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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi..
Board of Directors of the Management Company:	<ul style="list-style-type: none">- Ms. Maheen Rahman- Syed Ali Sultan- Mr. Michael Hermann- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Muhammad Asif Saad- Mr. Abid Naqvi
Head of Finance:	- Syed Hyder Raza Zaidi
Chief Operating Officer & Company Secretary:	- Noman Ahmed Soomro
Audit Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Abid Naqvi- 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 Shara-e-Faisal, Karachi
Fund Manager:	Mr. Muddasir Ahmed
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder 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:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	4 Star (short term) and 3 Star (long term) by PACRA



MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

To our valued Unit Holders,

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the Annual Report of the Alfalah GHP Alpha Fund for the year ended June 30, 2015.

FY15 Economic Review

Macroeconomic landscape improved drastically over FY15. As agreed with the IMF, Pakistan's reform program was prioritized as the government increased utility prices multiple times to combat circular debt and curtail resource subsidies. The government also successfully privatized (completely or partially) United Bank Limited, Habib Bank Limited, Allied Bank Limited and Pakistan Petroleum Limited - thereby elevating its foreign exchange reserves. Although the divestment of Oil & Gas Development Company fell through due to under-subscription, the government was able to offset this by an immensely successful conventional Eurobond issuance of USD 2.0 bn and Shariah compliant Eurobond issuance of USD 1.0 bn.

As a result of those well-timed privatization and Eurobond issuances, the federal government was able to increase foreign exchange reserves from USD 14.1bn to USD 18.2bn. The rise in reserves was also helped by a 63% drop in Arab light crude oil price (from a high of USD 112.98/bbl to low of USD 41.36/bbl), which had a trickledown effect on reserves via trade and current accounts. As a result of cheaper oil, total import bill fell by 1.5%, which in turn pushed trade deficit lower by 28%. Current account balance over 11MFY15 stood at USD 1.98bn as compared to USD 3.03bn in corresponding period last year - down by 34%. Better external accounts and rising foreign exchange reserves kept the currency in check as the PKR lost only 3% against the greenback over FY15 as opposed to historical depreciation of 5%. Headline inflation clocked in at a decade low of 2.11% in Apr'15, and averaged 4.56% for the entire year. In addition to a high base effect, disinflation was primarily led by a fall in food and commodity prices. Curtailed inflation allowed the central bank to reduce the key policy rate by 300bps over FY15.

As a result of improvement of macroeconomic indicators, Moody's rating agency upgraded Pakistan's sovereign credit rating from Caa1 to B3 during the year. With the government focused aggressively on privatization, infrastructure spending, fiscal consolidation and its energy reform agenda, further macroeconomic improvement can be expected over FY16.

Equity Market:

The benchmark index gained 16% in FY15 (13% in USD terms) compared to 42% in FY14. Although multiple sectors posted substantial price appreciation, the overall index could not keep up pace because of the sluggish performance put up by the index heavy-weight Oil & Gas and Banking sector.

Volumes of the KSE-100 index remained largely flat at 140.0mn per day over FY15. However, the value traded improved by a decent 26% to USD 90mn per day. Trading activity was more diversified this time around as substantial price appreciation was witnessed in second-tier and third-tier stocks. During the year, the KSE-All Share Index appreciated by 9%, while the KSE-100 index appreciated by 16%.

In terms of net investment at the bourse, mutual funds took the lead with net buying of USD 122.0mn, while Banks/DFIs were the biggest net sellers at USD138.0mn. Foreigners invested a net amount of mere USD 39.0mn over FY15, compared to net inflow of USD 262.0mn in FY14 and USD 553.0mn in FY13.

Sector wise analysis reveals that automobile manufacturers, cement players and electricity producers enjoyed the most success among heavy-weight sectors. The automobile sector appreciated by 94% due to margin growth and rise in sales. The cement sector observed 47% appreciation on the bourse on account of 3.5% rise in cement dispatches and prospects

of higher construction spending in the coming years. The electricity sector appreciated by 63% on account of attractive dividend yields in the midst of falling interest rate scenario. Other sectors that posted handsome returns include Chemicals (+41%), Food Producers (+14%), Pharmaceutical & Biotech (+31%), General Industrials (+34%) and Engineering (+75%). On the other hand, Oil & Gas sector lost 25% in value terms owing to fall in crude oil prices, while commercial banks lost 6% of value owing to falling net interest margins.

Despite rise in capital gain tax in budget FY16, the equity market is expected to remain upbeat on account of improving broader macroeconomic picture, successful negotiations with bilateral and multilateral partners and improving perception among foreign investors, healthy corporate earnings, higher aggregate demand and better business climate. Possible inclusion of Pakistan in MSCI Emerging Market Index and upgrade to B3 category by Moody's rating agency shall also highlight and elevate the bourse on the international platform over FY16. Most of the ingredients for a buoyant market remain in place with discount rate and inflation at a decade low and external account outlook stable. As alternate fixed income returns continue to drop, we see interest shifting towards equities.

Money Market:

On account of record low inflation that touched a low of 2.11%, and averaged 4.56% for the year, the central bank reduced the discount rate by 300bps over four monetary policies. With inflation under control, the SBP aimed at boosting aggregate demand and demand for loanable funds. This easing cycle brought down bond yields by 430bps (3Y), 371bps (5Y) and 306bps (10Y). Yields, however, were quick to rebound marginally in Jun'15 on account of profit-taking, deposit mobilization by banks and prevalence of illiquidity.

The year was particularly generous to bond fund managers who maintained high duration PIB exposures. Yields slipped substantially on these longer-tenor instruments, generating multi-year high returns. The government increased its borrowing horizon considerably and funded the fiscal gap via longer-tenor PIBs as opposed to T-bills.

Barring unforeseen circumstances, we expect the market to remain range bound over the next six months as interest rates are largely expected to stay flat over this period. The easing cycle appears to have bottomed out and it remains to be seen when exactly a reversal will kick in.

