

ALFALAH

Investments

ANNUAL REPORT

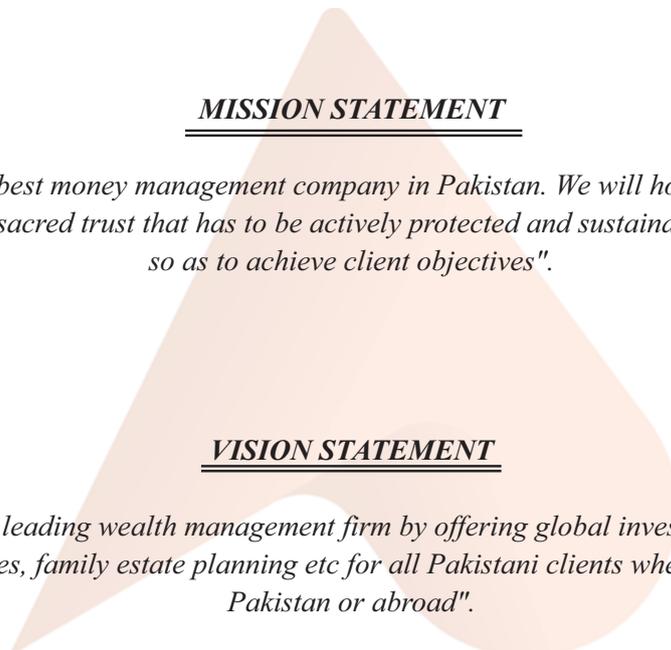
**JUNE 30,
2023**

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MISSION STATEMENT

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

VISION STATEMENT

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

DIRECTORS' REPORT TO THE UNIT HOLDERS FOR THE YEAR ENDED JUNE 30, 2023

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Income Multiplier Fund (AGIMF), Alfalah GHP Cash Fund (AGCF), Alfalah GHP Alpha Fund (AGAF), Alfalah GHP Value Fund (AGVF), Alfalah GHP Sovereign Fund (AGSOF), Alfalah GHP Income Fund (AGIF), Alfalah GHP Stock Fund (AGSTF), Alfalah GHP Money Market Fund (AGMMF), Alfalah Stable Return Fund Plan-1, Alfalah Stable Return Fund Plan-2, Alfalah Stable Return Fund Plan-5, Alfalah GHP Prosperity Planning Fund (AGPPF), Alfalah Alfalah GHP Dedicated Equity Fund (AGDEF) and Alfalah Consumer Index Exchange Traded Fund (ACIETF) for the year ended June 30, 2023.

Economy Overview

Government projects GDP growth for FY23 to clock at 0.29% compared to 6.10% in FY22. GDP growth remained subdued mainly because of a) slowdown in economic activity fueled by import restrictions imposed by the Central Bank in order to control overheating of the economy and to protect the fast depleting forex reserves and b) mass destruction of major agriculture crops and livestock caused by floods, resulting in unprecedented high inflation and interest rates.

Ample decline in imports of 27% helped to curtail the leakages in external account, as CAD for FY23 stood at USD 2.56bn compared to a deficit of USD 17.48bn in same period last year (down substantially by 85%). Moreover, remittances, which remained a key support in the backdrop of travel restrictions, started to lose pace in FY23, as monthly remittance averaged at USD 2.2bn compared to USD 2.6bn in FY22.

On account of huge external debt repayments, forex reserves fallen massively to USD 9.18bn at June end compared to USD 15.45bn at the end of last year. Exchange rate faced immense pressure as PKR depreciated by almost 28% to 285.99 from 204.85 on June 30, 2022. In May 2023, PKR slipped to an all-time low level of 298.93, however, it recovered some ground on resumption of the IMF program. Going forward, PKR might depreciate at normal levels of 5%-6% on an annual basis as potential flows from friendly countries and Multilaterals will keep PKR slide in check. Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods.

In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022).

On the fiscal front, tax revenue has surged handsomely by 16% for FY23 compared to last year, missing FBR's target by 6%. As per tax revenue breakup for FY22, direct tax revenue has increased by 43%, while indirect taxes including duties and sales tax have increased by 1% mainly due to decline in imports. Moreover, higher markup expense and rehab spending related to floods has resulted in fiscal deficit to arrive at 7.7% of GDP for FY23 compared to 7.9% for same period last year.

