

ALFALAH GHP VALUE FUND

ANNUAL REPORT 2016



Alfalah Investments

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FUND'S INFORMATION

| | |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management Company: | Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Board of Directors of the Management Company: | <ul style="list-style-type: none">- Ms. Maheen Rahman- Syed Ali Sultan- Mr. Michael Hermann- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Abid Naqvi- Mr. Tufail Jawed Ahmad |
| Chief Operating Officer and Company Secretary : | - Mr. Noman Ahmed Soomro |
| Chief Financial Officer: | - Mr. Muhammad Shehzad Dhedhi |
| Audit Committee: | <ul style="list-style-type: none">- Mr. Abid Naqvi- Syed Ali Sultan- Mr. Amin Dawood Saleh |
| HR Committee: | <ul style="list-style-type: none">- Syed Ali Sultan- Mr. Michael Hermann- Ms. Maheen Rahman |
| Trustee: | Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi |
| Fund Manager: | - Ms. Sabina Ahmed |
| Bankers to the Fund: | Bank Alfalah Limited |
| Auditors: | EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan |
| Legal Advisor: | Bawaney & Partners Room No.404,4th Floor Beaumont Plaza,6-cl-10 Beaumont Road, Civil Lines Karachi. |
| Registrar: | Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi. |
| Distributor: | Bank Alfalah Limited |
| Rating: | 4 Star (long term) and 4 Star (short term) by PACRA |

**MISSION STATEMENT**

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

To our valued Unit Holders,

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

FY16 Economic Review

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

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

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

Equity Market:

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

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

Money Market:

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

Future Outlook:

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

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

FUND PERFORMANCE AND REVIEW

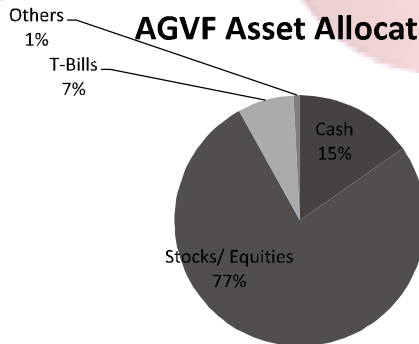
For the year ended June 30, 2016, your fund posted a return of 18.30% and stood out as the top performer in its peer group ranking. During the same period the benchmark return (50% KSE 100 Index + 50% 6M Kibor) was 8.19%.

The fund positioned itself actively within equities to beat the benchmark and generate a healthy investment alpha. The selective exposure in Cements and Electricity remained the key support whereas limited exposure to Banks and Energy initially also favored the fund. In the latter half the exposure to Oil & Gas sector was increased in order to benefit from the reversal in international oil prices from a low of USD 25 in Feb 2016. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies, however, like previous year, the second and third tier stocks augmented the overall performance. Bottom-up approach was used concurrently to identify value and growth stocks.

AGHP Value Fund Vs Benchmark



AGVF Asset Allocation



Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30 ,2016 | For the year ended June 30 ,2015 |
|---------------------------------------|----------------------------------|----------------------------------|
| Average Net Assets | 711.526 | 572.225 |
| Gross income | 144.079 | 140.574 |
| Total Comprehensive Income | 103.036 | 121.463 |
| Net Assets Value per Unit (PKR) | 63.3712 | 61.2579 |
| Issuance of units during the period | 353.729 | 167.717 |
| Redemption of units during the period | 354.867 | 211.865 |

Payout

At the end of the year under review, the fund paid out cash dividend of PKR. 1.6239 per unit and bonus of 7.2725 per unit.

Corporate Governance

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

- a) Financial Statement represents fairly the state of affairs of funds under management of Alfalah GHP Investment Management Limited, the results of their operations, cash flows and the changes in Unit-holders funds.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon Funds under management of Alfalah GHP Investment Management Limited's ability to continue as a going concern.
- g) Outstanding statutory payment on account of taxes, duties, levies and charges have been fully disclosed in the Financial Statements.
- h) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- i) The summary of key financial data is given above in this Director Report.
- j) Details of meetings of the Board of Directors held and the attendance of each director for these meetings are given in note # (iv.) of supplementary non financial information of this annual report.
- k) The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- l) The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2016 as given in note # 19.3
- m) Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2016 is given in note # 19.3;

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

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

Change in Board Members during the year

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

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

Audit Committee Meetings

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

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

Acknowledgement

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

For and behalf of the Board

Chief Executive Officer
September 22, 2016

REPORT OF THE FUND MANAGER

Type of Fund: Open-end Scheme

Category of Fund: Conventional 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

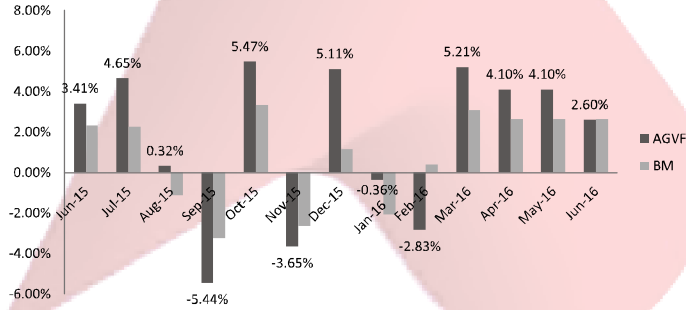
The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Fund Performance

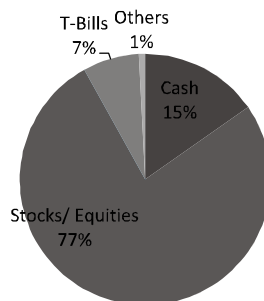
For the year ended June 30, 2016, your fund posted a return of 18.30% and stood out as the top performer in its peer group ranking. During the same period the benchmark return (50% KSE 100 Index + 50% 6M Kibor) was 8.19%.

The fund positioned itself actively within equities to beat the benchmark and generate a healthy investment alpha. The selective exposure in Cements and Electricity remained the key support whereas limited exposure to Banks and Energy initially also favored the fund. In the latter half the exposure to Oil & Gas sector was increased in order to benefit from the reversal in international oil prices from a low of USD 25 in Feb 2016. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies, however, like previous year, the second and third tier stocks augmented the overall performance. Bottom-up approach was used concurrently to identify value and growth stocks.

AGHP Value Fund Vs Benchmark



AGVF Asset Allocation



Future Outlook

Going forward, the fund plans to continue to institute an active investment strategy with focus on asset allocation. Low interest rate environment, lower energy prices and rising aggregate demand is expected to induce growth in corporate earnings. Going forward, the Fund will maintain a high exposure in the market and continue to identify best stocks in key sectors. The healthy earnings growth, inclusion in MSCI EM index, increasing depth, rising investor confidence in policymakers' ability to deal with economic troubles and attractive valuations on regional comparison will bid well for equities in the long term. With these factors in play, the index will most likely see new highs during the fiscal year.

Key Financial Data

(Rupees in Million)

| Description | For the year ended June 30 ,2016 | For the year ended June 30 ,2015 |
|---------------------------------------|----------------------------------|----------------------------------|
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Payout

At the end of the year under review, the fund paid out cash dividend of PKR. 1.6239 per unit and bonus of 7.2725 per unit.

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

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

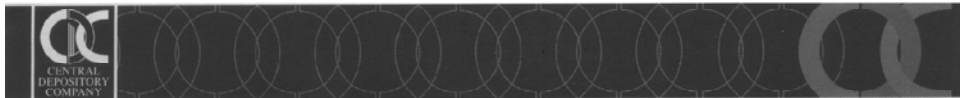
**TRUSTEE REPORT TO THE UNIT HOLDERS****ALFALAH GHP VALUE FUND****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2016 in accordance with the provisions of the following:

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

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

Karachi: September 16, 2016



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

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

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

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

The Independent Directors meet the criteria of independence under clause 5.19.1. (b) of the CCG.

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



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

For and on behalf of the Board

Maheen Rahman
Chief Executive Officer



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

Tel: +9221 3565 0007-11
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ey.khi@pk.ey.com
ey.com/pk

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

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

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

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

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

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

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

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

Chartered Accountants

Karachi

Date: September 22, 2016



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

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Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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





-: 2 :-

Opinion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Chartered Accountants**Audit Engagement Partner: Shabbir Yunus**

Date: September 22, 2016

Karachi

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

| | Note | June 30, 2016 ----- (Rupees) ----- | June 30, 2015 ----- |
|---------------------------------------------------------------------------------|------|------------------------------------------|---------------------------|
| Assets | | | |
| Bank balances | 4 | 104,769,769 | 45,838,220 |
| Investments | 5 | 577,373,149 | 547,387,298 |
| Prepayments, dividend and other receivable | 6 | 3,377,409 | 3,764,485 |
| Security deposits | 7 | 2,600,000 | 2,600,000 |
| Receivable against sale of investments | | - | 24,847,404 |
| Total assets | | 688,120,327 | 624,437,407 |
| Liabilities | | | |
| Payable to the Management Company | 8 | 8,528,804 | 5,634,452 |
| Payable to the Trustee | 9 | 408,382 | 175,341 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP) | 10 | 676,810 | 481,757 |
| Provision for Workers' Welfare Fund (WWF) | 11 | 13,380,235 | 13,380,235 |
| Accrued and other liabilities | 12 | 9,161,316 | 5,137,295 |
| Distribution payable | | 14,377 | 27,402,973 |
| Total liabilities | | 32,169,924 | 52,212,053 |
| Net assets attributable to unit holders | | 655,950,403 | 572,225,354 |
| Unit holders' funds (as per statement attached) | | 655,950,403 | 572,225,354 |
| Contingencies and commitments | 13 | ----- (Number of units) ----- | |
| Number of units in issue | | 10,350,921 | 9,340,987 |
| Net asset value per unit | | 63.3712 | 61.2579 |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