Overall outlook

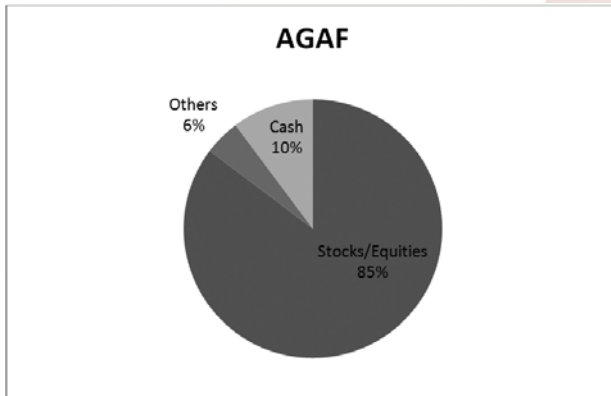
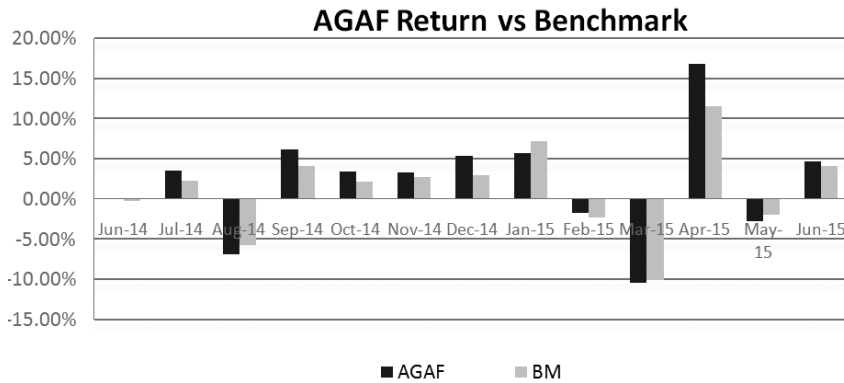
Political stability and a faster pace of economic reform will be key elements of the government's strategy to revive GDP growth over FY16. Significant issues remain unresolved and to a certain level unaddressed - in particular structural issues within the power sector, pace of tax collection and a general reluctance to widen the tax net will all filter into weaker economic growth and a miss in key budgetary targets. Positive developments on the external front need to be matched with stronger revenue generation on the internal side so that the economy may re-rate to an overall better level of growth.

FUND PERFORMANCE AND REVIEW**Alfalah GHP Alpha Fund: Fund Operations and Performance**

During the year under review the Fund generated a YTD return of 27.39% against a benchmark (KSE - 100 Index) of 16.01% YTD. In FY13 the fund delivered a return of 29.55% bringing a two year absolute return to 65.04% higher than the stock market performance of 63.76% over the same period.

Performance of the fund remained strong throughout the year as the fund manager remained selective in sector and stock selection. The selective exposure in the Cement, Electricity and Automobiles remained the key support whereas limited exposure to Banks and Energy also favored the fund and led to outperformance against benchmark. The fund continue to maintain its basic philosophy of investing in fundamentally strong companies, however, like previous year, the second and third tier stocks remained the main performers.

PACRA has assigned "3-Star" long term ranking and "4-Star" short term ranking to the fund. The fund size on June 30th 2015 stood at PKR 801 mn compared to PKR 204 mn on June 30th 2014.



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2015	For the year ended June 30 ,2014
Net Assets	801.220	203.651
Gross income	144.285	50.331
Total Comprehensive Income	175.949	49.821
Net Assets Value per Unit (Rs.)	66.24	57.55
Issuance of units during the period	1,083.891	123.927
Redemption of units during the period	535.170	40.539

Payout

At the end of the year under review, the fund paid out cash dividend of Rs.7.0466 per unit

Future Outlook

Going forward, the Fund will maintain a high exposure in the market and continue to identify best stocks in key sectors. The double digit earnings growth, increasing depth, rising investor confidence in policymakers' ability to deal with economic troubles and attractive valuations on regional comparison will bode well for equities in the long term.

With these factors in play, the index will most likely see new highs during the fiscal.

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 flow 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) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- h) The summary of key financial data is given above in this Director Report.
- i) 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.
- j) The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- k) The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2015 as given in note # 17.2.
- l) Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2015 is given in note # 17.2.

Board of Directors

Name of Director	Designation	Meetings Held	Meeting Attended	Leave Granted
Syed Ali Sultan	Chairman	6	5	67th BOD
Mr. Amin Dawood Saleh	Director	6	4	62nd & 67th BOD
Mr. Michael Buchen	Director	6	6	-
Mr .David Burlison	Director	-	-	-
Mr. Hanspeter Beier	Director	6	3	64th, 65th & 67th BOD
Ms. Maheen Rahman	Chief Executive Officer	6	6	-
Mr. Abid Naqvi	Director	6	6	-
Mr. Asif Saad *	Director	6	2	64th, 65th, 66th & 67th BOD

* Subsequent to the year end, Mr. Asif Saad resigned from the Board of Directors of the Company with effect from July 9, 2015

Change in Board Members during the period

Name	Designation	Appointed	Resigned
Mr. Michael Buchen	Director	Appointed	
Mr .David Burlison	Director	-	Resigned

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 on behalf of the Board

August 24, 2015
Karachi.

Maheen Rahman
Chief Executive

REPORT OF THE FUND MANAGER

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

The investment objective of Alfalah GHP Alpha Fund (AGAF) is seeking long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

Accomplishment of Objective

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

Review of the Market

The benchmark index gained 16% in FY15 (13% in USD terms) compared to 42% in FY14. Although multiple sectors posted substantial price appreciation, the overall index could not keep up pace because of the sluggish performance put up by the index heavy-weight Oil & Gas and Banking sector.

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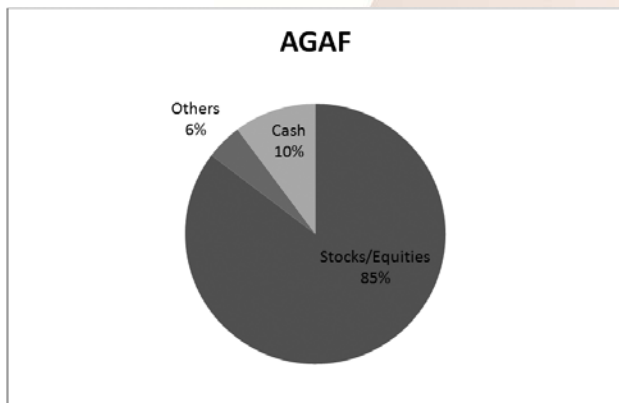
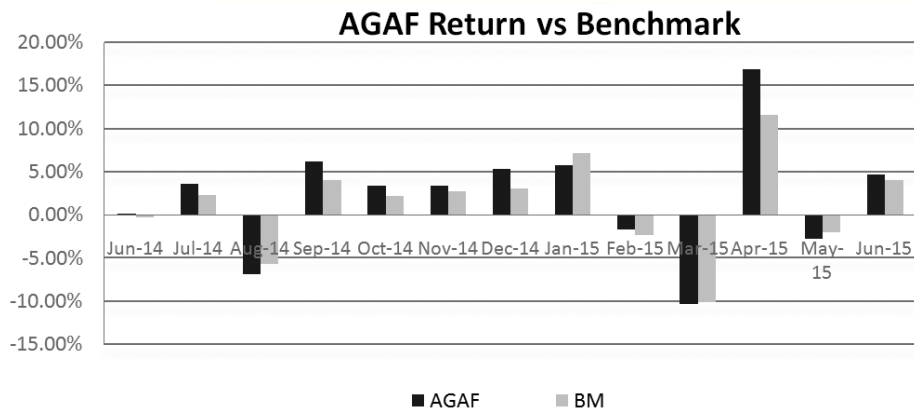
Fund Performance

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16.01% YTD. In FY13 the fund delivered a return of 29.55% bringing a two year absolute return to 65.04% higher than the stock market performance of 63.76% over the same period.