In July 2023, Pakistan entered into a Standby Agreement with IMF, which entails financial support of US\$3bn in a total span of 9 months, including an initial disbursement of US\$1.2bn. Moreover, the country also received financial support of US\$3bn from its bilateral partners, including Saudi Arabia and UAE, while 50% of the repayments due in FY24 are expected to be rolled over. These inflows along with the IMF agreement, have resulted in bolstering the FX reserves to US\$8.2bn from US\$4.4bn in June 2023 and holds the potential to attract further inflows from Bilateral and Multilateral agencies which will ultimately help the country in managing external debt repayments due in FY24.

The IMF program has provided much-needed certainty and assurance for our economic plan. Its guidance and support have strengthened the path towards sustainable growth and prosperity.

Going forward, boost in economic activity is expected once monetary easing is started in latter half of fiscal year 2024 as according to IMF estimates, GDP is anticipated to grow by 2.5% and 3.6% in FY24 and FY25 respectively with Agriculture playing a major role after recovering from a bearish year caused by the floods.

With adjustment in petroleum products and utility tariffs in accord with the IMF program, inflation is expected to average between 23%-24% for FY24. Inflation is expected to soften and gradually decrease, mainly due to the high base effect from the previous year. However, the measures aimed at securing the IMF deal, including higher taxes and rising energy costs, could contribute to inflationary pressures to some degree.

Monetary easing is expected to start in latter half of the year when inflation is expected to fall below 20%.

Equity Market Review

During FY23, the benchmark index largely remained flat and posted a slight negative return of 0.21% on account of worsening economic indicators. The index remained range bound during the year as it peaked at 43,676 level in Aug'22, however closed at a lower level of 41,453 points.

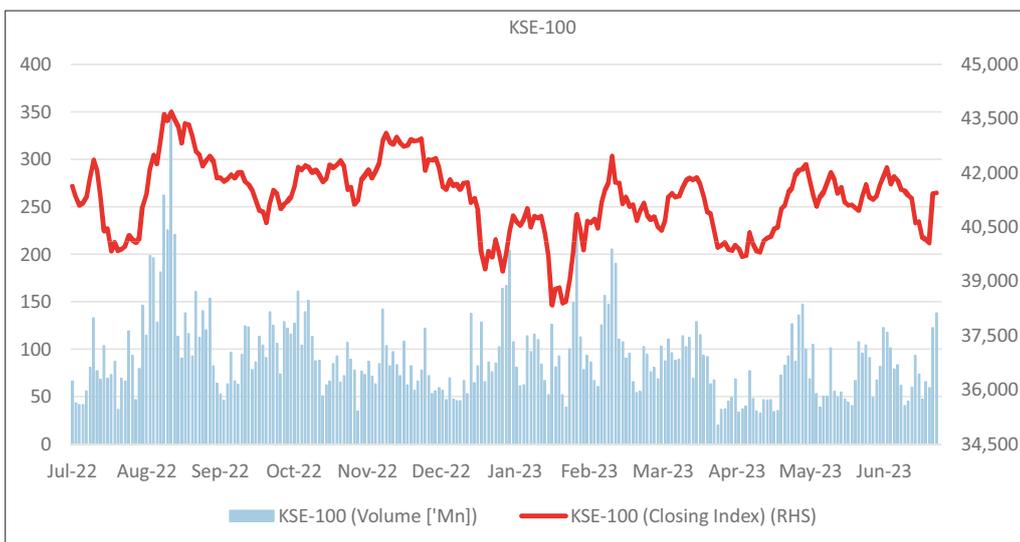
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment and resulted in investors shifting allocation to low risk money market investments.

Despite record profitability posted by companies in the benchmark index in 9MFY23, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 21%YoY to 90.65 million shares. Power Generation and Fertilizer sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Power sector, while Pharmaceuticals contributed most negatively to the index due to massive devaluation of PKR against the greenback.

Foreigners remained net buyers in FY23, as the net foreign inflow amounted to USD 4mn compared to net outflow of USD 295mn during FY22.