| | Note | June 30, 2016 ----- (Rupees) ----- | June 30, 2015 |
|--------------------------------------------------------------------------------------------------------------------------------|------|------------------------------------------|------------------|
| Income | | | |
| Finance Income | 14 | 11,397,746 | 14,367,712 |
| 'At fair value through profit or loss' - held-for-trading | | | |
| - Net gain on sale of investments | | 31,225,776 | 14,154,164 |
| - Net unrealised gain on revaluation of investments | 5.5 | 74,340,808 | 92,104,649 |
| - Dividend income from equity securities | | 27,114,485 | 19,947,766 |
| | | 132,681,069 | 126,206,579 |
| Total income | | 144,078,815 | 140,574,291 |
| Expenses | | | |
| Remuneration of the Management Company | 8.1 | 14,255,040 | 10,144,025 |
| Sales tax on management fee | | 2,314,423 | 1,765,061 |
| Federal excise duty on management fee | 15 | 2,280,373 | 1,623,044 |
| Remuneration of the Trustee | | 1,425,512 | 1,014,345 |
| Sales tax on trustee fee | | 199,534 | - |
| Annual fee to the SECP | | 676,810 | 481,757 |
| Bank and settlement charges | | 359,029 | 321,933 |
| CDS charges | | 89,820 | 55,051 |
| Auditors' remuneration | 16 | 662,439 | 649,741 |
| Brokerage expense and capital value tax | | 3,113,909 | 2,109,124 |
| Fees and subscriptions | | 160,682 | 177,630 |
| Provision for Workers' Welfare Fund | 11 | - | 2,478,508 |
| Printing charges | | 57,915 | 200,077 |
| Expenses allocated by the Management Company | 8.2 | 417,900 | - |
| Total expenses | | 26,013,386 | 21,020,296 |
| Net income from operating activities | | 118,065,429 | 119,553,995 |
| Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net | | (15,029,542) | 1,909,152 |
| Net income for the year before taxation | | 103,035,887 | 121,463,147 |
| Taxation | 18 | - | - |
| Net income for the year after taxation | | 103,035,887 | 121,463,147 |

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

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

Chief Executive Officer

Director

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

| | Note | June 30, 2016 | June 30, 2015 |
|------------------------------------------------|------|---------------------------|---------------------------|
| | | ----- (Rupees) ----- | |
| Net income for the year after taxation | | 103,035,887 | 121,463,147 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | <u><u>103,035,887</u></u> | <u><u>121,463,147</u></u> |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

| | Note | June 30, 2016 ----- (Rupees) ----- | June 30, 2015 ----- |
|---------------------------------------------------------------------------------------------------------|------|------------------------------------------|---------------------------|
| Undistributed income brought forward: | | | |
| Realised gains | | 17,981,943 | 3,047,327 |
| Unrealised gains | | 92,104,649 | 49,534,599 |
| | | 110,086,592 | 52,581,926 |
| Element income and capital gains included in prices of units sold less those in units redeemed - net | | 11,902,403 | - |
| Total comprehensive income for the year | | 103,035,887 | 121,463,147 |
| Interim distribution for the year: | | | |
| - Cash distribution of Rs.1.6239 per unit (2015: Rs.7.7634 per unit) approved on June 29, 2016 | | (33,202,635) | (63,958,481) |
| Interim distribution of 729,624 bonus units (2015: Nil units) | | (47,598,263) | - |
| | | 22,234,989 | 57,504,666 |
| Undistributed income carried forward | | 144,223,984 | 110,086,592 |
| Undistributed income carried forward: | | | |
| Realised gains | | 69,883,176 | 17,981,943 |
| Unrealised gains | | 74,340,808 | 92,104,649 |
| | | 144,223,984 | 110,086,592 |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

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

| Note | June 30, 2016 ----- (Rupees) ----- | June 30, 2015 |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------|
| Net assets at the beginning of the year | 572,225,354 | 560,777,275 |
| Amount realised on issuance of 5,465,365 units (2015: 2,608,853 units) | 353,729,457 | 167,717,110 |
| Amount paid on redemption of 5,185,055 units (2015: 3,455,498 units) | (354,867,202) | (211,864,545) |
| | (1,137,745) | (44,147,435) |
| Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net | 15,029,542 | (1,909,152) |
| Interim distribution of 729,624 bonus units (2015: Nil units) | 47,598,263 | - |
| Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading | 31,225,776 | 14,154,164 |
| Net unrealised gain on investments classified as 'at fair value through profit or loss - held-for-trading' | 74,340,808 | 92,104,649 |
| Other net (loss) / income for the year | (2,530,697) | 15,204,334 |
| Interim distribution for the year: | | |
| - Cash distribution of Rs.1.6239 per unit (2015: Rs.7.7634 per unit) approved on June 29, 2016 | (33,202,635) | (63,958,481) |
| Interim distribution of 729,624 bonus units (2015: Nil units) | (47,598,263) | - |
| Net income for the year less distribution | 22,234,989 | 57,504,666 |
| Net assets at the end of the year | 655,950,403 | 572,225,354 |
| [Net asset value: Rs.63.3712 per unit (2015: Rs.61.2579 per unit)] | | |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

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

| | June 30, 2016 | June 30, 2015 |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
| Note | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 103,035,887 | 121,463,147 |
| Adjustments for: | | |
| Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading | (31,225,776) | (14,154,164) |
| Net unrealised gain on investments classified as 'at fair value through profit or loss' - held-for-trading | (74,340,808) | (92,104,649) |
| Dividend income from equity securities | (27,114,485) | (19,947,766) |
| Mark-up on bank deposits | (4,861,913) | (5,084,965) |
| Income from treasury bills | (4,240,848) | (3,357,164) |
| Income from Pakistan Investment Bonds | (2,294,985) | (5,525,140) |
| Other income | - | (400,443) |
| Provision for Workers' Welfare Fund | - | 2,478,508 |
| Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net | 15,029,542 | (1,909,152) |
| | (26,013,386) | (18,541,788) |
| Decrease in assets | | |
| Investments - net | 125,308,375 | 122,023,613 |
| Prepaid PACRA Fee | (29,678) | - |
| Receivable against sale of investments | 24,847,404 | (24,847,404) |
| | 150,126,101 | 97,176,209 |
| Increase in liabilities | | |
| Payable to the Management Company | 2,894,352 | 2,622,220 |
| Payable to the Trustee | 233,041 | 13,807 |
| Annual fee payable to SECP | 195,053 | (13,662) |
| Accrued and other liabilities | 174,288 | 3,756,568 |
| | 3,496,734 | 6,378,933 |
| Dividend and mark-up / income received | 38,928,985 | 31,466,994 |
| Net cash generated from operating activities | 166,538,434 | 116,480,349 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amounts received on issuance of units | 353,729,457 | 167,717,111 |
| Payments made against redemption of units | (354,725,889) | (211,864,545) |
| Dividend paid | (56,882,811) | (36,555,508) |
| Net cash flows used in financing activities | (57,879,243) | (80,702,942) |
| Net increase in cash and cash equivalents during the year | 108,659,191 | 35,777,406 |
| Cash and cash equivalents at beginning of the year | 45,838,220 | 10,060,814 |
| Cash and cash equivalents at end of the year | 154,497,411 | 45,838,220 |

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Value Fund is an open-end collective investment scheme (the Fund) established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on 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 Regulation) Rules 2003 (the NBFC Rules), on May 13, 2005.

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under the NBFC Rules. The registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2 (Outlook: Stable) ' to the Management Company in its rating report dated June 08, 2016 and 4 -Star (short term) and 4-Star (long term) to the Fund in its rating report dated June 29, 2016.

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

2. BASIS OF PRESENTATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund.

2.4 Accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 3.2 and 3.3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described in note 3.1 below.

3.1 New and amended standards and interpretations

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

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above accounting standards did not have any effect on the financial statements, except for IFRS 13, which requires certain additional disclosure (see note 21).

3.2 Financial instruments

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

a) Financial instruments at fair value through profit or loss

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

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

b) Available-for-sale

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

c) Loans and receivables

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

d) Financial liabilities

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

Recognition

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

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

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

Measurement

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

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

Fair value measurement principles**Basis of valuation of Quoted Equity Securities**

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

Basis of valuation of Sukuk Certificates

- The Government securities are revalued at their fair values (determined by reference to the quotations obtained from the PKRV and PKISRV Reuters rate circulated by Mutual Funds Association of Pakistan), based on the remaining tenure of the security.
- Provision against non performing debt securities is made in accordance with the provisioning criteria prescribed by the SECP and the Fund's provisioning criteria. These are elaborated in note 3.3 to these financial statements.

3.3 Impairment

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

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

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

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

3.4 Derecognition

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

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

3.5 Unit holders' fund

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

3.6 Issue and redemption of units

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

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

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

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

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

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

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

Since the element is an equalisation account between income for the period and undistributed income, the change did not have any impact on Net Asset Value (NAV) of the Fund. Had the methodology not been changed, the net income for the year ended June 30, 2016 would have been lower by Rs.0.376 million.

3.8 Provisions

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

3.9 Net asset value per unit

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

3.10 Earnings per unit

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

3.11 Taxation

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

3.12 Offsetting of financial instruments

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

3.13 Revenue recognition

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

3.14 Expenses

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

3.15 Cash and cash equivalents

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

3.16 Dividend distribution and appropriations

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

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

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

| Standard or Interpretation | Effective date (accounting periods beginning on or after) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments) | January 01, 2018 |
| IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment) | January 01, 2016 |
| IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) | Not yet finalized |
| IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment) | January 01, 2016 |
| IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment) | January 01, 2016 |
| IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment) | January 01, 2017 |
| IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments) | January 01, 2017 |
| IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment) | January 01, 2016 |
| Standard, interpretation or amendment | Effective date (accounting periods beginning on or after) |
| IAS 16 – Property, Plant and Equipment IAS 41 Agriculture – Agriculture: Bearer Plants (Amendment) | January 01, 2016 |
| IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment) | January 01, 2016 |

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Fund expects that such improvements to the standards will not have any material impact on the Fund's financial statements in the period of initial application.