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Future Outlook

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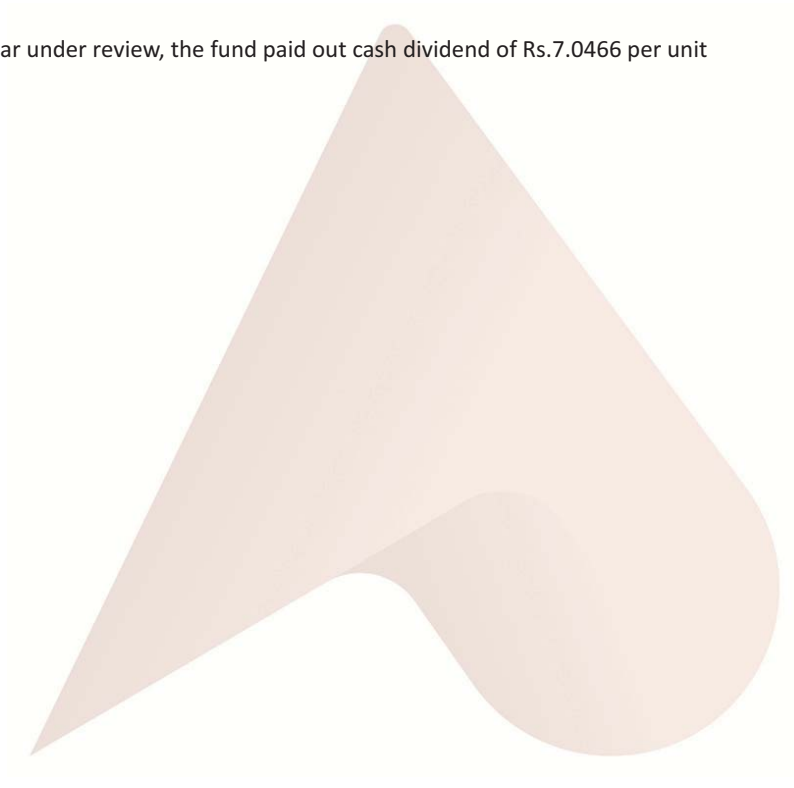
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Payout

At the end of the year under review, the fund paid out cash dividend of Rs.7.0466 per unit



Fund Manager

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

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

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Alpha Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 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: October 12, 2015



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2015

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 Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The 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, 2015 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. Asif Saad
Non-Executive Directors	Mr. Syed Ali Sultan Mr. Michael Buchen Mr. Hanspeter Beier Mr. Amin Dawood Saleh

The Independent Director meets 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 NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year, one casual vacancy occurred on the Board which was filled within a period of 90 days.
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 these 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), Company Secretary, 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. Three directors have obtained certification under the 'Directors' training program' conducted by Institute of Corporate Governance. During the year two directors enrolled for Directors' training program and the certification was completed subsequent to the year end.
10. During the year, a new Company Secretary of the Management Company was appointed by the Board. The remuneration and terms and conditions of employment of the Company Secretary and any change thereto have been approved by the Board. No new appointment of the CFO and Head of Internal Audit was made during the year.
11. The Directors' Report of the Fund for the year ended June 30, 2015 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, COO and Head of Finance 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 and notes to the financial statements.
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. YousufAdilSaleem& 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 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the net assets value of the Fund, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through the Exchanges.
23. We confirm that all other material principles contained in the Code have been complied with, except the requirement to put in place a mechanism for undertaking annual evaluation of the performance of the Board.

For and on behalf of the Board

Maheen Rahman
Chief Executive Officer



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.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 **Alfalsh GHP Alpha Fund** (the Fund) for the year ended **30 June 2015** to comply with the requirements of Regulation No. 5.19.23 of Rule Book of Karachi Stock Exchange Limited 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 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 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 2015.

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
9	Two directors enrolled in a directors' training program during the year and the certification was completed subsequent to the year end.
23	The Board has yet to finalise and implement a mechanism for annual evaluation of the Board's performance.


Chartered Accountants

Karachi
Date: 24 August 2015

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Alfalah GHP Alpha Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2015** and the related statements of income, comprehensive income, cash flows, distribution and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

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 2015** 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: ShabbirYunus

August 24, 2015
Karachi

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2015

	Note	June 30, 2015	June 30, 2014
		----- (Rupees) -----	
Assets			
Bank balances	4	105,407,962	27,257,613
Investments	5	707,015,020	164,828,330
Dividend and profit receivable	6	1,120,427	219,118
Deposits, prepayments and other receivables	7	2,705,447	5,160,000
Receivable against sale of shares		12,350,751	42,359,420
Total assets		828,599,607	239,824,481
Liabilities			
Payable to the Management Company	8	7,819,969	1,168,194
Payable to the Trustee	9	130,979	57,680
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	10	511,524	145,850
Provision for Workers' Welfare Fund (WWF)	11	7,288,665	3,697,869
Accrued and other liabilities	12	1,836,667	1,015,508
Distribution payable		9,791,667	30,088,300
Total liabilities		27,379,471	36,173,401
Net assets attributable to unit holders		801,220,136	203,651,080
Unit holders' funds (as per statement attached)		801,220,136	203,651,080
Contingencies and commitments	13	----- (Number of units) -----	
Number of units in issue		12,095,856	3,538,513
		----- (Rupees) -----	
Net asset value per unit		66.24	57.55

The annexed notes from 1 to 22 form an integral part of these financial statements.

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

Chief Executive Officer

Director

**INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	June 30, 2015 ----- (Rupees) -----	June 30, 2014
Income			
Profit on deposit accounts with banks		4,479,019	1,506,530
'At fair value through profit or loss' - held-for-trading			
- Dividend income from equity securities		19,754,265	6,401,124
- Net gain on sale of investments		25,565,544	31,495,349
- Net unrealised appreciation in the value of investment	5.2	94,486,644	10,928,388
Total income		144,285,472	50,331,391
Expenses			
Remuneration of the Management Company		10,837,599	3,283,798
Sales tax on management fee		1,885,742	525,379
Federal excise duty on management fee	14	1,734,016	608,429
Remuneration of the Trustee		1,178,939	700,037
Annual fee SECP		513,342	145,274
Amortisation of preliminary expenses and floatation costs		-	59,316
Bank and settlement charges		443,293	279,618
Auditors' remuneration	15	661,553	538,043
Brokerage expense and capital value tax		3,337,576	2,488,395
Provision for Workers' Welfare Fund	11	3,590,795	1,012,665
Fees and subscriptions		227,974	167,520
Printing charges		165,214	213,875
Total expenses		24,576,043	10,022,349
Net income from operating activities		119,709,429	40,309,042
Element of income and capital gains included in prices of units sold less those in units redeemed - net		<u>56,239,542</u>	<u>9,511,581</u>
Net income for the year before taxation		175,948,971	49,820,623
Taxation	16	-	-
Net income for the year after taxation		<u>175,948,971</u>	<u>49,820,623</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.