Going forward, we believe that the resumption of the stalled IMF program and with a caretaker government, the focus will likely be on preserving macroeconomic stability ensuring prudent monetary policy, avoiding fiscal slippages and maintaining market based exchange rate. This will provide much-needed clarity and assurance for the economic plan.

A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double digits' growth in earnings expected in 2024, we expect the local stock market to deliver a strong performance in FY24.



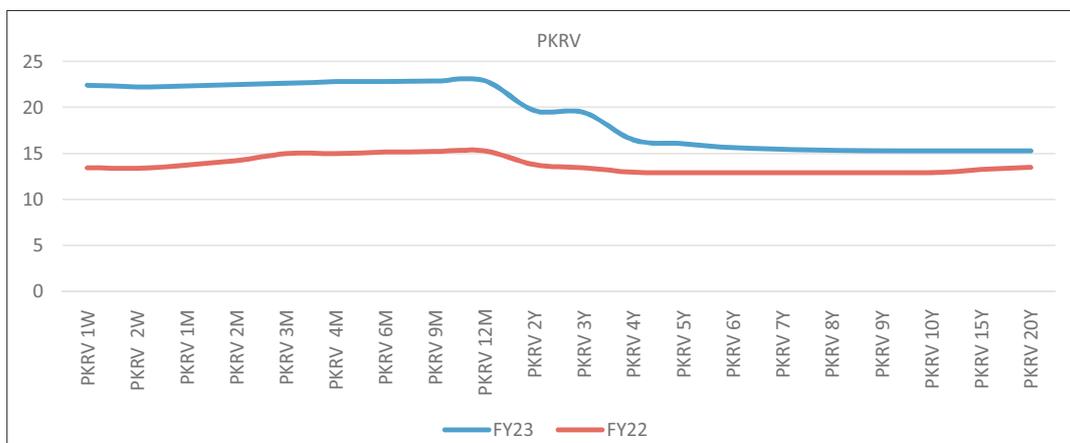
Money Market

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

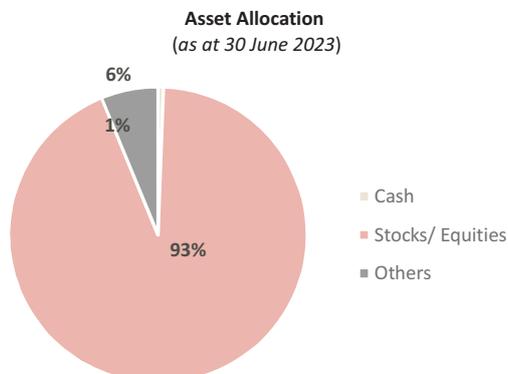
The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.



Fund Operations and Performance

Alfaluh GHP Alpha Fund

During FY23, AGAF earned a return of -0,31% versus the benchmark (KSE-100) return of -0.21% during the same period.



Key Financial Data

(Rupees in Million)

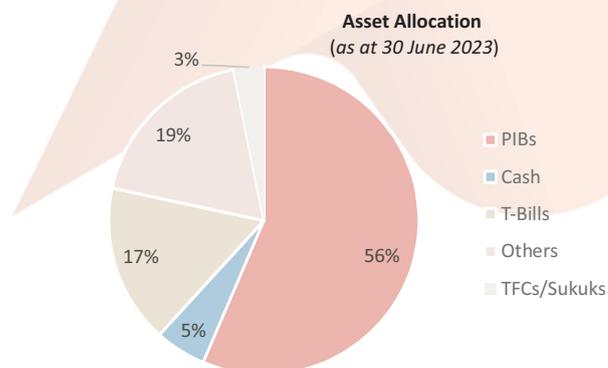
Description	For the year ended June 30 ,2023	For the year ended June 30, 2022
Average Net Assets	569.4691	812.0516
Gross (loss)/ Profit	30.32	-129.97
Total Comprehensive Loss	2.92	-150.96
Net Assets Value per Unit (PKR)	48.93	49.08
Issuance of units during the year	40.86	203.18
Redemption of units during the year	-159.31	-399.34

Alfaluh GHP Sovereign Fund

During FY23, Alfalah GHP Sovereign Fund generated a return of 16.07% against the fund's benchmark returned 18.20%.

Payout

During the year, the fund paid out cash dividend of PKR 16.7388 per unit to the unit holders.



