13.6649 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔

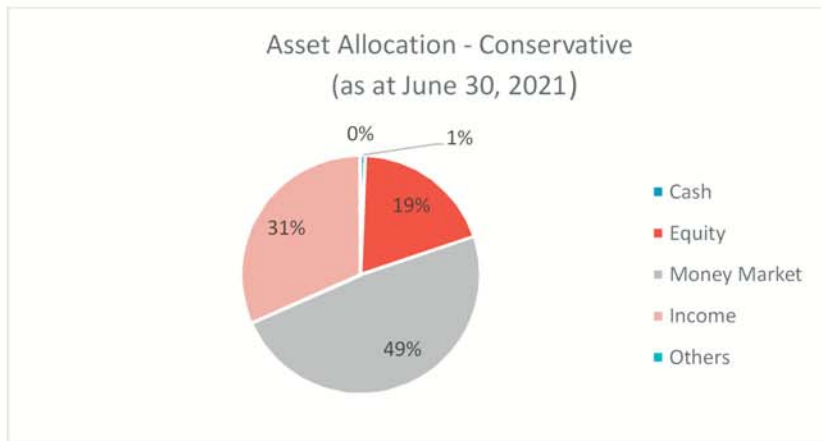


الفلاح GHP پراسپیریٹی پلاننگ فنڈ- کنزرویٹو پلان

فنڈ نے بیج مارک جو 12.01 فیصد کمایا کے برعکس 9.17 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 9.1594 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔



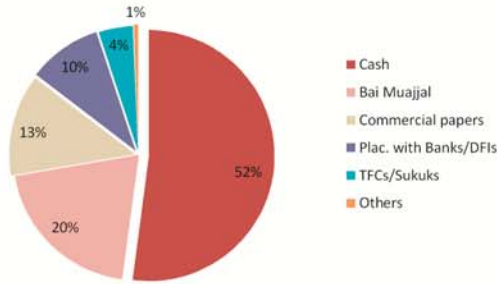
الفلاح اسلامک روزانہ آمدنی فنڈ

فنڈ کار بیزنس 3.34 فیصد بیج مارک ریٹرن کے برعکس 6.58 فیصد پر قائم رہا۔

ادا ہوگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 5.0138 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 4,017.6583 | NA |
| Gross (loss) / income | 220.78 | NA |
| Total Comprehensive Loss | 202.91 | NA |
| Net Assets Value per Unit (PKR) | 100.0000 | NA |
| Issuance of units during the period | 8,458.05 | NA |
| Redemption of units during the period | -3,350.71 | NA |

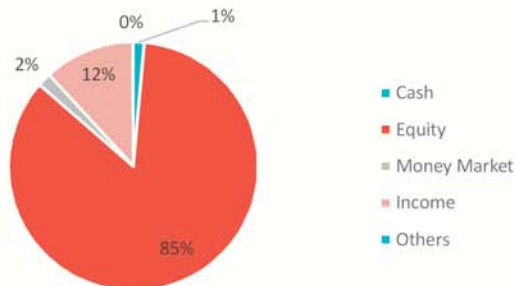
الفلاح GHP پراسپیریٹی پلاننگ فنڈ - ایکٹیو ایلوکیشن پلان

فنڈ کار بیزنس 27.74 فیصد بیج مارک ریٹرن کے برعکس 29.73 فیصد پر قائم رہا۔

ادا ہوگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 25.5144 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation - Active
(as at June 30, 2021)

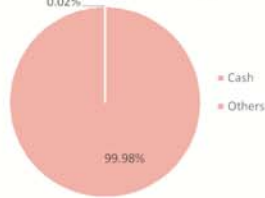


الفلاح GHP کیش فنڈ

مالی سال 21 کے دوران، الفلاح GHP کیش فنڈ (AGCF) نے 7.01 فیصد ریٹرن کمایا جبکہ اسی مدت کے دوران فنڈ نے بیج مارک ریٹرن 6.17 فیصد کمایا۔
اواٹگی

سال کے اختتام کے بعد، فنڈ نے یونٹ ہولڈرز کو 34.1728 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 5,343.2849 | 5,466.275 |
| Gross (loss) / income | 392.29 | 689.40 |
| Total Comprehensive Loss | 365.55 | 656.33 |
| Net Assets Value per Unit (PKR) | 500.1818 | 499.9776 |
| Issuance of units during the period | 17,540.05 | 7,620.07 |
| Redemption of units during the period | -18,600.56 | -1,950.76 |