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

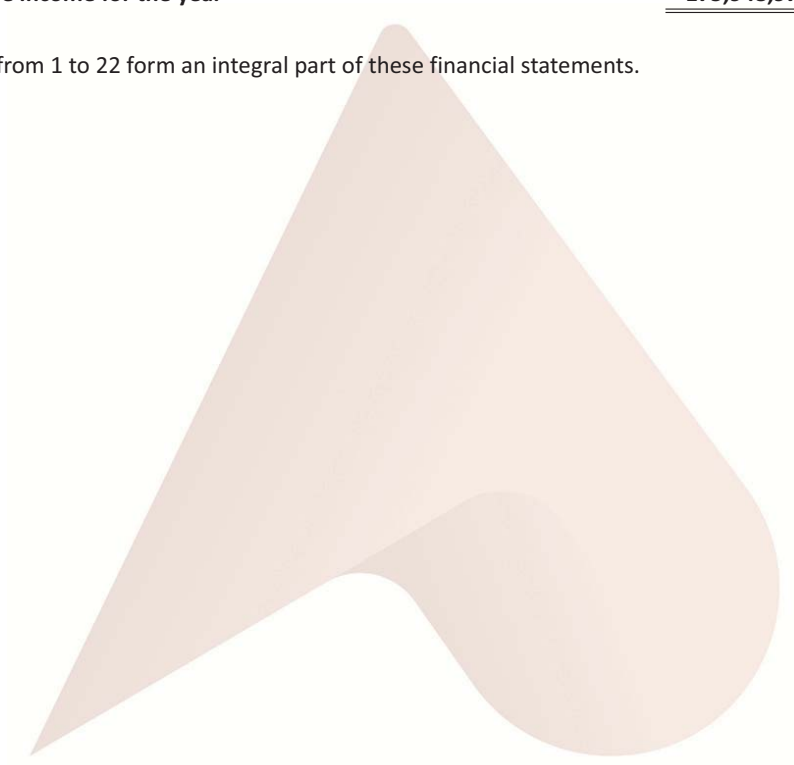
Chief Executive Officer

Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015**

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Net income for the year after taxation	175,948,971	49,820,623
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>175,948,971</u>	<u>49,820,623</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.



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

Chief Executive Officer

Director

**DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015**

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Undistributed income brought forward		
Realised gains	4,876,421	20,425,202
Unrealised losses	10,928,388	(7,220,303)
	15,804,809	13,204,899
 Net income for the year after taxation	 175,948,971	 49,820,623
Interim distribution for the year ended June 30, 2015:		
- Cash distribution of Rs.7.0466 per unit (2014: Rs.15.9323 per unit) approved on June 26, 2015	(70,861,850)	(30,088,299)
- Issue of Nil bonus units (2014: 300,115 units)	-	(17,132,414)
	105,087,121	2,599,910
Undistributed income carried forward		
Realised gains	26,405,286	4,876,421
Unrealised gains / (losses)	94,486,644	10,928,388
	120,891,930	15,804,809

The annexed notes from 1 to 22 form an integral part of these financial statements.

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

Chief Executive Officer

Director

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Net assets at the beginning of the year	203,651,080	110,041,973
Issue of 16,776,809 units (2014: 1,906,878 units)	1,083,891,407	123,927,250
Redemption of 8,219,466 units (2014: 605,238 units)	(535,169,930)	(40,538,886)
	548,721,477	83,388,364
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(56,239,542)	(9,511,581)
Interim bonus distribution Nil (2014: 300,115 bonus units)	-	17,132,414
Gain on sale of investments	25,565,544	31,495,349
Unrealised appreciation in the value of investment 'At fair value through profit or loss' - held-for-trading	94,486,644	10,928,388
Other net income for the year	55,896,783	7,396,886
Interim distribution for the year ended June 30, 2015:		
- Cash distribution of Rs.7.0466 per unit (2014: Rs.15.9323 per unit) approved on June 26, 2015	(70,861,850)	(30,088,299)
- Issue of nil bonus units (2014: 300,115 units)	-	(17,132,414)
Net income for the year less distribution	105,087,121	2,599,910
Net assets at the end of the year	<u>801,220,136</u>	<u>203,651,080</u>
Net asset value per unit at the beginning of the year	<u>57.55</u>	<u>56.82</u>
Net asset value per unit at the end of the year	<u>66.24</u>	<u>57.55</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.

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

Chief Executive Officer

Director

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	June 30, 2015 ----- (Rupees) -----	June 30, 2014 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	175,948,971	49,820,623
Adjustments for:		
Net unrealised appreciation in the value of investment		
'At fair value through profit or loss' - held-for-trading	(94,486,644)	(10,928,388)
Dividend income from equity securities	(19,754,265)	(6,401,124)
Profit on deposit accounts with banks	(4,479,019)	(1,506,530)
Amortisation of preliminary expenses and floatation costs	-	59,316
Provision for Workers' Welfare Fund	3,590,795	1,012,665
Net gain on sale of investments	(25,565,544)	(31,495,349)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(56,239,542)	(9,511,581)
	(20,985,248)	(8,950,368)
Decrease in assets		
Investments	(422,134,502)	(13,490,738)
Deposits, prepayments and other receivables	2,454,553	(2,460,000)
Receivable against sale of shares	30,008,669	(26,120,728)
	(389,671,280)	(42,071,466)
Increase in liabilities		
Payable to the Management Company	6,651,775	440,715
Payable to the Trustee	73,299	(5,154)
Annual fee payable to SECP	365,674	23,189
Accrued and other liabilities	821,159	37,180
	7,911,907	495,930
Dividend and profit received	23,331,975	7,767,498
Net cash flows used in operating activities	(379,412,646)	(42,758,406)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	1,083,891,407	123,927,250
Payment against redemption of units	(535,169,930)	(40,538,886)
Cash dividend paid	(91,158,481)	(20,815,555)
Net cash generated from financing activities	457,562,996	62,572,809
Net increase in cash and cash equivalents during the year	78,150,350	19,814,404
Cash and cash equivalents at beginning of the year	27,257,613	7,443,208
Cash and cash equivalents at end of the year	105,407,962	27,257,612

The annexed notes from 1 to 22 form an integral part of these financial statements.

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

Chief Executive Officer

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Alpha 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 December 27, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 (NBFC Rules), on February 29, 2008.

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

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

Alfalah GHP Alpha Fund (AGAF) is open-end Equity Fund. The primary investment objective of the Fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

The Fund has three classes of units. Class A (restricted / core) units were issued to core investors with no sales load. These units cannot be redeemed for a period of two years from the date of initial public offer and shall be charged no sales load. Class B units were offered and issued during the private placement and initial period of offer and shall be charged no sales load. Class C units were offered and issued after the initial period of offer and shall be issued with sales load.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2-' (Outlook: Stable) to the Management Company in its rating report dated April 15, 2015 and 4 Star (short term) and 3 Star (long term) to the Fund in its rating report dated August 13, 2015.