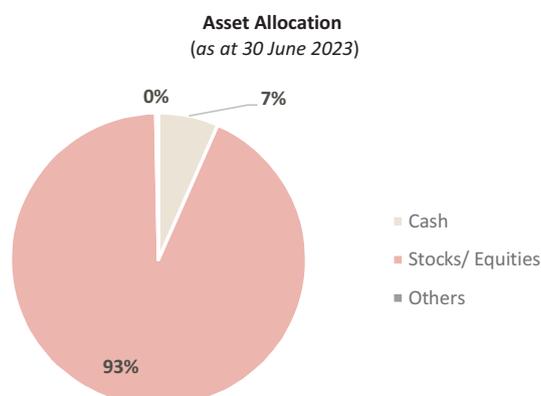
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2023	For the year ended June 30, 2022
Average Net Assets	530.3501	913.4234
Gross income	83.27	84.23
Total Comprehensive Income	75.98	76.52
Net Assets Value per Unit (PKR.)	107.1283	106.7648
Issuance of units during the year	533.96	319.52
Redemption of units during the year	-791.80	-793.80

Alfaluh GHP Stock Fund

During FY23, AGSF earned a return of -0.85% versus the benchmark (KSE-100) return -0.21% during the year.



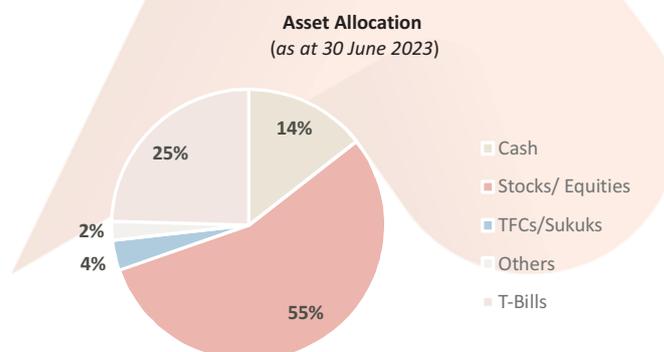
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	1,203.4809	1,969.2843
Gross (loss) / Profit	46.31	-311.05
Net Comprehensive Loss	-11.10	-377.21
Net Assets Value per Unit (Rs.)	89.8071	90.5762
Issuance of units during the year	180.74	558.91
Redemption of units during the year	-379.81	-1,036.81

Alfaluh GHP Value Fund

During FY23, AGVF underperformed its benchmark with a return of 4.27% versus the benchmark return of 7.08%.



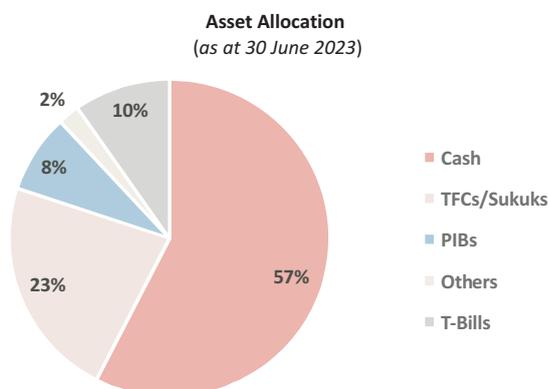
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	356.2603	531.8269
Gross (loss) / profit	30.35	-60.58
Total Comprehensive income / (loss)	13.73	-69.01
Net Assets Value per Unit (PKR)	48.7598	48.6897
Issuance of units during the year	29.02	25.09
Redemption of units during the year	-167.71	-158.99

Alfalsh GHP Income Fund

During the year under review, AGIF earned a return of 17.13% while the fund's benchmark stood at 18.33%.