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

| Standard | | Effective date (annual periods beginning on or after) | |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------|
| | | | |
| IFRS 9 – Financial Instruments: Classification and Measurement | | January 01, 2018 | |
| IFRS 14 – Regulatory Deferral Accounts | | January 01, 2016 | |
| IFRS 15 – Revenue from Contracts with Customers | | January 01, 2018 | |
| IFRS 16 – Leases | | January 01, 2019 | |
| | | June 30, 2016 | June 30, 2015 |
| | Note | ----- (Rupees) ----- | ----- |
| 4. BANK BALANCES | | | |
| Deposit accounts | 4.1 | <u>104,769,769</u> | <u>45,838,220</u> |
| 4.1 | These represent balances in deposit accounts maintained with banks carrying profit rates ranging from 5.50% to 7.00% (2015: 6.00% to 7.00%) per annum. This includes Rs.104.750 million (2015: Rs.Nil) placed with Bank Alfalah Limited (a related party). | | |
| 5. INVESTMENTS | | June 30, 2016 | June 30, 2015 |
| Financial assets classified as 'at fair value through profit or loss' - held-for-trading | Note | ----- (Rupees) ----- | ----- |
| Equity securities - quoted | 5.1 | <u>521,957,104</u> | 446,165,025 |
| Real Estate Investment Trust units - quoted | 5.2 | <u>5,688,403</u> | 5,799,016 |
| Market Treasury Bills | 5.3 | <u>49,727,642</u> | 39,517,826 |
| Pakistan Investment Bonds | 5.4 | <u>-</u> | 55,905,431 |
| | | <u>577,373,149</u> | 547,387,298 |
| Financial assets classified as 'available-for-sale' | | | |
| Term finance certificates | 5.6 | <u>-</u> | <u>-</u> |
| | | <u>577,373,149</u> | <u>547,387,298</u> |

5.1 Equity securities - quoted - at fair value through profit and loss - held-for-trading

| Name of the investee company | As at July 01, 2015 | Purchased during the year | Bonus / rights issue during the year | Sold during the year | As at June 30, 2016 | Carrying Value June 30, 2016 | Market value as at June 30, 2016 | Market value as a percentage of: | | Par value as percentage of issued share capital |
|------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|--------------------------------------|----------------------|---------------------|------------------------------|----------------------------------|----------------------------------|---------------|-------------------------------------------------|
| | ----- (Number of shares)----- | | | | | ---- (Rupees) ---- | | ----- (%) ----- | | |
| Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise | | | | | | | | | | |
| Fertilizer | | | | | | | | | | |
| Engro Corporation Limited | 120,300 | 99,500 | - | 169,300 | 50,500 | 16,905,641 | 16,814,985 | 2.56% | 2.91% | 0.01% |
| Engro Fertilizers Limited | 292,890 | 553,000 | - | 792,890 | 53,000 | 3,704,305 | 3,417,440 | 0.52% | 0.59% | 0.00% |
| Fauji Fertilizer Company Limited | 83,000 | - | - | 83,000 | - | - | - | - | - | - |
| Fauji Fertilizer Bin Qasim Limited | - | 205,000 | - | 205,000 | - | - | - | - | - | - |
| Fatima Fertilizer Company Limited | 222,000 | 198,000 | - | 420,000 | - | - | - | - | - | - |
| | | | | | | 20,609,946 | 20,232,425 | 3.08% | 3.50% | 0.01% |
| Chemicals | | | | | | | | | | |
| Biafo Industries Limited | - | 74,800 | - | 52,900 | 21,900 | 5,138,931 | 5,694,000 | 0.87% | 0.99% | 0.11% |
| | | | | | | 5,138,931 | 5,694,000 | 0.87% | 0.99% | 0.11% |
| Commercial banks | | | | | | | | | | |
| Bank Alfalah Limited (a related party) | - | 699,500 | - | 459,500 | 240,000 | 6,122,565 | 6,136,800 | 0.94% | 1.06% | 0.02% |
| Bank Al Habib Limited | - | 225,500 | - | 225,500 | - | - | - | - | - | - |
| Allied Bank Limited | - | 114,500 | - | 114,500 | - | - | - | - | - | - |
| Habib Bank Limited | - | 170,000 | - | 100,500 | 69,500 | 13,089,942 | 13,730,420 | 2.09% | 2.38% | 0.00% |
| Habib Metropolitan Bank Limited | - | 268,000 | - | 268,000 | - | - | - | - | - | - |
| MCB Bank Limited | - | 142,000 | - | 111,500 | 30,500 | 6,821,965 | 6,710,610 | 1.02% | 1.16% | 0.00% |
| United Bank Limited | - | 168,000 | - | 88,000 | 80,000 | 12,863,970 | 14,153,600 | 2.16% | 2.45% | 0.01% |
| Askari Bank Limited | - | 250,000 | - | 250,000 | - | - | - | - | - | - |
| | | | | | | 38,898,442 | 40,731,430 | 6.210% | 7.05% | 0.03% |
| Insurance | | | | | | | | | | |
| Adamjee Insurance Company Limited | 250,000 | 60,000 | - | 228,500 | 81,500 | 4,005,207 | 4,088,040 | 0.62% | 0.71% | 0.02% |
| | | | | | | 4,005,207 | 4,088,040 | 0.62% | 0.71% | 0.02% |
| Cement | | | | | | | | | | |
| D.G. Khan Cement Company Limited | 134,500 | 129,000 | - | 191,500 | 72,000 | 11,005,669 | 13,715,280 | 2.09% | 2.38% | 0.02% |
| Lucky Cement Limited | 57,377 | 41,200 | - | 70,877 | 27,700 | 13,971,744 | 17,963,727 | 2.74% | 3.11% | 0.01% |
| Kohat Cement Limited | - | 142,700 | - | 59,800 | 82,900 | 18,386,747 | 21,713,168 | 3.31% | 3.76% | 0.05% |
| Maple Leaf Cement Factory Limited | 364,500 | 179,000 | - | 543,500 | - | - | - | - | - | - |
| Fauji Cement Company Limited | 88,000 | 100,000 | - | 169,000 | 19,000 | 822,719 | 680,200 | 0.10% | 0.12% | 0.00% |
| Fecto Cement Limited | 76,000 | 143,500 | - | 127,000 | 92,500 | 7,325,443 | 10,683,750 | 1.63% | 1.85% | 0.18% |
| Cherat Cement Company Limited | - | 270,500 | - | 270,500 | - | - | - | - | - | - |
| Pioneer Cement | - | 358,500 | - | 197,500 | 161,000 | 15,273,994 | 17,291,400 | 2.64% | 2.99% | 0.07% |
| | | | | | | 66,786,316 | 82,047,525 | 9.87% | 11.22% | 0.26% |
| Power generation and distribution | | | | | | | | | | |
| Lalpir Power Limited | - | 566,500 | - | 566,500 | - | - | - | - | - | - |
| Hub Power Company Limited | 512,000 | 285,000 | - | 309,500 | 487,500 | 48,608,193 | 58,529,250 | 8.92% | 10.14% | 0.04% |
| Kot Addu Power Company Limited | 555,000 | 294,000 | - | 468,500 | 380,500 | 31,517,025 | 33,959,625 | 5.18% | 5.88% | 0.04% |
| Nishat Chunian Power Limited | 141,500 | - | - | 141,500 | - | - | - | - | - | - |
| Nishat Power Limited | 148,500 | - | - | 148,500 | - | - | - | - | - | - |
| Pakgen Power Limited | - | 449,500 | - | 449,500 | - | - | - | - | - | - |
| | | | | | | 80,125,218 | 92,488,875 | 14.10% | 16.02% | 0.08% |
| Oil and gas marketing companies | | | | | | | | | | |
| Pakistan State Oil Company Limited | 9,000 | 78,500 | - | 60,000 | 27,500 | 9,272,555 | 10,325,150 | 1.57% | 1.79% | 0.01% |
| Hascal Petroleum Limited | 230,020 | 59,000 | 31,804 | 271,000 | 49,824 | 6,709,025 | 9,734,115 | 1.48% | 1.68% | 0.04% |
| | | | | | | 15,981,580 | 20,059,265 | 3.06% | 3.47% | 0.05% |
| Oil and gas exploration companies | | | | | | | | | | |
| Mari Petroleum Company Limited | 54 | 67,300 | - | 33,200 | 34,154 | 19,411,870 | 31,019,346 | 4.73% | 5.37% | 0.03% |
| Oil and Gas Development Company Limited | - | 642,400 | - | 279,500 | 362,900 | 46,246,793 | 50,105,603 | 7.64% | 8.67% | 0.01% |
| Pakistan Oilfields Limited | - | 112,800 | - | 37,700 | 75,100 | 22,047,456 | 26,095,748 | 3.98% | 4.51% | 0.03% |
| Pakistan Petroleum Limited | - | 70,000 | - | - | 70,000 | 10,235,541 | 10,853,500 | 1.65% | 1.87% | 0.00% |
| | | | | | | 97,941,660 | 118,074,197 | 18.00% | 20.42% | 0.07% |