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

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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). 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 are measured at fair value.

2.3 Functional and presentation currency

These financial information 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 respectively.

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 Standards, Interpretations and Amendments

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

IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments : Presentation – (Amendment)
– Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
– Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

Improvements to Accounting Standards Issued by the IASB

IFRS 2 Share-based Payment – Definitions of vesting conditions

IFRS 3 Business Combinations – Accounting for contingent consideration in a business combination
– Scope exceptions for joint ventures

IFRS 8 Operating Segments – Aggregation of operating segments
– Reconciliation of the total of the reportable segments' assets to the entity's assets

IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)

IAS16 Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation / amortisation

IAS 24 Related Party Disclosures - Key management personnel

IAS 40 Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, improvements to accounting standards and interpretations do not have any effect on the financial statements.

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.

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

b) Available-for-sale

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

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 recognized using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not 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 recognized in the Income Statement. Changes in the fair value of financial instruments classified as 'available-for-sale' are recognized in Unit Holders' Fund until derecognized or impaired, then the accumulated fair value adjustments recognized in Unit Holders' Fund are included in the Income Statement.

Fair value measurement principles

Basis of valuation of Quoted Equity Securities

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

3.3 Impairment

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

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

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 sold less those in units repurchased' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend.

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

The net "element of income / loss and capital gains / losses in prices of units issued less those in units redeemed" during an accounting period is reported to the income statement. The Element is arrived at by comparing the unit prices with opening Ex-NAV at the beginning of the year.

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 realise or unrealised 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.

- Gains / (losses) arising on revaluation of derivatives to fair value are taken to the Income Statement.
- Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed is included in the Income Statement on the date of issue and redemption of units.
- Dividend Income is recognised when the right to receive the dividend is established.
- Profit on bank deposit is recognized on time proportionate basis taking into account effective yield.

3.14 Expenses

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

3.15 Cash and cash equivalents

Cash and cash equivalent 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, interpretation or amendment	Effective date (accounting periods beginning on or after)
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	January 01, 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – 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)	January 01, 2016
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015

5.1 Equity securities - quoted

Name of the investee company	As at July 01, 2014	Purchases / right issue / bonus shares received during the year	Bonus / Demerger / rights issue during the year	Sold during the year	As at June 30, 2015	Carrying Cost Per Share June 30, 2015	Market value as at June 30, 2015	Market value as a percentage of:		Investee company paid-up capital
								Net asset	Total investments	
						----- (Rupees) -----		----- (%) -----		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Chemicals										
I.C.I. Pakistan Limited	33,900	13,000	-	-	46,900	20,925,565	20,114,003	2.5%	2.8%	0.1%
Engro Corporation Limited	54,600	247,000	-	125,500	176,100	46,189,141	52,266,480	6.5%	7.4%	0.0%
Engro Fertilizers Limited	-	1,079,500	-	482,000	597,500	44,475,440	52,992,275	6.6%	7.5%	0.0%
Fatima Fertilizer Company Limited	-	464,500	-	-	464,500	19,035,375	18,148,015	2.3%	2.6%	0.0%
Fauji Fertilizer Company Limited	-	225,000	-	100,000	125,000	17,554,180	18,677,500	2.3%	2.6%	0.0%
						148,179,701	162,198,273	20.2%	22.9%	0.1%
Commercial banks										
Askari Bank Limited	-	861,000	-	861,000	-	-	-	0.0%	0.0%	0.0%
Allied Bank Limited	31,000	94,000	-	125,000	-	-	-	0.0%	0.0%	0.0%
Bank Al-Habib Limited	161,000	353,000	-	514,000	-	-	-	0.0%	0.0%	0.0%
Bank Al-Falah Limited (a related party)	187,000	1,248,000	-	1,435,000	-	-	-	0.0%	0.0%	0.0%
Habib Bank Limited	19,700	240,144	-	259,700	144	27,046	30,982	0.0%	0.0%	0.0%
Habib Metropolitan Bank Limited	191,500	158,000	-	349,500	-	-	-	0.0%	0.0%	0.0%
MCB Bank Limited	35,200	65,800	-	101,000	-	-	-	0.0%	0.0%	0.0%
National Bank Of Pakistan	86,000	314,000	-	400,000	-	-	-	0.0%	0.0%	0.0%
Bank of Punjab Limited	-	1,675,000	-	1,675,000	-	-	-	0.0%	0.0%	0.0%
United Bank Limited	57,933	111,000	-	168,933	-	-	-	0.0%	0.0%	0.0%
						27,046	30,982	0.0%	0.0%	0.0%
Cement										
D.G. Khan Cement Company Limited	73,500	326,500	-	77,500	322,500	36,090,143	46,043,325	5.7%	6.5%	0.1%
Kohat Cement Limited	5,000	127,900	-	9,000	123,900	20,158,255	24,761,415	3.1%	3.5%	0.1%
Lucky Cement Limited	29,600	124,500	-	69,900	84,200	38,814,937	43,752,004	5.5%	6.2%	0.0%
Fauji Cement Company Limited	102,000	827,000	-	295,000	634,000	16,827,715	22,107,580	2.8%	3.1%	0.0%
Maple Leaf Cement Factory Limited	90,000	906,500	-	455,000	541,500	24,580,231	42,540,240	5.3%	6.0%	0.1%
Attock Cement (Pakistan) Limited	-	80,100	-	80,100	-	-	-	0.0%	0.0%	0.0%
Fecto Cement Limited	-	296,500	-	24,500	272,000	18,149,440	18,912,160	2.3%	2.7%	0.5%
Lafarge Pakistan Cement Limited	-	200,000	-	200,000	-	-	-	0.0%	0.0%	0.0%
						154,620,721	198,116,724	24.6%	28.0%	0.9%
Power generation and distribution										
K-Electric Limited (Face value of Rs.3.5 each)	233,000	700,000	-	933,000	-	-	-	0.0%	0.0%	0.0%
Hub Power Company Limited	121,200	607,300	-	152,500	576,000	46,234,271	53,896,320	6.7%	7.6%	0.0%
Kot Addu Power Company Limited	-	956,500	-	230,000	726,500	57,721,079	62,508,060	7.8%	8.8%	0.1%
Nishat Power Limited	-	478,000	-	180,000	298,000	14,586,075	17,444,920	2.2%	2.5%	0.1%
Nishat Chunian Power Limited	-	611,500	-	353,500	258,000	16,308,775	15,325,200	1.9%	2.2%	0.1%
						134,850,200	149,174,500	18.6%	21.1%	0.3%
Oil & gas marketing companies										
Pakistan State Oil Company Limited	12,300	42,000	-	12,300	42,000	15,852,266	16,203,180	2.0%	2.3%	0.0%
Hascol Petroleum Limited	-	127,650	-	-	127,650	11,575,685	14,617,202	1.8%	2.1%	0.1%
						27,427,951	30,820,382	3.8%	4.4%	0.1%
Oil & gas exploration companies										
Mari Petroleum Company Limited	-	13,000	-	13,000	-	-	-	0.0%	0.0%	0.0%
Oil and Gas Development Company Limited	41,600	162,000	-	203,600	-	-	-	0.0%	0.0%	0.0%
Pakistan Oilfields Limited	8,000	112,800	-	103,800	17,000	6,515,641	6,864,940	0.9%	1.0%	0.0%
Pakistan Petroleum Limited	-	15,000	-	15,000	-	-	-	0.0%	0.0%	0.0%
						6,515,641	6,864,940	0.9%	1.0%	0.0%
Refinery										
Attock Refinery Limited	-	105,000	-	55,000	50,000	11,218,712	11,422,500	1.4%	1.6%	0.1%
National Refinery Limited	-	79,700	-	-	79,700	18,128,400	18,495,182	2.3%	2.6%	0.1%
						29,347,112	29,917,682	3.7%	4.2%	0.2%