الفلاح GHP مٹی مارکیٹ فنڈ

مالی سال 21 کے دوران، الفلاح GHP مٹی مارکیٹ فنڈ (AGMMF) نے 6.86 فیصد ریٹرن کمایا جبکہ فنڈ کا بیج مارک 6.17 فیصد کمایا۔
اواٹگی

سال کے اختتام کے بعد، فنڈ نے یونٹ ہولڈرز کو 6.9639 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 20,061.3030 | 19,160.135 |
| Gross (loss) / income | 1,480.29 | 2,514.54 |
| Total Comprehensive Loss | 1,330.49 | 2,310.85 |
| Net Assets Value per Unit (PKR) | 98.2385 | 98.1382 |
| Issuance of units during the period | 54,783.63 | 38,402.39 |
| Redemption of units during the period | -43,379.36 | -40,985.38 |

الفلاح GHP سورجین فنڈ

مالی سال 21 کے دوران، الفلاح GHP سورجین فنڈ نے 6.33 فیصد ریٹرن کمایا جبکہ اسی مدت کے دوران فنڈ کا بیچ مارک ریٹرن 7.28 فیصد پر قائم رہا۔
ادائیگی

سال کے اختتام کے بعد، فنڈ نے یونٹ ہولڈرز کو 6,6680 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

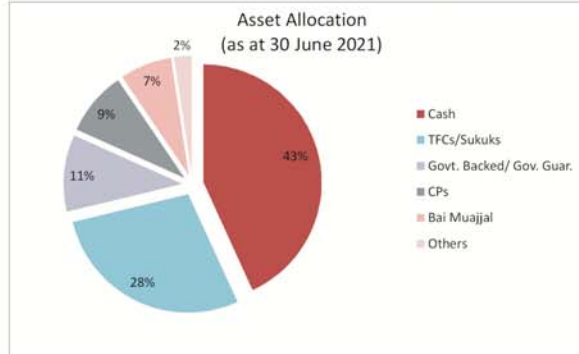
(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 1,431.7538 | 938.561 |
| Gross (loss) / income | 112.53 | 163.46 |
| Total Comprehensive Loss | 87.64 | 141.80 |
| Net Assets Value per Unit (PKR) | 106.7465 | 106.6712 |
| Issuance of units during the period | 2,312.99 | 4,232.62 |
| Redemption of units during the period | -2,644.86 | -3,690.87 |

الفلاح GHP اسلامک آف فنڈ

زیر جائزہ مدت کے دوران، الفلاح GHP اسلامک آف فنڈ نے 6.40 فیصد ریٹرن کمایا جبکہ بیچ مارک ریٹرن 3.55 فیصد تھا۔
ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 6,2236 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 7,628.6863 | 5707.148 |
| Gross (loss) / income | 577.23 | 703.87 |
| Total Comprehensive Loss | 474.30 | 596.49 |
| Net Assets Value per Unit (PKR) | 102.1553 | 102.0298 |
| Issuance of units during the period | 32,205.55 | 26,611.89 |
| Redemption of units during the period | -35,890.98 | -21,464.84 |

الفلاح GHP ائف پی ایف

زیر جائزہ مدت کے دوران، AGIF نے 6.96 فیصد ریٹرن کمایا جبکہ فنڈ کا بیچ مارک 7.43 فیصد پر قائم رہا۔
ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 7.2642 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

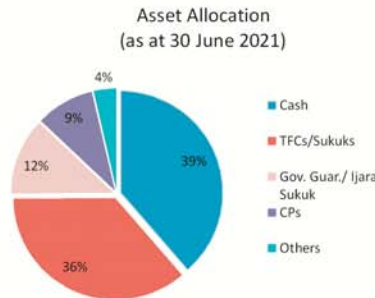
(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 1,335.1209 | 434.753 |
| Gross (loss) / income | 113.52 | 65.26 |
| Total Comprehensive Loss | 90.60 | 55.77 |
| Net Assets Value per Unit (PKR) | 113.2834 | 112.7162 |
| Issuance of units during the period | 4,789.11 | 1764.24 |
| Redemption of units during the period | -4,170.17 | -751.99 |