| Name of the investee company | As at July 01, 2015 | Purchased during the year | Bonus / rights issue during the year | Sold during the year | As at June 30, 2016 | Carrying Value June 30, 2016 | Market value as at June 30, 2016 | Market value as a percentage of: | | Par value as percentage of issued share capital |
|------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|--------------------------------------|----------------------|---------------------|------------------------------|----------------------------------|----------------------------------|-------------------|-------------------------------------------------|
| | ----- (Number of shares)----- | | | | | ----- (Rupees) ----- | | Net assets | Total investments | (%) |
| Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise | | | | | | | | | | |
| Refinery | | | | | | | | | | |
| Attock Refinery Limited | 17,000 | 34,000 | - | 27,000 | 24,000 | 6,221,639 | 6,723,360 | 1.02% | 1.16% | 0.03% |
| National Refinery Limited | 54,500 | 93,600 | - | 120,000 | 28,100 | 7,910,790 | 13,358,740 | 2.04% | 2.31% | 0.04% |
| Byco Petroleum Pakistan Limited | - | 50,000 | - | 50,000 | - | - | - | - | - | - |
| | | | | | | <u>14,132,429</u> | <u>20,082,100</u> | <u>3.06%</u> | <u>3.48%</u> | <u>0.06%</u> |
| Automobile assembler | | | | | | | | | | |
| Pak Suzuki Motor Company Limited | 55,200 | 30,000 | - | 85,200 | - | - | - | - | - | - |
| Honda Atlas Cars (Pakistan) Limited | - | 77,500 | - | 77,500 | - | - | - | - | - | - |
| Indus Motor Company Limited | - | 13,050 | - | 12,050 | 1,000 | 907,998 | 939,540 | 0.14% | 0.16% | 0.00% |
| | | | | | | <u>907,998</u> | <u>939,540</u> | <u>0.14%</u> | <u>0.16%</u> | <u>0.00%</u> |
| Automobile parts and accessories | | | | | | | | | | |
| General Tyre and Rubber Company of Pakistan Limited | - | 86,500 | - | 29,500 | 57,000 | 10,258,850 | 10,145,430 | 1.55% | 1.76% | 0.10% |
| | | | | | | <u>10,258,850</u> | <u>10,145,430</u> | <u>1.55%</u> | <u>1.76%</u> | <u>0.10%</u> |
| Cable and electrical goods | | | | | | | | | | |
| Pak Elektron Limited | 414,500 | 149,375 | 70,375 | 606,375 | 27,875 | 2,082,309 | 1,802,119 | 0.27% | 0.31% | 0.01% |
| | | | | | | <u>2,082,309</u> | <u>1,802,119</u> | <u>0.27%</u> | <u>0.31%</u> | <u>0.01%</u> |
| Household goods | | | | | | | | | | |
| Tariq Glass Industries Limited | - | 105,000 | - | - | 105,000 | 7,949,010 | 7,764,750 | 1.18% | 1.34% | 0.14% |
| | | | | | | <u>7,949,010</u> | <u>7,764,750</u> | <u>1.18%</u> | <u>1.34%</u> | <u>0.14%</u> |
| Textile composite | | | | | | | | | | |
| Nishat Mills Limited | 94,100 | 215,000 | - | 277,100 | 32,000 | 3,779,077 | 3,452,800 | 0.53% | 0.60% | 0.01% |
| Kohinoor Textile Mills Limited | 242,000 | 108,000 | 25,200 | 167,000 | 208,200 | 12,803,251 | 16,662,246 | 2.54% | 2.88% | 0.07% |
| | | | | | | <u>16,582,328</u> | <u>20,115,046</u> | <u>3.07%</u> | <u>3.48%</u> | <u>0.08%</u> |
| Food and personal care products | | | | | | | | | | |
| Engro Foods Limited | 68,000 | 9,000 | - | 77,000 | - | - | - | - | - | - |
| Al Shaheer Corporation Limited | - | 215,500 | - | 200,000 | 15,500 | 783,912 | 809,255 | 0.12% | 0.14% | 0.01% |
| | | | | | | <u>783,912</u> | <u>809,255</u> | <u>0.12%</u> | <u>0.14%</u> | <u>0.01%</u> |
| Engineering | | | | | | | | | | |
| Amreli Steel Limited | - | 168,000 | - | 150,000 | 18,000 | 1,025,944 | 846,360 | 0.13% | 0.14% | 0.01% |
| Crescent Steel & Allied Products Limited | - | 411,875 | 44,875 | 332,375 | 124,375 | 13,430,518 | 14,254,619 | 2.17% | 2.46% | 0.16% |
| | | | | | | <u>14,456,462</u> | <u>15,100,979</u> | <u>2.30%</u> | <u>2.60%</u> | <u>0.17%</u> |
| Technology and communication | | | | | | | | | | |
| System Limited | - | 636,000 | - | 636,000 | - | - | - | - | - | - |
| Hum Network Limited (Face value of Rs.1 each) | 699,000 | 58,000 | - | 757,000 | - | - | - | - | - | - |
| | | | | | | - | - | - | - | - |
| Pharmaceuticals | | | | | | | | | | |
| Ferozsons Laboratories Limited | - | 32,700 | - | 29,200 | 3,500 | 3,536,988 | 3,608,290 | 0.55% | 0.62% | 0.01% |
| Highnoon Laboratories Limited | - | 45,100 | - | 30,000 | 15,100 | 8,255,071 | 8,703,640 | 1.33% | 1.50% | 0.07% |
| The Searle Company Limited | - | 97,750 | 23,495 | 96,550 | 24,695 | 8,454,589 | 13,240,224 | 2.02% | 2.29% | 0.02% |
| | | | | | | <u>20,246,648</u> | <u>25,552,154</u> | <u>3.90%</u> | <u>4.41%</u> | <u>0.08%</u> |
| Sugar and allied industries | | | | | | | | | | |
| Faran Sugar Mills Limited | - | 66,500 | - | 8,500 | 58,000 | 6,112,132 | 6,264,000 | 0.95% | 1.08% | 0.23% |
| | | | | | | <u>6,112,132</u> | <u>6,264,000</u> | <u>0.95%</u> | <u>1.08%</u> | <u>0.23%</u> |
| Paper and board | | | | | | | | | | |
| Packages Limited | - | 47,100 | - | - | 47,100 | 24,519,298 | 29,965,974 | 4.57% | 5.19% | 0.05% |
| | | | | | | <u>24,519,298</u> | <u>29,965,974</u> | <u>4.57%</u> | <u>5.19%</u> | <u>0.05%</u> |
| As at June 30, 2016 | <u>4,928,941</u> | <u>9,966,750</u> | <u>195,749</u> | <u>10,968,517</u> | <u>3,358,923</u> | <u>447,518,676</u> | <u>521,957,104</u> | | | |
| As at June 30, 2015 | <u>3,487,480</u> | <u>9,901,606</u> | <u>21,100</u> | <u>8,481,245</u> | <u>4,928,941</u> | <u>356,243,558</u> | <u>446,165,025</u> | | | |

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

| | June 30, 2016 | June 30, 2015 |
|----------------------------------|--------------------------------|------------------|
| Note | ----- (Number of shares) ----- | |
| D.G. Khan Cement Company Limited | 65,000 | - |
| Lucky Cement Limited | - | 30,000 |
| The Hub Power Company Limited | 200,000 | - |
| | <u>265,000</u> | <u>30,000</u> |

5.1.2 The investment in equity securities include bonus shares having market value of Rs.1.188 million withheld by the investee companies during the period as issuance of bonus shares has been made taxable through Finance Act, 2014. Consequently, bonus shares equivalent to 5 percent (representing tax impact of the bonus announcement) have been withheld by the investee companies.

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

Real estate investment trust units - quoted - 'at fair value through profit or loss' - held-for-trading

| Name of the investee company | As at July 01, 2015 | Purchased during the year | Bonus / rights issue during the year | Sold during the year | As at June 30, 2016 | Carrying Value June 30, 2016 | Market value as at June 30, 2016 | Market value as a percentage of: | | Par value as percentage of issued share capital |
|---------------------------------------------|--------------------------------|---------------------------|--------------------------------------|----------------------|----------------------|------------------------------|----------------------------------|----------------------------------|-------------------|-------------------------------------------------|
| | | | | | | | | Net assets | Total investments | |
| | ----- (Number of shares) ----- | | | | ----- (Rupees) ----- | | ----- (%) ----- | | | |
| Dolmen City REIT (face value of Rs.10 each) | 526,704 | - | - | - | 526,704 | 5,799,011 | 5,688,403 | 0.87% | 0.99% | 0.02% |
| As at June 30, 2016 | <u>526,704</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>526,704</u> | <u>5,799,011</u> | <u>5,688,403</u> | | | |
| As at June 30, 2015 | - | 526,704 | - | - | 526,704 | 5,793,744 | 5,799,016 | | | |

5.3 Market Treasury Bills - 'at fair value through profit or loss' - held-for-trading

| Note | Face value | | | | Balance as at June 30, 2016 | | | Net assets on the basis of market value | Investment on the basis of market value | |
|-----------------------------------|----------------------|---------------------------|----------------------|-------------------------|-----------------------------|------------------------------|----------------------------------|-----------------------------------------|-----------------------------------------|-------|
| | As at July 01, 2015 | Purchased during the year | Sold during the year | Matured during the year | As at June 30, 2016 | Carrying Value June 30, 2016 | Market value as at June 30, 2016 | | | |
| | ----- (Rupees) ----- | | | | | | | | | |
| Market Treasury Bills - 3 months | 5.3.1 | - | 2,400,000 | - | 1,900,000 | 500,000 | 49,714,654 | 49,727,642 | 7.58% | 8.61% |
| Market Treasury Bills - 6 months | | 400,000 | - | - | 400,000 | - | - | - | | |
| Market Treasury Bills - 12 months | | - | 1,000,000 | - | 1,000,000 | - | - | - | | |
| Total as at June 30, 2016 | | <u>400,000</u> | <u>3,400,000</u> | <u>-</u> | <u>3,300,000</u> | <u>500,000</u> | <u>49,714,654</u> | <u>49,727,642</u> | | |
| Total as at June 30, 2015 | | <u>-</u> | <u>1,100,000</u> | <u>700,000</u> | <u>1,250,000</u> | <u>400,000</u> | <u>39,536,802</u> | <u>39,517,826</u> | | |

5.3.1 These represent market treasury bills having face value of Rs.50 million (2015: Rs.40 million) carrying purchase yield of 6.21% (2015: 6.70% to 9.96%) per annum. These market treasury bills have maturity upto August 04, 2016 (2015: September 05, 2015).