Name of the investee company	As at July 01, 2014	Purchases / right issue / bonus shares received during the year	Bonus / Demerger / rights Issue during the year	Sold during the year	As at June 30, 2015	Carrying Cost Per Share June 30, 2015	Market value as at June 30, 2015	Market value as a percentage of:		Investee company paid-up capital
								Net asset	Total investments	
						---- (Rupees) ----	----- (%) -----			
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Mutiutilities (gas and water)										
Sui Northern Gas Pipelines Limited	-	100,000	-	100,000	-	-	-	0.0%	0.0%	0.0%
						-	-	0.0%	0.0%	0.0%
Insurance										
IGI Insurance Limited	-	72,800	-	72,800	-	-	-	0.0%	0.0%	0.0%
Adamjee Insurance Company Limited	114,432	-	-	114,432	-	-	-	0.0%	0.0%	0.0%
						-	-	0.0%	0.0%	0.0%
Automobile assembler										
Al-Ghazi Tractors Limited (Face value of Rs.5 each)	-	27,000	-	27,000	-	-	-	0.0%	0.0%	0.0%
Millat Tractors Limited	5,600	11,000	-	16,600	-	-	-	0.0%	0.0%	0.0%
Honda Atlas Cars (Pakistan) Limited	-	252,000	-	252,000	-	-	-	0.0%	0.0%	0.0%
Pak Suzuki Motor Company Limited	39,000	107,400	-	87,900	58,500	21,310,689	25,500,735	3.2%	3.6%	0.1%
Indus Motor Company Limited	-	58,000	-	58,000	-	-	-	0.0%	0.0%	0.0%
						21,310,689	25,500,735	3.2%	3.6%	0.1%
Food and personal care products										
Engro Foods Limited	50,000	313,000	-	205,000	158,000	21,697,521	23,927,520	3.0%	3.4%	0.0%
						21,697,521	23,927,520	3.0%	3.4%	0.0%
Pharmaceuticals										
The Searle Company Limited	15,000	6,000	-	20,000	1,000	124,671	320,690	0.0%	0.0%	0.0%
Ferozsons Laboratories Limited	-	9,000	-	9,000	-	-	-	0.0%	0.0%	0.0%
						124,671	320,690	0.0%	0.0%	0.0%
Textile composite										
Artistic Denim Mills Limited	30,000	-	-	30,000	-	-	-	0.0%	0.0%	0.0%
Gul Ahmed Textile Mills Limited	30,000	7,500	-	37,000	500	25,612	24,533	0.0%	0.0%	0.0%
Nishat Mills Limited	47,000	-	-	47,000	-	-	-	0.0%	0.0%	0.0%
						25,612	24,533	0.0%	0.0%	0.0%
Technology and communication										
Pakistan Telecommunication Company Limited	-	300,000	-	300,000	-	-	-	0.0%	0.0%	0.0%
Hum Network Limited (Face value of Re.1 each)	-	600,000	-	-	600,000	10,170,935	9,654,000	1.2%	1.4%	0.6%
						10,170,935	9,654,000	1.2%	1.4%	0.6%
Paper and board										
Packages Limited	-	28,500	-	-	28,500	19,152,721	16,931,280	2.1%	2.4%	0.0%
						19,152,721	16,931,280	2.1%	2.4%	0.0%
Cable and electrical goods										
Pak Elektron Limited	-	647,000	-	-	647,000	39,077,855	53,532,780	6.7%	7.6%	0.2%
						39,077,855	53,532,780	6.7%	7.6%	0.2%
Total listed equity securities as at June 30, 2015	1,905,065	16,587,594	-	11,436,065	7,056,594	612,528,376	707,015,020			
Total listed equity securities as at June 30, 2014	3,960,827	13,865,405	-	15,921,167	1,905,065	153,899,942	164,828,330			

5.1.1 The investments include bonus shares having market value of Rs.0.115 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.

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

	Note	June 30, 2015 --- (Number of shares) ---	June 30, 2014
Oil and Gas Development Company Limited		-	25,000
Hub Power Company Limited		50,000	18,000
Lucky Cement Limited		28,000	50,000
		<u>78,000</u>	<u>93,000</u>

5.2 Net unrealised appreciation in the value of investments classified as 'at fair value through profit or loss' - held-for-trading

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Market value of investments	707,015,020	164,828,330
Less: Cost of investments	(612,528,376)	(153,899,942)
Unrealised appreciation in the value of investments	<u>94,486,644</u>	<u>10,928,388</u>

6. DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable	900,806	135,204
Profit receivable on deposit accounts with banks	219,621	83,914
	<u>1,120,427</u>	<u>219,118</u>

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance against subscription of shares	-	2,460,000
Security deposits with:		
- Central Depository Company of Pakistan Limited	200,000	200,000
- National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
Prepaid annual KSE listing fee	5,447	-
	<u>2,705,447</u>	<u>5,160,000</u>

8. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable	8.1	924,281	266,719
Performance fee payable	8.2	854,321	142,864
Sales tax on management fee		832,316	77,636
Federal excise duty on management fee	14	2,334,894	680,975
Front end load payable		2,874,157	-
		<u>7,819,969</u>	<u>1,168,194</u>

8.1 Under the provisions of the NBFC Regulations 2008, the Management Company of the Fund is entitled to a 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 its remuneration at the rate of 1.75% (June 30, 2014: 1.75%) per annum for the current year.

- 8.2** In addition to management fee, the Management Company also charges performance fee on out- performance of the Fund over the hurdle rate as defined in clause 6.3 of the Offering Document. The Management Company has charged Rs.1.83 million (June 30, 2014: Rs.0.608 million) against performance fee for the year.