الفلاح GHP ائف پی ایف پلائز فنڈ

سال کے دوران، الفلاح GHP ائف پی ایف پلائز فنڈ کی NAV میں 0.31 فیصد کمی ہوئی جبکہ بیچ مارک 7.73 فیصد پر قائم رہا۔
ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو نقد منافع منقسمہ ادا نہیں کیا۔



Key Financial Data

(Rupees in Million)

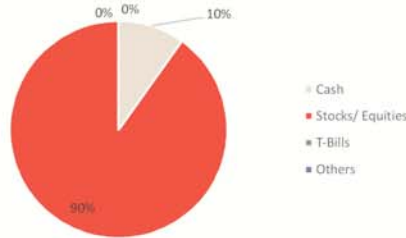
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 232.8614 | 294.927 |
| Gross (loss) / income | 19.63 | 50.00 |
| Total Comprehensive Loss | -0.03 | 41.88 |
| Net Assets Value per Unit (PKR) | 53.0835 | 53.2461 |
| Issuance of units during the period | 201.69 | 229.43 |
| Redemption of units during the period | -238.25 | -389.28 |

الفلاح GHP اسٹاک فنڈ

مالی سال 21 کے دوران، AGSF نے گزشتہ سال کی اسی مدت کے دوران 37.58 فیصد شیئ مارک (KSE-100) ریٹرن کے برعکس 38.89 فیصد کار ریٹرن کمایا۔

فنڈ نے 18.6001 پاکستانی روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 1,841.8518 | 1,418.716 |
| Gross (loss) / income | 623.63 | -94.23 |
| Total Comprehensive Loss | 531.82 | -149.72 |
| Net Assets Value per Unit (PKR) | 113.0227 | 94.6522 |
| Issuance of units during the period | 2,973.77 | 1,667.49 |
| Redemption of units during the period | -2,319.26 | -1,726.46 |

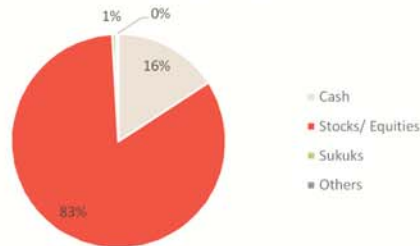
الفلاح GHP ویلیو فنڈ

مالی سال 21 کے دوران، AGVF نے گزشتہ سال کی اسی مدت کے دوران 29.21 فیصد شیئ مارک ریٹرن کے برعکس 28.45 فیصد ریٹرن کے ساتھ اپنی شیئ مارک کی اہتر کارکردگی کا مظاہرہ کیا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 7.7144 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

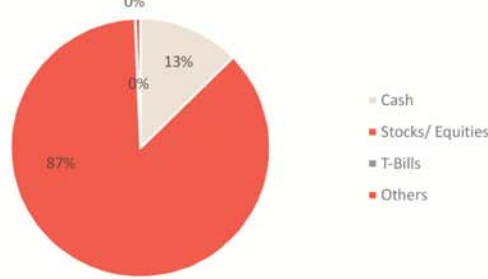
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 787.3721 | 1,028.571 |
| Gross (loss) / income | 247.06 | 55.48 |
| Total Comprehensive Loss | 207.63 | 18.14 |
| Net Assets Value per Unit (PKR) | 56.5443 | 49.9683 |
| Issuance of units during the period | 106.23 | 108.22 |
| Redemption of units during the period | -468.16 | -552.93 |

فینڈ کے آپریٹرز اور کارکردگی

الفلاح GHP الفانڈ

مالی سال 21 کے دوران، AGAF نے گزشتہ اسی مدت کے دوران 37.58 فیصد کی شیج مارک (KSE-100) ریٹرن کے برعکس 39.27 فیصد کارڈین کیا۔

Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

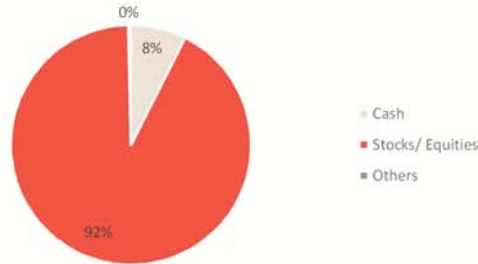
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 1016.3470 | 961.599 |
| Gross (loss) / income | 352.72 | -7.16 |
| Total Comprehensive Loss | 301.87 | -46.00 |
| Net Assets Value per Unit (PKR) | 59.84 | 53.55 |
| Issuance of units during the period | 1,287.45 | 665.31 |
| Redemption of units during the period | -1,278.91 | -773.27 |