Key Financial Data

(Rupees in Million)

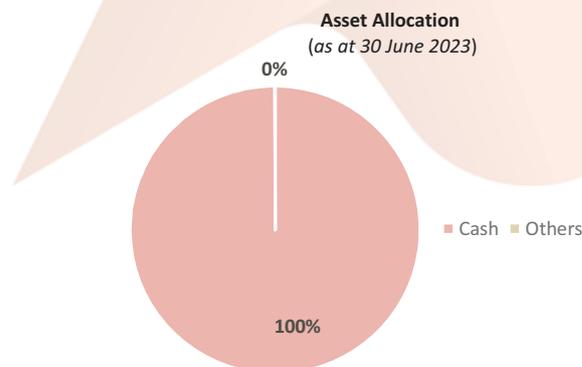
Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	487.1742	1,694.2748
Gross income	82.33	146.72
Total Comprehensive Income	75.29	126.19
Net Assets Value per Unit (PKR)	113.6112	113.1815
Issuance of units during the year	1,438.93	4,557.85
Redemption of units during the year	-2,429.22	-5,014.42

Alfalsh GHP Income Multiplier Fund

During the year, Alfalah GHP Income Multiplier Fund's earned a return of 19.41% while the fund's benchmark stood at 18.61%.

Payout

During the year, the fund paid 10.3524/unit cash dividend to the unit holders.



Key Financial Data

(Rupees in Million)

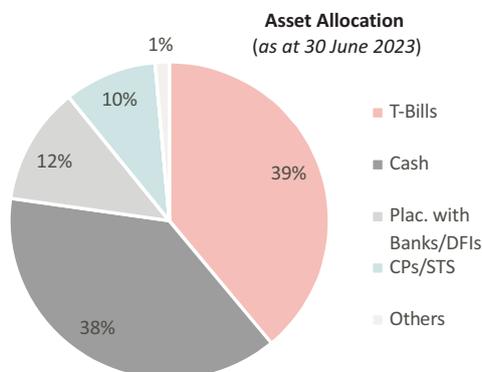
Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	2,095.5099	109.4885
Gross income	427.48	14.42
Total Comprehensive Income	414.44	5.66
Net Assets Value per Unit (PKR)	54.0379	53.9402
Issuance of units during the year	14,396.57	13.66
Redemption of units during the year	-6,190.17	-86.87

Alfalah GHP Cash Fund

During FY23, Alfalah GHP Cash Fund (AGCF) generated a return of 17.56% while the benchmark of the fund was 17.07%.

Payout

At the year end, the fund paid out cash dividend of PKR 80.9329 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

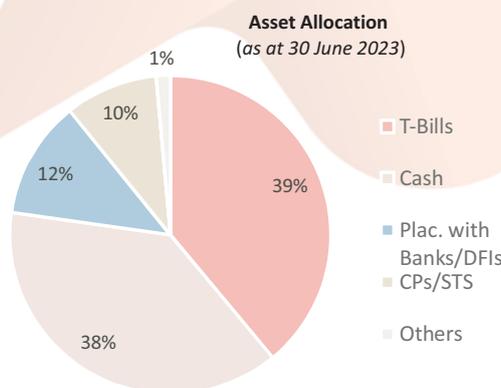
Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	6,723.1798	7,864.9506
Gross income	1,108.17	870.29
Total Comprehensive Income	1,044.17	860.95
Net Assets Value per Unit (PKR)	503.0411	500.8549
Issuance of units during the year	25,785.79	33,593.53
Redemption of units during the year	-34,298.57	-26,339.91

Alfalah GHP Money Market Fund

During FY23, Alfalah GHP Money Market Fund (AGMMF) generated a return of 17.70% while the benchmark of the fund generated 17.05%.

Payout

During the year, the fund paid out cash dividend of PKR 15.6737 per unit to the unit holders.



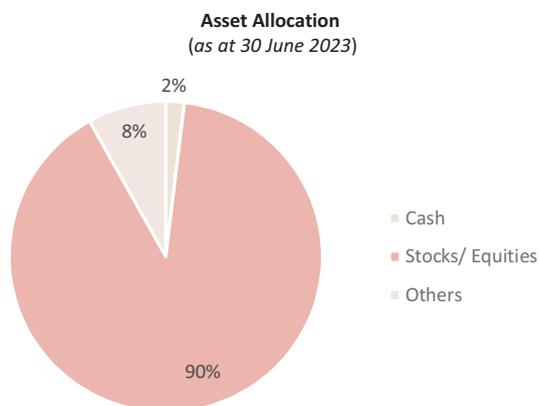
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	29,663.9372	□24,538.1619
Gross income	5,111.395	2,534.36
Total Comprehensive Income	4,810.70	2,506.08
Net Assets Value per Unit (PKR)	98.8365	98.3719
Issuance of units during the year	117,388.44	94,454.56
Redemption of units during the year	-107,947.62	-92,941.32

Alfalah GHP Dedicated Equity Funds

During FY23, AGSF earned a return of -0.97% versus the benchmark (KSE-100) return -3.46% during the year.