	Note	June 30, 2015 ----- (Rupees) -----	June 30, 2014 -----
9. PAYABLE TO THE TRUSTEE			
Trustee fee	9.1	<u>130,979</u>	<u>57,680</u>

- 9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net asset value of the Fund. The remuneration is payable to the trustee according to the following tariff:

Average net asset value	Tariff per annum
Up to Rs.1 billion	Rs.0.7 million or 0.20% p.a. of NAV whichever is higher.
Over 1 billion	Rs.2.0 million plus 0.10 % p.a. of NAV exceeding Rs.1,000 million.

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

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount equal to 0.095% (June 30, 2014: 0.095%) of the average daily 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.

In view of the uncertainty on the applicability of WWF to mutual funds, the Management Company as a matter of prudence, has decided to retain the provision for WWF amounting to Rs.7.289 million (June 30, 2014: Rs.3.698 million) up to June 30, 2014. Had the provision not been made, the NAV per unit would have been higher by Re.0.60 (0.91%) per unit (June 30, 2014: Rs.1.05 (1.82%) per unit).

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

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
12. ACCRUED AND OTHER LIABILITIES		
Auditors' remuneration	509,167	451,016
Withholding tax payable	427,998	14,908
Capital gain tax Payable	25,940	-
Brokerage payable	624,169	329,093
Settlement charges	33,734	16,684
Annual fee payable	123,974	123,807
Printing payable	91,685	80,000
	<u>1,836,667</u>	<u>1,015,508</u>

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2015.

14. 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.

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
15. AUDITORS' REMUNERATION		
Audit fee	338,800	302,500
Other certification and services	230,384	205,700
	569,184	508,200
Sales tax	28,459	20,328
Out of pocket expenses	63,910	9,515
	<u>661,553</u>	<u>538,043</u>

16. 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 not less than 90 percent of its annual accounting income to avail the tax exemption. Accordingly, no provision for current and deferred tax has been made in these financial statements.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively.

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

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Alfalsh GHP Investment Management Limited - Management Company		
Balance at beginning of the year	1,168,194	727,477
Remuneration of the Management Company	10,837,599	3,283,798
Sales tax on management fee for the year	1,885,742	525,379
Federal excise duty on management fee	1,734,016	608,429
Front end load payable	2,874,157	-
	<u>17,331,514</u>	<u>4,417,606</u>
Amount paid during the year	<u>(10,679,739)</u>	<u>(3,976,889)</u>
Balance at the end of the year	<u>7,819,969</u>	<u>1,168,194</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the year	57,680	62,892
Remuneration for the year	1,178,939	700,037
CDS charges for the year	106,592	36,164
	<u>1,285,531</u>	<u>736,201</u>
Amount paid during the year	<u>(1,212,232)</u>	<u>(741,413)</u>
Balance at the end of the year	<u>130,979</u>	<u>57,680</u>
Security deposit at the end of the year	<u>200,000</u>	<u>200,000</u>
Bank Alfalah Limited		
Deposits at the end of the year	<u>105,512,483</u>	<u>27,257,613</u>
Profit receivable at the end of the year	<u>219,482</u>	<u>83,914</u>
Profit on deposit accounts at the end of the year	<u>4,479,019</u>	<u>1,506</u>
Bank charges	<u>12,968</u>	<u>6,770</u>

17.2 Unit Holder's Fund

Name of the investee company	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)					
Other related parties										
Bank Alfalah Limited - Employees Provident Fund *	1,388,889	-	-	-	1,388,889	79,930,556	-	-	-	92,000,000
Bank Alfalah Limited - Employees Gratuity Fund	500,000	-	-	500,000	-	28,775,000	-	-	36,805,000	-
MCBFSL - Trustee Alfalah GHP	-	9,157,129	442,855	5,010,623	4,589,361	-	598,000,000	29,232,870	334,500,000	303,999,311
Capital Preservation Fund *	-	9,157,129	442,855	5,010,623	4,589,361	-	598,000,000	29,232,870	334,500,000	303,999,311
Alfalsh GHP Investment Management Limited - Staff Provident Fund	-	51,519	5,502	-	57,021	-	3,697,000	363,209	-	3,777,090
Key management personnel										
Chief Operating Officer & Company Secretary	8,866	5,342	-	14,208	-	510,240	300,000	-	888,290	-
Head of Finance	-	4,553	-	-	4,553	-	300,000	-	-	301,594
Unit holder holding 10% or more Units										
Sindh General Provident Investment Fund	-	2,836,879	302,984	-	3,139,863	-	200,000,000	20,000,000	-	207,984,580

17.2 Unit Holder's Fund

Name of the investee company	June 30, 2014									
	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at June 30, 2014	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2014
	(Units)				(Rupees)					
Other related parties										
Bank Alfalah Limited - Employees Provident Fund *	1,388,889	-	-	-	1,388,889	78,916,667	-	-	-	79,930,556
Bank Alfalah Limited - Employees Gratuity Fund *	500,000	-	-	-	500,000	28,410,000	-	-	-	28,775,000
Key management personnel										
Head of Finance	-	10,215	-	10,215	-	-	675,933	-	687,748	-
Chief Operating Officer	-	6,932	1,934	-	8,866	-	500,000	110,419	-	510,238
Unit holder holding 10% or more units										
Syed Babar Ali	-	828,899	189,914	148,236	870,576	-	55,000,000	10,842,344	10,000,000	50,101,673

* These unit holders also hold more than 10% units in the fund.

18. 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 analyze all risks faced by the Fund and to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Fund has exposure to market 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.

18.1 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: currency risk, interest rate risk and other price risk (equity price risk). The Fund is exposed to interest rate and equity price risk only.

18.1.1 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.

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Variable rate instruments		
Bank balances	<u>105,407,962</u>	<u>27,257,613</u>

Sensitivity analysis for variable rate instruments

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.1.054 million (June 30, 2014: Rs.272,576).

Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument as at June 30, 2015 which expose the Fund to fair value profit rate risk (June 30, 2014: Nil).

18.1.2 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.

18.1.3 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, NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments are concentrated in the sectors given in note 5.1.

At June 30, 2015, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

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

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Effect due to increase / decrease in KSE 100 index		
Investment and net assets	<u>35,350,751</u>	<u>16,482,833</u>
Income statement	<u>35,350,751</u>	<u>16,482,833</u>

18.2 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, deposits and other receivable balances.

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

The Fund's cash and cash equivalents are held mainly with Bank Alfalah Limited, which is rated AA by PACRA (June 30, 2014: AA by PACRA).

The maximum exposure to credit risk before any credit enhancements at June 30, 2015 is the carrying amount of the financial assets as set out below:

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Financial assets		
Bank balances	105,407,962	27,257,613
Dividend and profit receivable	1,120,427	219,118
Deposits and other receivables	<u>2,700,000</u>	5,160,000
	<u>109,228,389</u>	<u>32,636,731</u>
Secured	2,700,000	5,160,000
Unsecured	<u>106,528,389</u>	<u>27,476,731</u>
	<u>109,228,389</u>	<u>32,636,731</u>

None of these assets are impaired or past due.