الفلاح GHP اسلامک اسٹاک فینڈ

مالی سال 21 کے دوران، AGISTF نے 36.75 فیصد کارڈین کیا جبکہ اسی مدت کے دوران اپنے شیج مارک ریٹرن 39.32 فیصد کیا تھا۔

فینڈ نے 9,5717 پاکستانی روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

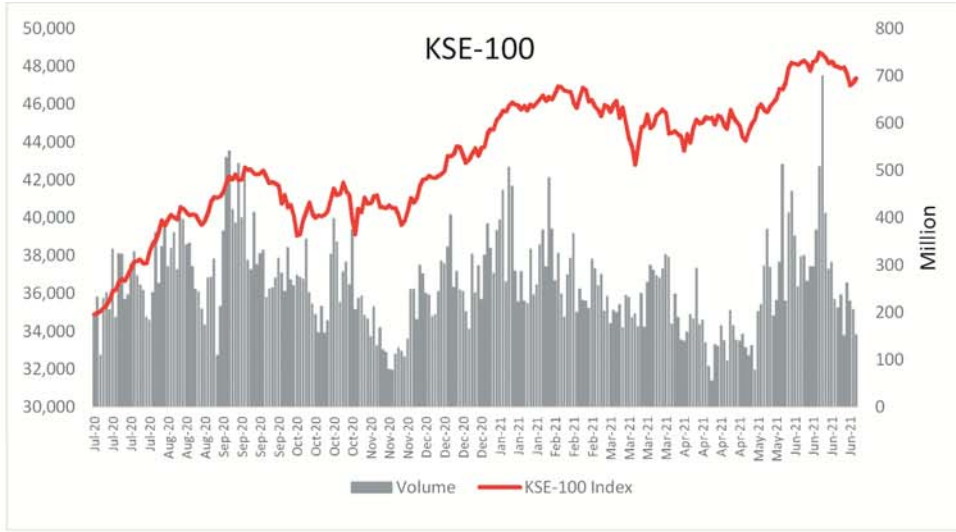
Asset Allocation
(as at 30 June 2021)



Key Financial Data

(Rupees in Million)

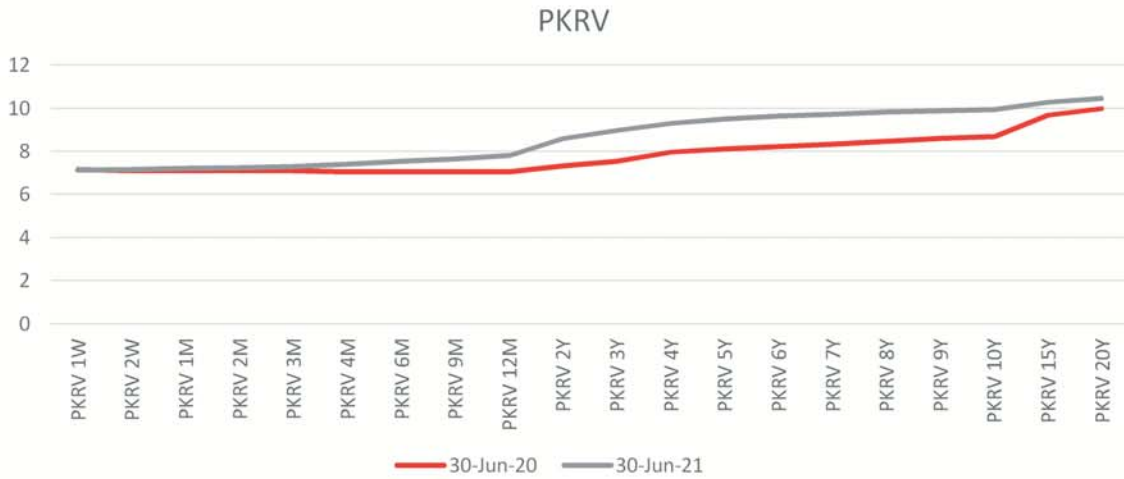
| Description | For the year ended June 30, 2021 | For the year ended June 30, 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Average Net Assets | 2,297.8734 | 2,062.196 |
| Gross (loss) / income | 841.49 | -18.94 |
| Total Comprehensive Loss | 719.13 | -103.13 |
| Net Assets Value per Unit (PKR) | 45.3768 | 40.0924 |
| Issuance of units during the period | 3,609.61 | 2,608.44 |
| Redemption of units during the period | -3,494.08 | -2,667.96 |