5.4 Pakistan Investment Bonds - 'at fair value through profit or loss' - held-for-trading

| Units | | | | | Balance as at June 30, 2016 | | Net assets on the basis of market value | Investment on the basis of market value |
|--------------------------------------|---------------------------|----------------------|-------------------------|---------------------|------------------------------|----------------------------------|-----------------------------------------|-----------------------------------------|
| As at July 01, 2015 | Purchased during the year | Sold during the year | Matured during the year | As at June 30, 2016 | Carrying Value June 30, 2016 | Market value as at June 30, 2016 | | |
| ----- (Rupees) ----- | | | | | | | | |
| Pakistan Investment Bonds - 3 years | - | 500 | 500 | - | - | - | - | - |
| Pakistan Investment Bonds - 10 years | 500 | - | 500 | - | - | - | - | - |
| Total as at June 30, 2016 | 500 | 500 | 1,000 | - | - | - | - | - |
| Total as at June 30, 2015 | - | 1,000 | 500 | - | 500 | 53,708,546 | 55,905,431 | |

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

| | June 30, 2016 | June 30, 2015 |
|----------------------------------------------------------------------|----------------------|-------------------|
| Note | ----- (Rupees) ----- | |
| Market value of investments | 577,373,149 | 547,387,298 |
| Less: Carrying value of investments | (503,032,341) | (455,282,649) |
| Net unrealised gain on revaluation of investment for the year | 74,340,808 | 92,104,649 |

5.6 Term finance certificates - 'available-for-sale'

| Name of the Investee company | Note | Maturity | Mark-up / return | As at July 01, 2015 | Purchased during the year | Sold during the year | Redemption during the year | As at June 30, 2016 | Carrying value as at June 30, 2016 | Provision held as at June 30, 2016 | Carrying value as at June 30, 2016 | Market value as a percentage of: | | Outstanding principal value as a percentage of issued debt capital | |
|------------------------------------|-------|--------------|------------------|---------------------|---------------------------|----------------------|----------------------------|---------------------|------------------------------------|------------------------------------|------------------------------------|----------------------------------|----------------------|--------------------------------------------------------------------|---|
| | | | | | | | | | | | | Net assets | Total investment | | |
| ----- Number of certificates ----- | | | | | | | | | | | | | ----- (Rupees) ----- | | |
| Unlisted Term Finance Certificates | | | | | | | | | | | | | | | |
| Agritech Limited - IV issue | 5.6.1 | January 2015 | - | 1,141 | - | - | - | 1,141 | 5,705,000 | (5,705,000) | - | - | - | - | - |
| | | | | | | | | | 5,705,000 | (5,705,000) | - | - | - | - | |

5.7 Non-compliant investments

| Name of non compliant investment | Note | Type of investment | Value of investment before provision | Provision as on July 01, 2015 | Provision during the year | Provision held | Value of investment after provision | Fair value as a percentage of: | | Credit rating |
|----------------------------------|-------|---------------------------|--------------------------------------|-------------------------------|---------------------------|----------------|-------------------------------------|--------------------------------|--------------|---------------|
| | | | | | | | | Net assets | Gross assets | |
| ----- (Rupees) ----- | | | | | | | | | | |
| Agritech Limited - IV | 5.7.1 | Term finance certificates | 5,705,000 | (5,705,000) | - | (5,705,000) | - | - | - | D |

5.6.1 This represents additional TFCs of Agritech Limited received by the Fund through restructuring agreement reached between lender and Agritech Ltd. 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 recognized in income upon realization. During the year ended 2013, TFCs amounting Rs.1.90 million was sold, accordingly, provision amounting to Rs.1.90 million was reversed.

5.7 Non-compliant investments

| Name of non compliant investment | Note | Type of investment | Value of investment before provision | Provision as on July 01, 2015 | Provision during the year | Provision held | Value of investment after provision | Fair value as a percentage of: | | |
|----------------------------------|-------|---------------------------|--------------------------------------|-------------------------------|---------------------------|----------------|-------------------------------------|--------------------------------|--------------|---------------|
| | | | | | | | | Net assets | Gross assets | Credit Rating |
| Agritech Limited - IV | 5.7.1 | Term finance certificates | 5,705,000 | (5,705,000) | - | (5,705,000) | - | - | - | D |

5.7.1 At the time of purchase / investment, the TFCs were in compliance with the investment requirement of the constitutive documents and investment restriction parameters laid down in the NBFC Regulations or the NBFC Rules. However, subsequently they were defaulted or downgraded upon default to non investment grade and became non-compliant with investment restrictions parameters laid down in the NBFC Regulations or the NBFC Rules and with the requirements of 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.

5.8 Particulars of impairment in the value of investments classified as 'available-for-sale'

| | June 30, 2016 | June 30, 2015 |
|------------------------------|------------------|------------------|
| Note | (Rupees) | (Rupees) |
| Opening balance | 5,705,000 | 5,705,000 |
| Net movement during the year | - | - |
| Closing balance | <u>5,705,000</u> | <u>5,705,000</u> |

6. PREPAYMENTS, DIVIDEND AND OTHER RECEIVABLE

| | June 30, 2016 | June 30, 2015 |
|---------------------------------------------------|------------------|------------------|
| Note | (Rupees) | (Rupees) |
| Dividend receivable | 2,735,312 | 680,246 |
| Advance tax | - | 37,500 |
| Mark-up receivable on deposit accounts with banks | 612,419 | 367,480 |
| Accrued income on Pakistan Investment Bonds | - | 2,679,259 |
| Prepaid PACRA fee | 29,678 | - |
| | <u>3,377,409</u> | <u>3,764,485</u> |

7. SECURITY DEPOSITS

| | June 30, 2016 | June 30, 2015 |
|---------------------------------------------------------|------------------|------------------|
| Note | (Rupees) | (Rupees) |
| Security deposits with: | | |
| - Central Depository Company of Pakistan Limited (CDC) | 100,000 | 100,000 |
| - National Clearing Company of Pakistan Limited (NCCPL) | 2,500,000 | 2,500,000 |
| | <u>2,600,000</u> | <u>2,600,000</u> |

8. PAYABLE TO THE MANAGEMENT COMPANY

| | | | |
|----------------------------------------------|-----|------------------|------------------|
| Remuneration payable | 8.1 | 1,414,823 | 959,680 |
| Sales tax on management fee | | 814,719 | 441,337 |
| Federal excise duty on management fee | 15 | 5,888,310 | 3,607,937 |
| Sales load payable | | 155,864 | 625,498 |
| Expenses allocated by the Management Company | 8.2 | 255,088 | - |
| | | <u>8,528,804</u> | <u>5,634,452</u> |

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

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

9. PAYABLE TO THE TRUSTEE

| | Note | June 30, 2016 ----- (Rupees) ----- | June 30, 2015 ----- |
|--------------------------|------|------------------------------------------|---------------------------|
| Trustee fee | 9.1 | 368,020 | 175,341 |
| Sales tax on trustee fee | | 40,362 | - |
| | | <u>408,382</u> | <u>175,341</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:

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

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

Under the provisions of the NBFC Regulations, an open ended asset allocation scheme is required to pay an annual fee to the SECP, an amount equal to 0.095% (2015:0.095%) of the average annual net assets of the Fund.

11. PROVISION FOR WORKERS' WELFARE FUND (WWF)

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

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

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

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

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards.

The Management Company, as a matter of abundant caution, has made provision for WWF amounting to Rs.13.380 million up till June 30, 2015 (2015: Rs.13.380 million) in these financial statements as the above lawsuit is pending in the SHC. Had the provision not been made, the NAV per unit would have been higher by Rs.1.29 (2.04%) per unit (2015: Rs.1.43 (2.34%) per unit).

12. ACCRUED AND OTHER LIABILITIES

| | June 30, 2016 | June 30, 2015 |
|------------------------|----------------------|------------------|
| Note | ----- (Rupees) ----- | ----- |
| Auditors' remuneration | 511,242 | 502,165 |
| Withholding tax | 4,279,053 | 3,569,131 |
| Brokerage | 596,999 | 252,013 |
| Settlement charges | 76,802 | 39,271 |
| Sales load | 3,341,433 | - |
| Other liabilities | 355,787 | 774,715 |
| | <u>9,161,316</u> | <u>5,137,295</u> |

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2016.

14. FINANCE INCOME

| | June 30, 2016 | June 30, 2015 |
|--------------------------------------------------------------------------------------------|----------------------|-------------------|
| Note | ----- (Rupees) ----- | ----- |
| Interest income on: | | |
| Investments classified as 'at fair value through profit or loss' - held-for-trading | | |
| - Market treasury bills | 4,240,848 | 3,357,164 |
| - Pakistan investment bonds | 2,294,985 | 5,525,140 |
| | 6,535,833 | 8,882,304 |
| Others | | |
| - Bank deposits | 4,861,913 | 5,084,965 |
| - Others | - | 400,443 |
| | 4,861,913 | 5,485,408 |
| | <u>11,397,746</u> | <u>14,367,712</u> |

15. FEDERAL EXCISE DUTY ON MANAGEMENT FEE

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

16. AUDITORS' REMUNERATION

| | | |
|-----------------------------------|-----------------------|----------------|
| Audit fee | 332,750 | 332,750 |
| Other services and certifications | 226,270 | 226,270 |
| | 559,020 | 559,020 |
| Sales tax | 33,541 | 27,951 |
| Out of pocket expenses | 69,878 | 62,770 |
| | <u>662,439</u> | <u>649,741</u> |

17. CASH AND CASH EQUIVALENTS

| | | |
|------------------------------------------------|---------------------------|-------------------|
| Bank balances | 104,769,769 | 45,838,220 |
| Market Treasury bills maturing within 3 months | 49,727,642 | - |
| | <u>154,497,411</u> | <u>45,838,220</u> |

18. TAXATION

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

19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

19.1 Other transactions
Associated companies / undertakings

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

**Alfalah GHP Investment Management Limited -
Management Company**

| | | |
|----------------------------------------------|-------------------|------------------|
| Remuneration of the Management Company | <u>14,255,040</u> | 10,144,025 |
| Sales tax on management fee | <u>2,314,423</u> | <u>1,765,061</u> |
| Federal excise duty on management fee | <u>2,280,373</u> | <u>1,623,044</u> |
| Expenses allocated by the Management Company | <u>417,900</u> | - |

Alfalah GHP Cash Fund - (Common Management)

| | | |
|-----------------------------------|---|-------------------|
| Market Treasury bills - purchased | - | 48,080,950 |
| Market Treasury bills - sold | - | <u>73,048,500</u> |

Alfalah GHP Money Market Fund - (Common Management)

| | | |
|------------------------------|---|-------------------|
| Market Treasury bills - sold | - | <u>19,743,580</u> |
|------------------------------|---|-------------------|

Bank Alfalah Limited

| | | |
|----------------------------|------------------|------------------|
| Profit on deposit accounts | <u>4,861,915</u> | <u>5,083,920</u> |
| Bank charges | <u>9,369</u> | <u>13,587</u> |