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

The analysis below summarizes the credit quality of the Fund's bank balances as at June 30, 2015 and June 30, 2014:

Bank balances by rating category

A1+ / AA	105,400,901	27,257,613
A-1 / A	7,061	-
	<u>105,407,962</u>	<u>27,257,613</u>

18.3 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 at 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:

	June 30, 2015			
	Carrying value	Upto one month	More than one month and upto three months	More than three month and upto one year
----- (Rupees) -----				
On balance sheet financial liabilities and others				
Liabilities				
Payable to the Management Company	4,652,759	4,652,759	-	-
Payable to the Trustee	130,979	130,979	-	-
Accrued and other liabilities	1,382,729	657,903	724,826	-
Distribution payable	9,791,667	9,791,667	-	-
	<u>15,958,134</u>	<u>15,233,308</u>	<u>724,826</u>	<u>-</u>

	June 30, 2014			
	Carrying value	Upto one month	More than one month and upto three months	More than three month and upto one year
----- (Rupees) -----				
On balance sheet financial liabilities and others				
Liabilities				
Payable to the Management Company	409,583	409,583	-	-
Payable to the Trustee	57,680	57,680	-	-
Accrued and other liabilities	1,000,600	345,777	654,823	-
Distribution payable	30,088,300	30,088,300	-	-
	<u>31,556,163</u>	<u>30,901,340</u>	<u>654,823</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.

18.4 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 behavior. 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;

- risk mitigation, including insurance where this is effective.

18.5 Unit Holders' Fund risk management

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

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

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue units 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.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not 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:

	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	<u>707,015,020</u>	-	-	<u>707,015,020</u>
	<u>707,015,020</u>	-	-	<u>707,015,020</u>
	June 30, 2014			
	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	<u>164,828,330</u>	-	-	<u>164,828,330</u>
	<u>164,828,330</u>	-	-	<u>164,828,330</u>

During the year ended June 30, 2015, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on August 24, 2015.

22. GENERAL

Figures are rounded off to the nearest rupee.



Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2015			
	Number of unit holders	Number of units held	(Rupees)	% of total
Individuals	20	1,403,944	92,996,165	12%
Associated Co./ Directors	3	6,035,272	399,771,718	50%
Retirement & Other Funds	5	4,420,136	292,786,346	37%
Other Corporate	1	236,504	15,665,907	2%
	<u>29</u>	<u>12,095,856</u>	<u>801,220,136</u>	<u>100%</u>

Category	As at 30 June 2014			
	Number of unit holders	Number of units held	(Rupees)	% of total
Individuals	17	1,433,332	82,492,161	41%
Retirement Funds	2	1,888,889	108,710,718	53%
Others	1	216,292	12,448,202	6%
	<u>20</u>	<u>3,538,513</u>	<u>203,651,081</u>	<u>100%</u>

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2015
IGI Finex Securities Limited	12.75%
Topline Securities (Pvt) Limited	12.26%
Invest & Finance Securities Limited	12.20%
Al Habib Capital Markets Limited	9.75%
BMA Capital Management Limited	9.13%
Habib Metropolitan Financial Services Limited	8.49%
Taurus Securities Limited	7.84%
Arif Habib Limited	7.74%
Foundation Securities Limited	6.68%
Fortune Securities Limited	4.16%
	30 June 2014
Topline Securities Ltd	11%
Foundation Securities Ltd	9%
Habib Metropolitan Financial Services Ltd.	8%
IGI Finex Securities Limited	8%
Al Habib Capital Markets	6%
Fortune Securities	6%
Ismail Iqbal Securities (Pvt.) Ltd	5%
Opimus Capital Management (Pvt.) Ltd	5%
Nael Capital (Pvt.) Ltd	5%
Invest & Finance Securities Ltd	5%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Maheen Rahman
Ather Husain Medina
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.

Ather Husain Medina

Mr. Medina, a qualified professional with extensive work experience of over 20 years in the financial sector is serving Alfalah GHP Investment Management Ltd. as Chief Investment Officer. Prior to joining the company he was associated with Invest Capital Investment Bank Ltd. as Head of Business Development and Atlas Asset Management as Chief Investment Officer. He has also worked with some other leading organizations which include National Investment Trust where he was heading the Research team, and SG Securities (HK) Holdings Ltd. and Indosuez W.I Carr Securities Pakistan in the Investment Research area. His expertise includes the banking sector of Pakistan as well, in which he worked at two leading commercial banks, Habib Bank Ltd. and MCB Bank Ltd. By qualification Mr. Medina is an MBA from the Institute of Business Administration (IBA), Karachi and holds a Computer Science degree from National University of Computer and Emerging Sciences (FAST-NU), Karachi.

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 62nd, 63rd, 64th, 65th, 66th & 67th Board Meetings were held on 27 Aug 2014, 27 Oct 2014, 02 Feb 2015, 23 Apr 2015, 13 May 2015 and 26 June 2015 respectively.

Name of Director	Number of Meetings			
	Held	Attended	Leave granted	Meeting not attended
Syed Ali Sultan	6	5	1	1
Mr. Amin Dawood Saleh	6	4	2	2
Mr. Michael Buchen	6	6	-	-
Mr .David Burlison	-	-	-	-
Mr. Hanspeter Beier	6	3	3	3
Ms. Maheen Rahman	6	6	-	-
Mr. Abid Naqvi	6	6	-	-
Mr. Asif Saad	6	2	4	4

· Subsequent to the year end, Mr. Asif Saad resigned from the Board of Directors of the Company with effect from July 9, 2015

PERFORMANCE TABLE AGAF

	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
	----- (Rupees in '000) -----				
Net Assets	801,220	203,651	110,042	104,940	128,001
NAV per unit	66.2400	57.5500	56.8200	54.6800	62.2100
Selling price per unit	70.6600	61.4200	59.6600	57.4100	65.3200
Redemption price per unit	66.2400	57.5500	56.8200	54.6800	62.2100
Highest selling price per unit	79.6200	77.8400	75.9000	66.6300	71.2100
Highest redemption price per unit	74.6400	74.1300	72.2900	63.4500	67.8200
Lowest selling price per unit	57.5800	58.7100	54.7000	52.6200	55.7000
Lowest redemption price per unit	53.9500	55.9100	52.1000	50.1100	53.0400
Total interim distribution per unit	7.0466	15.9323	18.02	2	Nil
Interim distribution date	26-Jun-15	30-Jun-14	27-Dec-12	27-Jun-12	N/A
	N/A	N/A	27-Jun-13	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil	7
Final distribution date	N/A	N/A	N/A	N/A	7-Jul-11
Annualized returns	27.39%	29.55%	39.81%	2.67%	17.69%
Income distribution	12.24%	28.04%	32.95%	3.62%	13.25%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **25.30%**








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









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