منی مارکیٹ

مالی سال 20 کے دوران پاکستان کی جی ڈی پی نمونہ 0.4 فیصد کے مقابلے میں 21 سال کے دوران 3.94 فیصد کی نمو ہوئی۔ عالمی COVID-19 وبائی بیماری جس نے مالی سال 20 کی آخری سہ ماہی میں ملک میں اپنے قدم جمائے، جس نے ملک میں معاشی سرگرمیوں میں رکاوٹ پیدا کر دی۔ معاشی بد حالی کے عارضی مرحلے میں گھروں اور کاروباری اداروں کی مدد کے لئے لیکویڈیٹی سپورٹ فراہم کرنے کے لئے، اسٹیٹ بینک پاکستان نے شرح سود کو کم از کم سطح پر رکھا اور سال بھر پالیسی شرح 7 فیصد پر رکھی گئی۔

مارکیٹ شرکاء نے بتدریج طویل دورانیے کی بجائے مختصر مدتی آلات کی طرف رخ موڑ لیا۔ سال کے دوران، مرکزی بینک نے ٹی بلوں کے ذریعے 15.23 ٹریلین روپے کی سرمایہ کاری حاصل کی، جس میں زیادہ تر شرکت 3 ماہ اور 6 ماہ کی مدت میں ہوئی۔ مرکزی بینک نے ٹی آئی بی کے ذریعے اسی عرصے میں 1.06 ٹریلین روپے حاصل کرنے میں کامیاب رہا، جس میں زیادہ تر شرکت 3 سال اس کے بعد 5 سال اور 10 سال کی مدت میں دیکھی گئی۔ آئندہ سال کے دوران معاشی متغیرات میں بتدریج بہتری آنا شروع ہو گئی ہے۔ آگے بڑھتے ہوئے، ہمیں یقین ہے معاشی سرگرمی مزید تیز ہوگی۔



ڈائریکٹرز کی یونٹ ہولڈرز کو رپورٹ

برائے تختہ سال 30 جون 2021

بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2021 کو ختم ہونے والے سال کے لئے میں الفلاح GHP انکم ٹیلی پائرفنڈ (AGIMF)، الفلاح GHP انکم فنانس (AGCF)، الفلاح GHP اسٹاک اسٹاک فنڈ (AGISTF)، الفلاح GHP الفانڈ (AGAF)، الفلاح GHP ویلیو فنڈ (AGVF)، الفلاح GHP سوریج فنڈ (AGSOF)، الفلاح GHP انکم فنانس (AGIF)، الفلاح GHP اسٹاک فنڈ (AGSTF)، الفلاح GHP منی مارکیٹ فنڈ (AGMMF)، الفلاح GHP اسٹاک انکم فنڈ (AGIIF)، الفلاح GHP پرائیویٹ پبلک فنڈ (AGPPF)، الفلاح GHP اسٹاک پرائیویٹ پبلک فنڈ (AGIPPF)، الفلاح GHP اسٹاک ڈیڈ ویلیو فنڈ (AGIDF)، الفلاح GHP اسٹاک ویلیو فنڈ (AGIVF)، الفلاح اسٹاک روزانہ آمدنی فنڈ (AIRAF)، الفلاح کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