Other related parties
Central Depository Company of Pakistan Limited - Trustee

| | | |
|-----------------------------|------------------|------------------|
| Remuneration of the Trustee | <u>1,425,512</u> | <u>1,014,345</u> |
| Sales tax on Trustee fee | <u>199,534</u> | - |
| CDS charges | <u>89,820</u> | <u>55,051</u> |

19.2 Other balances
Associated companies / undertakings
**Alfalah GHP Investment Management Limited -
Management Company**

| | | |
|------------------------------------------------|------------------|------------------|
| Remuneration payable to the Management Company | <u>1,414,823</u> | 959,680 |
| Sales tax payable on management fee | <u>814,719</u> | <u>441,337</u> |
| Federal excise duty on management fee | <u>5,888,310</u> | <u>3,607,937</u> |
| Sales load payable | <u>155,864</u> | <u>625,498</u> |
| Expenses allocated by the Management Company | <u>255,088</u> | - |

Bank Alfalah Limited

| | | |
|--------------------|--------------------|----------------|
| Bank balance | <u>104,749,805</u> | - |
| Profit receivable | <u>611,503</u> | <u>366,565</u> |
| Sales load payable | <u>3,341,433</u> | - |

Other related parties
Central Depository Company of Pakistan Limited - Trustee

| | | |
|-------------------------------------|----------------|----------------|
| Remuneration payable to the Trustee | <u>368,020</u> | <u>175,341</u> |
| Sales tax on Trustee fee | <u>40,362</u> | - |
| Security deposit | <u>100,000</u> | <u>100,000</u> |

19.3 Unit Holder's Fund

| | June 30, 2016 | | | | | | | | | |
|---------------------------------------------------|---------------------|-----------------------------------------------|---------|------------------------------------------|---------------------|---------------------|-----------------------------------------------|------------|--------------------------------------------|---------------------------------------|
| | As at July 01, 2015 | Issued for cash / conversion in / transfer in | Bonus | Redeemed / conversion out / transfer out | As at June 30, 2016 | As at July 01, 2015 | Issued for cash / conversion in / transfer in | Bonus | "Redeemed / conversion out / transfer out" | "Net asset value as at June 30, 2016" |
| | (Units) | | | | | (Rupees) | | | | |
| Associated companies / undertakings | | | | | | | | | | |
| Bank Alfalah Limited | 2,889,739 | - | - | 2,889,739 | - | 177,024,326 | - | - | 204,799,563 | - |
| Other related parties | | | | | | | | | | |
| MAB Investment Inc. * | 2,905,034 | - | 466,572 | 76,119 | 3,295,487 | 177,961,289 | - | 28,915,796 | 306,312 | 208,838,966 |
| Bank Alfalah Limited - Employees Provident Fund* | 1,179,547 | 1,179,549 | 338,644 | 1,348,870 | 1,348,870 | 72,258,605 | 79,533,229 | 20,987,457 | 79,533,230 | 85,479,511 |
| Unit holder 10% or more units | | | | | | | | | | |
| Lahore university of Management Sciences | - | 605,908 | 173,954 | 86,977 | 692,885 | - | 41,083,837 | 10,780,803 | 2,399,205 | 43,908,954 |
| Khalid Mahmood | - | 1,299,365 | 208,689 | 34,047 | 1,474,007 | - | 91,144,648 | 12,933,469 | 4,170,524 | 93,409,592 |
| | June 30, 2015 | | | | | | | | | |
| | As at July 01, 2014 | Issued for cash / conversion in / transfer in | Bonus | Redeemed / conversion out / transfer out | As at June 30, 2015 | As at July 01, 2014 | Issued for cash / conversion in / transfer in | Bonus | "Redeemed / conversion out / transfer out" | "Net asset value as at June 30, 2015" |
| | (Units) | | | | | (Rupees) | | | | |
| Associated companies / undertakings | | | | | | | | | | |
| Bank Alfalah Limited * | 2,889,739 | - | - | - | 2,889,739 | 159,065,397 | - | - | - | 177,024,326 |
| Other related parties | | | | | | | | | | |
| MAB Investment Inc. * | 2,613,576 | 291,458 | - | - | 2,905,034 | 143,864,053 | 17,753,954 | - | - | 177,961,289 |
| Bank Alfalah Limited - Employees Provident Fund * | 1,046,210 | 133,337 | - | - | 1,179,547 | 57,588,534 | 8,122,150 | - | - | 72,258,605 |
| Bank Alfalah Limited - Employees Gratuity Fund | 1,087,072 | - | - | 1,087,072 | - | 59,837,772 | - | - | 75,480,836 | - |

* This unit holder also holds more than 10% units in the Fund.

20. FINANCIAL RISK MANAGEMENT

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

20.1 Market risk

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

20.1.1 Interest rate risk

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

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

| June 30, 2016 | | | | | |
|-----------------------------------------------|---------------------------------------|------------------------------------------|--------------------|-------------------------------------------|--------------------|
| Yield / Effective interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to yield / interest rate risk | Total |
| | Upto three months | More than three months and upto one year | More than one year | | |
| ----- (Rupees) ----- | | | | | |
| On-balance sheet financial instruments | | | | | |
| Financial assets | | | | | |
| Bank balances | 5.50 - 7.00 | 104,769,769 | - | - | 104,769,769 |
| Investments | 6.21 | 49,727,642 | - | 527,645,507 | 577,373,149 |
| Dividend and other receivable | | - | - | 3,347,731 | 3,347,731 |
| Security deposits | | - | - | 2,600,000 | 2,600,000 |
| | | <u>154,497,411</u> | <u>-</u> | <u>533,593,238</u> | <u>688,090,649</u> |
| Financial liabilities | | | | | |
| Payable to the Management Company | | - | - | 1,825,775 | 1,825,775 |
| Payable to the Trustee | | - | - | 368,020 | 368,020 |
| Accrued and other liabilities | | - | - | 1,432,761 | 1,432,761 |
| Distribution payable | | - | - | 14,377 | 14,377 |
| | | <u>-</u> | <u>-</u> | <u>3,640,933</u> | <u>3,640,933</u> |
| On-balance sheet gap | | <u>154,497,411</u> | <u>-</u> | <u>529,952,305</u> | <u>684,449,716</u> |
| June 30, 2015 | | | | | |
| Yield / Effective interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to yield / interest rate risk | Total |
| | Upto three months | More than three months and upto one year | More than one year | | |
| ----- (Rupees) ----- | | | | | |
| On-balance sheet financial instruments | | | | | |
| Financial assets | | | | | |
| Bank balances | 6% to 7% 6.70% to 12% | 45,838,220 | - | - | 45,838,220 |
| Investments | | - | 39,517,826 | 55,905,431 | 547,387,298 |
| Dividend and other receivable | | - | - | 3,726,985 | 3,726,985 |
| Security deposits | | - | - | 2,600,000 | 2,600,000 |
| | | <u>45,838,220</u> | <u>39,517,826</u> | <u>458,291,026</u> | <u>599,552,503</u> |
| Financial liabilities | | | | | |
| Payable to the Management Company | | - | - | 1,585,178 | 1,585,178 |
| Payable to the Trustee | | - | - | 175,341 | 175,341 |
| Accrued and other liabilities | | - | - | 1,540,213 | 1,540,213 |
| Distribution payable | | - | - | 27,402,973 | 27,402,973 |
| | | <u>-</u> | <u>-</u> | <u>30,703,705</u> | <u>30,703,705</u> |
| On-balance sheet gap | | <u>45,838,220</u> | <u>39,517,826</u> | <u>427,587,321</u> | <u>568,848,798</u> |

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

a) Sensitivity analysis for fixed rate instruments

As at June 30, 2016, the Fund holds Market Treasury bills which are classified as 'at fair value through profit or loss' - held-for-trading expose the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by MUFAP (Mutual Funds Association of Pakistan) on June 30, 2016, with all other variables held constant, net income for the year and net assets would be higher / lower by Rs.0.047 million (2015: Rs.2.696 million).

b) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based interest bearing bank balances exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.1.048 million (2015: Rs.0.458 million).

20.1.2 Currency risk

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

20.1.3 Other price risk

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

The Fund has exposure to equity price risk arising from the Fund Investments in equity Securities. The Fund manages its price 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, 2016. The analysis is based on the assumption that KSE-100 index increase and decrease by 5% (2015: 5%), with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with index this represents managements' best estimate of a reasonable possible shift in the KSE-100 index, having regards to the historical volatility of index of past three year.

At June 30, 2016, the fair value of equity securities exposed to price risk was disclosed in notes 5.1 and 5.2.

| | June 30, 2016 | June 30, 2015 |
|------------------------------------------------------------------|--------------------------|-------------------|
| | ----- (Rupees) ----- | |
| <i>Effect due to increase / decrease in KSE 100 index</i> | | |
| Investment and net assets | 26,382,275 | 22,598,202 |
| Income statement | <u>26,382,275</u> | <u>22,598,202</u> |

All other investments of the Fund are in Government Securities. The Fund expects minimal price fluctuation for these investments, other than those arising from interest rate and credit risk. The Fund is not subject to significant other price risk in these investments.

20.2 Credit risk

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

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

Credit risk on debt securities is mitigated by investing primarily investment grade securities both listed and unlisted. The Fund's Cash and cash equivalents are held mainly with Bank Alfalah Limited, which is rated AA by PACRA (2015: AA by PACRA).

The Management Company follows Circulars 33 of 2012 containing criteria for provisioning of non-performing debt securities issued by SECP for the purpose of making provision against non-performing debt securities. Further, Management Company has devised provisioning policy duly approved by its Board of Directors for making provision over and above that required by the said circular against non performing assets.

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

Concentration of credit risk

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

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

| | June 30, 2016 | June 30, 2015 |
|--------------------------------|---------------------------|-------------------|
| | ----- (Rupees) ----- | |
| Financial assets | | |
| Bank balances | 104,769,769 | 45,838,220 |
| Dividend and other receivables | 3,347,731 | 3,726,985 |
| | <u>108,117,500</u> | <u>49,565,205</u> |

No financial assets were past due either at June 30, 2016 and June 30, 2015. Impairment in above financial assets is disclosed in note 5.7.