Key Financial Data

(Rupees in Million)

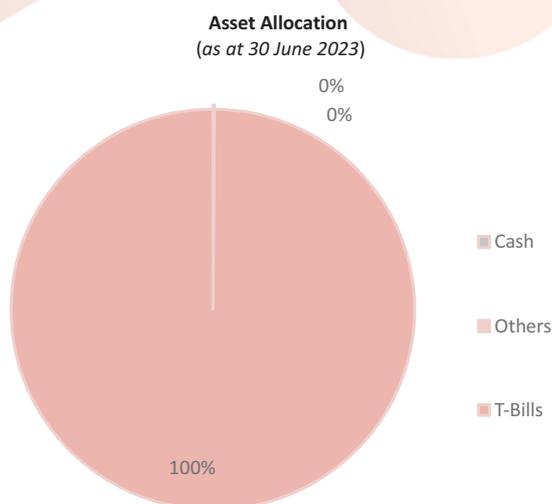
Description	For the year ended June 30, 2023
Average Net Assets	49.0770
Gross (loss) / profit	-60.58
Total Comprehensive income / (loss)	-69.01
Net Assets Value per Unit (PKR)	48.6897
Issuance of units during the year	25.09
Redemption of units during the year	-158.99

Alfalah Stable Return Fund- Plan 1

During FY23, Alfalah Stable return Fund-Plan 1 (ASRF-1) generated a return of 13.42% while the benchmark of the fund generated 17.57%.

Payout

During the year, the fund paid out cash dividend of PKR 7.2824 per unit to the unit holders.



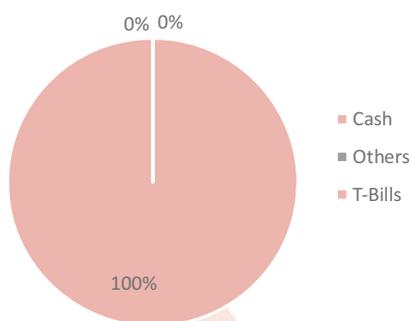
Alfalsh Stable Return Fund- Plan 2

During FY23, Alfalah Stable return Fund-Plan 2 (ASRF-2) generated a return of 12.08% while the benchmark of the fund generated 18.69%.

Payout

During the year, the fund paid out cash dividend of PKR 6.7838 per unit to the unit holders.

Asset Allocation
(as at 30 June 2023)



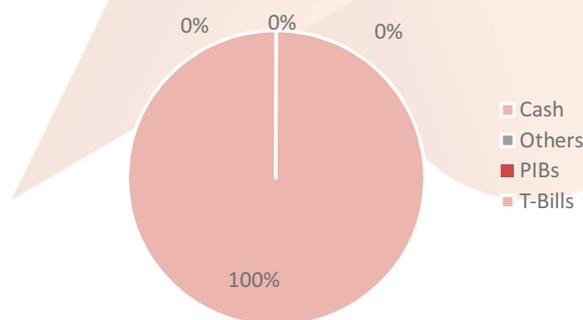
Alfalsh Stable Return Fund- Plan 5

During FY23, Alfalah Stable return Fund-Plan 5 (ASRF-5) generated a return of 19.71% while the benchmark of the fund generated 20.75%.

Payout

During the year, the fund paid out cash dividend of PKR 4.4163 per unit to the unit holders.