معاشی جائزہ

مقامی معیشت رواں مالی سال میں زبردست بحالی کی طرف گامزن ہوئی کیونکہ زندگی اور ضروریات زندگی کے درمیان توازن قائم کرنے کے لیے حکومت کی جانب سے "سمارٹ لاک ڈاؤن" متعارف کرایا گیا، جس نے ہاٹ سپاٹ علاقوں میں وائرس کے پھیلاؤ کو روکنے میں مدد دی اور ساتھ ہی معیشت کے پھیلنے کو تحریک رکھنے کے لیے تمام ضروری احتیاطی تدابیر کے ساتھ کاروبار کو چلنے دیا۔ تمام شعبوں میں معاشی سرگرمیوں میں اضافہ ہو گیا۔ مالی سال 21 کے لیے حکومت کی طرف سے اعلان کردہ 3.94 فیصد کی عارضی جی ڈی پی نمو سب کی توقعات اور حکومت کے اصل ہدف 2.1 فیصد سے تجاوز کر گئی ہے۔ یہ کارنامہ حکومت اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی طرف سے فراہم کی جانے والی متعدد اعانتوں کی وجہ سے سرانجام پایا ہے جیسے کہ پالیسی شرح 13.25 فیصد سے کم کر کے 7 فیصد کر دی گئی، نیا پاکستان ہاؤسنگ سکیم کے تحت سوسڈ انڈسٹری ڈائننگ اور تعمیراتی شعبے کو قرض دینے کے لیے بینکوں میں 5 فیصد کی لازمی حد مقرر کی گئی ہے۔ اس طرح تعمیرات سے وابستہ تمام صنعتوں اور آؤٹسورسنگ اور ایئر لائنز جیسی شرح سود پر انحصار کرنے والی صنعتوں کی طلب پیدا ہو گئی۔

بیرونی شعبے کی کارکردگی بھرپور رہی، کیونکہ برآمدات اور درآمدات (اشیاء اور خدمات) میں بااثر تیب 13 فیصد اور 18 فیصد نمو ہوئی، جو کہ اقتصادی سرگرمی میں تیز ترین مضبوط بحالی کو ظاہر کرتی ہے۔ پچھلے سال کے 24.4 بلین امریکی ڈالر کے مقابلے میں رواں سال کے لیے تجارتی خسارہ 30 بلین امریکی ڈالر ہوا، تاہم، اس کو ترسیلات زر کے ذریعے مالی اعانت فراہم کی گئی جو گزشتہ سال کے مقابلے میں 6.2 بلین ڈالر (27 فیصد تک) بڑھ گئے اور اوسطاً 2.4 بلین ڈالر کی ماہانہ سطح پر آ گئی۔ یہ اضافہ منظم شرح تبادلے کی شرائط، باقاعدہ بینکنگ چینلز اور روٹن ڈیجیٹل اکاؤنٹ کے اجراء سمیت اسٹیٹ بینک پاکستان اور حکومت کی جانب سے کیے گئے سازگار اقدامات سے منسوب ہے۔

ترسیلات زر میں بڑے پیمانے پر بہتری، نئے یورو بانڈز کے اجراء اور بین الاقوامی ایجنسیوں کی مدد کے نتیجے میں FX کے کھلے ذخائر میں خاطر خواہ توسیع ہوئی ہے جو کہ سال کے اختتام پر تقریباً 24.4 بلین امریکی ڈالر ہے، جو پچھلے سال کے اختتام سے 29 فیصد زیادہ ہے۔ اس نے پاکستانی روپیہ کو سال کے زیادہ تر گرین بیک کے مقابلے میں مضبوط رہنے کے قابل بنایا کیونکہ USD/PKR کی برابری جون 21 157.54 پر رہی جبکہ جون 20 میں 168.05 (6.7) فیصد کی قابل ذکر کمی تھی۔ تاہم، جون اور جولائی 2021 کے مہینے کے لیے بہت بڑا تجارتی خسارہ آپیکس ریٹ میں ایڈجسٹمنٹ کا باعث بنا اور جیسا کہ ہم کہتے ہیں کہ USD/PKR کی برابری 164 پر ہے، جو مالی سال 22 میں اعلیٰ CAD کی مارکیٹ توقعات کی عکاسی کرتی ہے۔

مالی سال 21 میں اوسط افراط زر 8.9 فیصد رہا۔ خوراک کی غیر معمولی زیادہ قیمتیں، بجلی کے نرخوں میں جزوی ایڈجسٹمنٹ اور سال کے آخری حصے میں توانائی سمیت تیل کی بڑھتی ہوئی قیمتوں نے مہنگائی میں اضافہ کیا۔ آگے بڑھتے ہوئے، تیل کی بین الاقوامی قیمتوں میں اضافہ، مجموعی طلب میں اضافہ اور بجلی اور گیس کے نرخوں میں کوئی اضافہ اگلے سال میں حکومت کے 8.2 فیصد مہنگائی کے ہدف کے لیے اہم خطرات ہیں۔