Investment in government securities i.e. Treasury bills and Pakistan investment bonds is not exposed to credit risk.

| Bank balances by category wise: | June 30, 2016 | June 30, 2015 |
|----------------------------------------|---------------------------|-------------------|
| | ----- (Rupees) ----- | |
| Rating | | |
| A1+ / AA | 104,749,805 | 45,804,861 |
| A1+ / AA- | - | 7,766 |
| A1+ / AA+ | 19,964 | 19,964 |
| A-1 / A | - | 5,629 |
| | <u>104,769,769</u> | <u>45,838,220</u> |

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

20.3 Liquidity risk

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

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

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

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

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

| As at June 30, 2016 | | | | |
|----------------------------------------------------------|------------------------|-----------------------|--------------------------------------------------|-------------------------------------------------|
| | Carrying amount | Upto one month | More than one month and upto three months | More than three months and upto one year |
| ----- (Rupees) ----- | | | | |
| On balance sheet financial liabilities and others | | | | |
| Liabilities | | | | |
| Payable to the Management Company | 1,825,775 | 1,825,775 | - | - |
| Payable to the Trustee | 368,020 | 368,020 | - | - |
| Accrued and other liabilities | 1,432,761 | 955,060 | 477,701 | - |
| Distribution payable | 14,377 | 14,377 | - | - |
| | <u>3,640,933</u> | <u>3,163,232</u> | <u>477,701</u> | <u>-</u> |
| June 30, 2015 | | | | |
| | Carrying amount | Upto one month | More than one month and upto three months | More than three months and upto one year |
| ----- (Rupees) ----- | | | | |
| On balance sheet financial liabilities and others | | | | |
| Liabilities | | | | |
| Payable to the Management Company | 1,585,178 | 1,585,178 | - | - |
| Payable to the Trustee | 175,341 | 175,341 | - | - |
| Accrued and other liabilities | 1,540,213 | 1,065,999 | 474,214 | - |
| Distribution payable | 27,402,973 | 27,402,973 | - | - |
| | <u>30,703,705</u> | <u>30,229,491</u> | <u>474,214</u> | <u>-</u> |

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

20.4 Operational risk

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

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

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

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

20.5 Unit Holders' Fund risk management

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

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

The Fund is an open-end collective investment scheme. The capital of the open end schemes is represented by the net assets attributable to unit holders.

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

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

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

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

- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

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

In accordance with the NBFC Regulations, the Fund is required to maintain minimum net assets of one hundred million rupees at all times during the life of the scheme.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

| | As at June 30, 2016 | | | |
|-------------------------------------------------------------------------------------------------|----------------------|-------------------|----------|--------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | ----- (Rupees) ----- | | | |
| Financial assets classified as 'at fair value through profit or loss' - held-for-trading | | | | |
| Equity securities - quoted | 521,957,104 | - | - | 521,957,104 |
| Real estate investment trust units - quoted | 5,688,403 | - | - | 5,688,403 |
| Market Treasury Bills | - | 49,727,642 | - | 49,727,642 |
| | <u>527,645,507</u> | <u>49,727,642</u> | <u>-</u> | <u>577,373,149</u> |

June 30, 2015

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------------------------------------------------------------------|----------------------|-------------------|----------|--------------------|
| | ----- (Rupees) ----- | | | |
| Financial assets classified as 'at fair value through profit or loss' - held-for-trading | | | | |
| Equity securities - quoted | 446,165,025 | - | - | 446,165,025 |
| Real estate investment trust units - quoted | 5,799,016 | - | - | 5,799,016 |
| Market Treasury Bills | - | 39,517,826 | - | 39,517,826 |
| Pakistan Investment Bonds | - | 55,905,431 | - | 55,905,431 |
| | <u>451,964,041</u> | <u>95,423,257</u> | <u>-</u> | <u>547,387,298</u> |

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

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23. DATE OF AUTHORIZATION FOR ISSUE

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

24. GENERAL

24.1 Figures are rounded off to the nearest rupee.

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

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

(i) UNIT HOLDING PATTERN OF THE FUND

| Category | As at June 30, 2016 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 231 | 7,069,728 | 452,010,857 | 68% |
| Associated Co./ Directors | 1 | 1,348,870 | 86,241,487 | 13% |
| Banks/Dfis | - | - | - | - |
| Insurance Co. | 1 | 289,812 | 18,529,438 | 3% |
| Retirement & Other Funds | 4 | 778,466 | 49,772,068 | 8% |
| Others | 5 | 864,045 | 49,396,552 | 8% |
| | <u>242</u> | <u>10,350,921</u> | <u>655,950,403</u> | <u>100%</u> |

| Category | As at 30 June 2015 | | | |
|---------------------------|------------------------|----------------------|--------------------|-------------|
| | Number of unit holders | Number of units held | Amount Rupees | % of total |
| Individuals | 218 | 1,258,661 | 77,119,532 | 13% |
| Associated Co./ Directors | 4 | 6,974,320 | 427,231,788 | 75% |
| Insurance Co. | 0 | - | - | 0% |
| Banks/ DFIs | 0 | - | - | 0% |
| Retirement & Other Funds | 4 | 681,155 | 41,726,091 | 7% |
| Others | 4 | 426,851 | 26,147,944 | 5% |
| | <u>230</u> | <u>9,340,987</u> | <u>572,225,354</u> | <u>100%</u> |

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

| | |
|------------------------------------------|---|
| Optimus Capital Management (Pvt) Limited | 9 |
| Global Securities Limited | 9 |
| Taurus Securities Limited | 8 |
| Arif Habib Limited | 8 |
| IGI Finex Securities Limited | 8 |
| BMA Capital Management Limited | 7 |
| AL Habib Capital Markets (Private) Ltd. | 6 |
| Foundation Securities Limited | 5 |
| Ismail Iqbal Securities Pvt Limited | 5 |
| Topline Securities (Pvt) Limited | 5 |

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

 30 June
2015
%

| | |
|-------------------------------------------|----|
| Elixir Securities Pakistan (Pvt.) Limited | 10 |
| Arif Habib Limited | 10 |
| Taurus Securities Limited | 9 |
| Topline Securities (Pvt) Limited | 9 |
| Global Securities Limited | 8 |
| IGI Finex Securities Limited | 7 |
| Live SecuritiesPvt. Limited | 7 |
| AL Habib Capital Markets (Private) Ltd. | 7 |
| Optimus Capital Management (Pvt) Limited | 7 |
| Foundation Securities Limited | 6 |

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

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

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Imran Altaf

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

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

(v) Summary of Actual Proxy voted

| Nature of Meeting | Meeting Date | Resolutions | Holding | %age Holding | Favour | Against | Abstain |
|-------------------|--------------|-------------|---------|--------------|--------|---------|---------|
|-------------------|--------------|-------------|---------|--------------|--------|---------|---------|

The Hub Power Company Ltd.

| | | | | | | | |
|-----|----------|-----------------------|---------|--------|---|--|--|
| AGM | 6-Oct-15 | Election of Directors | 237,500 | 0.021% | ✓ | | |
|-----|----------|-----------------------|---------|--------|---|--|--|

Kot Addu Power Company Ltd.

| | | | | | | | |
|------|----------|-----------------------|---------|--------|---|--|--|
| EoGM | 2-Oct-15 | Election of Directors | 251,000 | 0.029% | ✓ | | |
|------|----------|-----------------------|---------|--------|---|--|--|

HUM Network Ltd.

| | | | | | | | |
|-----|-----------|--------------------------------------------|---------|--------|---|--|--|
| AGM | 28-Oct-15 | Confirm Minutes of previous AGM | 427,000 | 0.452% | ✓ | | |
| | | Approval of Annual Accounts of the Company | | | ✓ | | |
| | | Declaration of Dividend | | | ✓ | | |
| | | Appointment of Statutory Auditor | | | ✓ | | |

Kohat Cement Company Ltd.

| | | | | | | | |
|------|-----------|-----------------------|---------|--------|---|--|--|
| EoGM | 27-Jun-16 | Election of Directors | 107,900 | 0.070% | ✓ | | |
|------|-----------|-----------------------|---------|--------|---|--|--|

ENGRO Corporation Ltd.

| | | | | | | | |
|------|----------|--------------------------------------------------|--------|--------|---|--|--|
| EoGM | 5-Aug-16 | Sale / disposal of 51% shares of ENGRO Foods td. | 70,500 | 0.013% | ✓ | | |
|------|----------|--------------------------------------------------|--------|--------|---|--|--|

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PERFORMANCE TABLE - AGVF

| | 30 June 2016 | 30 June 2015 | 30 June 2014 | 30 June 2013 | 30 June 2012 |
|-------------------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|
| | ----- (Rupees) ----- | | | | |
| Net Assets (Rs. '000) | 655,950 | 572,209 | 560,777 | 572,352 | 431,929 |
| NAV per unit | 63.3712 | 61.2579 | 55.0400 | 54.4300 | 50.7800 |
| Selling price per unit | 65.8853 | 65.3438 | 58.7500 | 57.1500 | 53.3200 |
| Redemption price per unit | 63.3712 | 61.2579 | 55.0400 | 54.4300 | 50.7800 |
| Highest selling price per unit | 76.7872 | 74.7389 | 68.0700 | 66.4600 | 58.3800 |
| Highest redemption price per unit | 73.8571 | 70.0655 | 64.8300 | 63.3000 | 55.6000 |
| Lowest selling price per unit | 62.5807 | 55.6200 | 55.7200 | 52.4500 | 48.9800 |
| Lowest redemption price per unit | 60.1927 | 52.1100 | 53.0700 | 49.9500 | 46.6500 |
| Total interim distribution per unit | 8.90 | 7.76 | 9.94 | 10.77 | 2.75 |
| Interim distribution date | 29-Jun-16 | 26-Jun-15 | 30-Jun-13 | 27-Dec-12 | 27-Jun-12 |
| | N/A | N/A | N/A | 41,452.00 | N/A |
| Final distribution per unit | Nil | Nil | Nil | Nil | Nil |
| Final distribution date | N/A | N/A | N/A | N/A | N/A |
| Annualized returns | 18.30% | 25.48% | 19.52% | 30.09% | 5.77% |
| Income distribution | 14.53% | 14.10% | 18.26% | 21.21% | 5.43% |
| Weighted avg. portfolio duration | N/A | N/A | N/A | N/A | N/A |