کوویڈ 19 کے نقصان دہ اثرات کو کم کرنے کی خاطر معیشت کو تیز کرنے کے لیے اسٹیٹ بینک پاکستان نے شرح سود کو کوویڈ سے پہلے کی سطح 13.25 فیصد سے کم کر کے پالیسی شرح 7 فیصد کر دی ہے۔ حقیقی شرح سود گزشتہ سال سے منفی علاقے میں ہے۔ جیسا کہ اوپر بیان کیا گیا ہے، اگر افراط زر زیادہ حد تک برقرار رہتی ہے تو شرح سود میں اضافہ ہو سکتا ہے، تاہم جیسا کہ گزشتہ ماہی پالیسی بیان میں ظاہر کیا گیا، جب معیشت اپنی مکمل صلاحیت میں واپس آ جائے گی تب آہستہ آہستہ ایڈجسٹمنٹ کی جائے گی تاکہ مثبت حقیقی شرح حاصل کی جا سکے۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 21 کے دوران، معیشت میں مضبوط بحالی کی وجہ سے شیئ مارک انڈیکس نے 37.6 فیصد (پچھلے سات سالوں میں سب سے زیادہ) کی زبردست منفعت درج کی۔ سال کے دوران، انڈیکس جون 21 کے وسط میں 48,726 پوائنٹس کی سطح پر پہنچ گیا لیکن مہینے کے آخر میں منافع میں اضافہ دیکھا گیا جس کی وجہ سے انڈیکس 47,356 پوائنٹس پر بند ہوا۔ آل شیئر انڈیکس کا اوسط تجارتی حجم بھی 165 فیصد سالانہ بہتر ہو کر 519.6 بلین شیئرز ہو گیا۔ ٹیکنالوجی، ریٹائمنز اور انجینئرنگ کے شعبوں کی مارکیٹ کھیلاؤ تزیین میں گزشتہ سال کے اختتام کے مقابلے میں بااثر تیب 182 فیصد، 172 فیصد اور 136 فیصد اضافہ ہوا۔

گزشتہ سال کے اختتام سے مقامی بورس کی واپسی کا آغاز کئی مثبت مراحل میں ہوا جس میں (a) چین میں وبا کی بیماری کے پھیلاؤ پر قابو پانے اور عالمی سطح پر لاک ڈاؤن میں نرمی کے نتیجے میں سرحد پار تجارت میں اضافہ ہوا (b) مقامی سطح پر سمارٹ لاک ڈاؤن کا نفاذ، جس کے تحت کاروباری اداروں کو مخصوص SOPs کے ساتھ کام کرنے کی اجازت دی گئی، اس طرح کاروباری سرگرمیوں کو معمول پر لانا (c) سنٹرل بینک کی طرف سے معاشی نمو کو بڑھانے کے لیے پالیسی شرح کو مجموعی طور پر 625bps تک کم کرنے اور ایک سال کے لیے قرضوں کی ادائیگی کو مؤخر کر کے صنعتوں کو ریلیف فراہم کرنے کے اقدامات (d) کاروبار کی لاگت کو کم اور معاشی سرگرمیوں میں اضافہ کرنے کے لیے حکومت کی جانب سے کئی ٹیکس اور سبسڈی کا اعلان (e) مقامی کوویڈ 19 کے کیسز میں کمی شامل تھی۔

COVID-19 کی پہلی لہر کے بعد معیشت کو بہتر ترقی دہا رہا کھولنا بڑے پیمانے کی میڈیٹیکلنگ سے ظاہر ہوتی ہے جس میں IMF 21 سالانہ 14.57 فیصد کی بہتری ہوئی۔ ڈیٹا سائیکل انڈیکس ز میں صحت مند علامات واضح تھیں کیونکہ سینٹ، آٹوموبائل اور چھوٹے مصنوعات کی فروخت میں اضافہ ہو رہا ہے۔ اس کے نتیجے میں، کارپوریٹ آمدنی نے مالی سال 21 میں مضبوط اضافہ درج کیا۔ آگے بڑھتے ہوئے، میڈیٹیکلنگ کی کاروباری سرگرمیوں کو بہتر بنانے کے ساتھ ساتھ ٹیکسوں اور E&Ps کی پکٹیشن قیمتیں مارکیٹ کے جذبات کو مثبت رکھیں گے۔