Return since inception is **11.50%**

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

بورڈ آف ڈائریکٹرز:

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

سال کے دوران بورڈ کے ممبران کی تبدیلی:

| نام | عہدہ | تقرری | استعفی |
|-------------------|----------|-------|--------|
| جناب آصف سعید | ڈائریکٹر | | استعفی |
| سید طارق حسین | ڈائریکٹر | تقرری | استعفی |
| جناب طفیل جے احمد | ڈائریکٹر | تقرری | |

بورڈ اپنے سکروٹس ہونے والے ڈائریکٹرز حضرات کا کھٹی میں خدمات پیش کرنے پر شکر گزار ہے۔

آڈٹ کمیٹی کی میننگ:

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

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

اظہار تشکر:

ڈائریکٹرز کیوریٹرز اینڈ ایگزیکٹو کمیٹی آف پاکستان کے تعاون پر ان کا شکریہ ادا کرتے ہیں اس کے علاوہ بورڈ نے انتظامی کمیٹی کے ملازمین اور سٹیرنگ کمیٹی کا بھی شکریہ ادا کیا ہے جنہوں نے انتظامیہ پر مکمل اعتماد کرتے ہوئے محنت اور لگن سے کام کیا۔

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

مورخہ: 22 ستمبر 2016ء

مالی تفصیلات:

(ملین روپے)

| برائے سال ۲۰۱۵ء | برائے سال ۲۰۱۶ء | تفصیل |
|-----------------|-----------------|---------------------------------------------|
| 572.225 | 711.526 | اوسط صافی اثاثہ |
| 140.574 | 144.079 | مجموعی آمدنی |
| 121.463 | 103.036 | کل آمدنی |
| 61.2579 | 63.3712 | نی یونٹ صافی اثاثہ کی ویلیو (پاکستانی روپے) |
| 167.717 | 353.729 | سال کے دوران پینس کا اجراء |
| 211.865 | 354.867 | سال کے دوران پینس کی کمی |

ادا ہوگی:

زیر نظر سال کے آخر میں فنڈ کی نقد ادائیگی کا فی پونٹ ڈیویڈنڈ 1.6239 اور پونٹس 7.2725 فی پونٹ رہا۔

کارپوریٹ گورننس:

- انتظامی کمپنی اعلیٰ معیار کے کارپوریٹ گورننس پر یقین رکھتی ہے لہذا اس کے مطابق بورڈ آف ڈائریکٹرز کی جانب سے درج ذیل کی یقین دہانی کی جاتی ہے:
- (اے) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے آپریشنز کے نتائج، کمیشن ٹیبل اور ایکٹیوٹی میں تبدیلی کی شناخت عکاس کرتے ہیں۔ کمپنی کے کھاتے مناسب طریقہ سے رکھے جا رہے ہیں۔
 - (بی) مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔
 - (ڈی) مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیار (IFRS)، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔
 - (ای) انٹرنل کنٹرول کے نظام مضبوط ہیں اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
 - (ایف) آنے والے سالوں میں اصلاحی ایچ جی ایچ پی انویسٹمنٹ لمیٹڈ کی انتظامیہ کے تحت فنڈز کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
 - (جی) مالیاتی گوشواروں میں تمام واجب الادا ایکسیز، ڈیوٹیز اور دیگر چارجز کی مکمل تفصیلات فراہم کر دی گئی ہیں۔
 - (ایچ) کمپنی میں کارپوریٹ گورننس کو مکمل طور پر نافذ کیا ہے جو کہ لسٹنگ ریگولیشن میں درج ہے اور اس سے کوئی انحراف نہیں کیا گیا ہے۔
 - (آئی) اہم مالیاتی تفصیلات اس ڈائریکٹر رپورٹ میں فراہم کر دی گئی ہیں۔
 - (جے) بورڈ آف ڈائریکٹرز کی میٹنگ کی تفصیلات اور ان میں متعلقہ ہر ڈائریکٹر کی شرکت ضمنی غیر مالیاتی معلومات کی سالانہ رپورٹ کے نوٹ نمبر (iv) میں دی گئی ہیں۔
 - (کے) اس سالانہ رپورٹ کی ضمنی غیر مالیاتی معلومات پونٹ ہولڈرز کی تفصیل نوٹ نمبر (i) میں دی گئی ہیں۔
 - (ایل) چیف ایگزیکٹو، ڈائریکٹرز، ایگزیکٹو ز اور ان کے شریک حیات کی جانب سے فنڈز کے پینس کی تعداد ۲۰۱۶ء نوٹ نمبر 19.3 میں فراہم کر دی گئی ہے۔
 - (ایم) چیف ایگزیکٹو، ڈائریکٹرز، ایگزیکٹو ز اور ان کی بیگت کی جانب سے مطلوبہ پینس/تعداد ۲۰۱۶ء نوٹ نمبر 19.3 میں فراہم کر دی گئی ہے۔

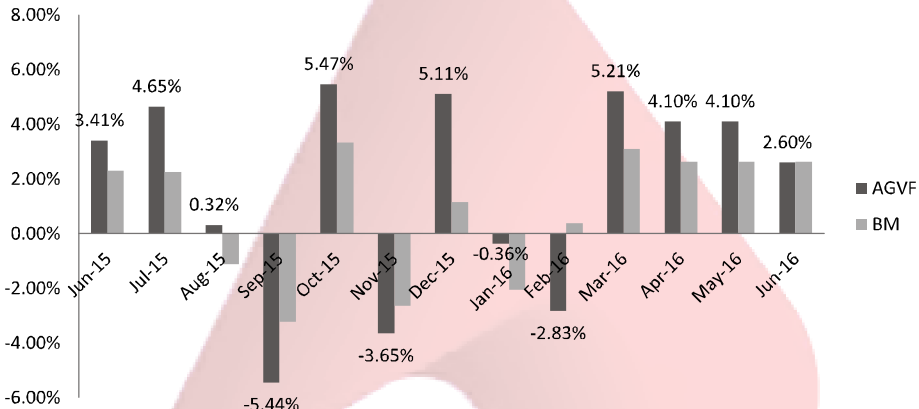
فنڈ کی کارکردگی اور تجزیہ:

الفلاح جی ایچ پی ویلیو فنڈ: فنڈ آپریٹرز اور کارکردگی:

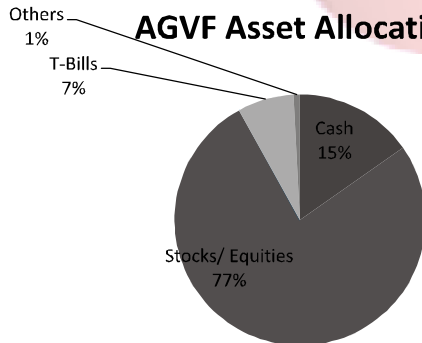
مالیاتی سال ۲۰۱۶ جون ۳۰ء کے لئے فنڈ کا شرح منافع 18.30% رہا اور مساہتی گروپ کی رینٹنگ میں بہترین کارکردگی کی وجہ سے پہلے نمبر پر رہا۔ اس مدت کے دوران بیچ مارک کی شرح آمدن (50% کے ایس ای 1100 انڈیکس + 6M Kibor 50%) 8.19% تھی۔

رواں مالی سال کے دوران فنڈ کی موثر حکمت عملی کے باعث فنڈ کے سرمایہ کاروں کو مناسب آمدنی ہوئی، منتخب سیکٹرز جیسے ہیٹ اور پاور سیکٹرز نے اہم سپورٹ فراہم کی جبکہ بینکس اور تو انائی کے شعبہ جات میں کم حصہ داری نے بھی اہم کردار ادا کیا۔ سال کے دوسرے حصہ میں تو انائی کے سیکٹرز میں اضافہ کیا گیا جس کی بنیادی وجہ عالمی منڈی میں خام تیل کی قیمتوں کا بڑھنا تھا جو کہ ایک تیل عرصہ کے لئے \$30 / بیرل تک گر گئی تھی۔ فنڈ کی سرمایہ کاری کی بنیادی توجہ مالی طور پر مضبوط کمپنیوں میں سرمایہ کاری پر رہی جبکہ دوسرے اور تیسرے درجے کے حصص میں منتخب سرمایہ کاری نے فنڈ کے شرح منافع کو سپورٹ کیا۔

AGHP Value Fund Vs Benchmark



AGVP Asset Allocation



ڈائریکٹرز رپورٹ:

ہمارے معزز اینڈ ہولڈرز،

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

اقتصادی جائزہ برائے مالیاتی سال ۲۰۱۶ء:

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

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

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

اسٹاک مارکیٹ:

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

سال کی آخری سہ ماہی میں اضافہ پاکستان کی MSCI میں از سر نو درج ہونے کے مہینوں منت رہا اور انڈیکس کے اہم حصص کی MSCI میں شمولیت کی توقع رہی۔

مٹی مارکیٹ:

افراط زر اور اس کے نتیجے میں پیدا ہونے والے پالیسی ریٹ مالیاتی سال ۲۰۱۶ء کے دوران دوسری تہ کی ویشی سے متاثر ہوئے، پہلے ستمبر ۲۰۱۵ء میں 50bps اور اس کے بعد مئی ۲۰۱۶ء میں 25bps جو کہ سال کے دوران آمدنی 100-250bps مٹی کا باعث بنا اور ڈیٹا کاؤنٹ ریٹ میں سب سے زیادہ کمی ۴ سے ۱۰ سالہ بونڈز میں دیکھی گئی جس کی وجہ سے شرح سود میں طویل مدتی کمی کی توقع ہے۔

مستقبل کا نقطہ نظر:

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

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

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

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
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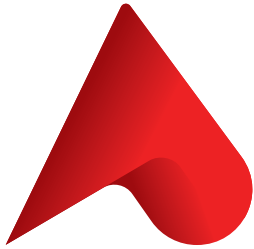


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