Asset Allocation
(as at 30 June 2023)



Key Financial Data

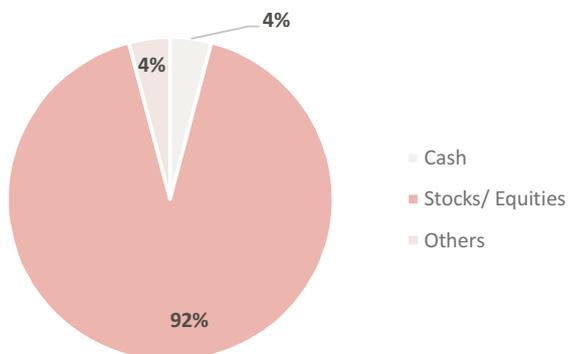
For the year ended June 30 ,2023

Description	Alfalsh Stable Return Fund - Plan 1	Alfalsh Stable Return Fund - Plan 2	Alfalsh Stable Return Fund - Plan 3
Average Net Assets	1,032.6679	848.5125	2,578.3124
Gross income	115.952	59.165	119.087
Total Comprehensive Income	109.674	55.979	111.617
Net Assets Value per Unit (PKR)	100.2482	100.0003	100.0000
Issuance of units during the period	1,205.377	1,078.765	6,253.042
Redemption of units during the period	-135.799	-230.906	-3,640.987

Alfalsh GHP Consumer Index Exchange Traded Fund

The fund generated a return from inception to date of -15.72% against the benchmark which generated -14.36%.

Asset Allocation
(as at 30 June 2023)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023
Average Net Assets	47.121
Gross (loss)	-6.86
Total Comprehensive Loss	-7.98
Net Assets Value per Unit (PKR)	6.70
Issuance of units during the year	0.64
Redemption of units during the year	-5.24

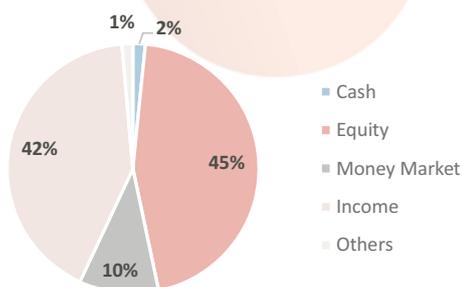
Alfalsh GHP Prosperity Planning Fund- Active Allocation Plan

The fund's return stood at 10.20% against the benchmark return of 12.09%.

Payout

During the year, the fund paid out cash dividend PKR 7.8311 per unit to the unit holders.

Asset Allocation
(as at 30 June 2023)

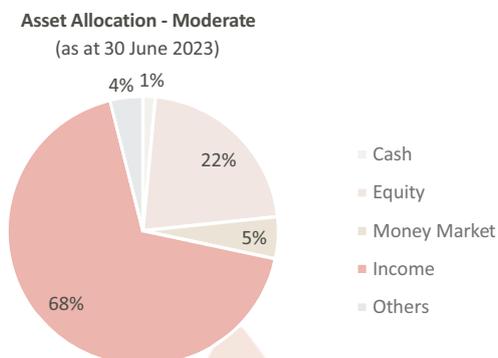


Alfalah GHP Prosperity Planning Fund- Moderate Plan

The fund's return stood at of 11.92% against the benchmark return of 15.15%.

Payout

During the year, the fund paid out cash dividend of PKR 10.617 per unit to the unit holders.

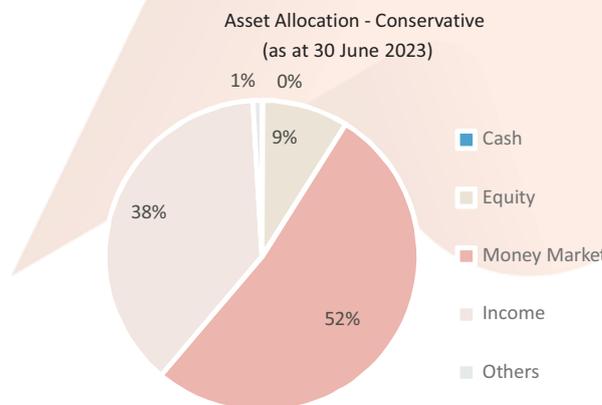


Alfalah GHP Prosperity Planning Fund- Conservative Plan

The fund generated a return of 15.25% against the benchmark which generated 17.75%.

Payout

During the year, the fund paid out cash dividend of PKR.15.1342 per unit to the unit holders.



Key Financial Data**Alfalah GHP Prosperity Planning Fund**

(Rupees in Million)

Description	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan
	For the year ended June 30, 2023			For the year ended June 30, 2022		
Average Net Assets	75.1041	213.7342	65.9845	176.274	198.889	175.028
Gross (loss) / income	7.52	31.39	7.94	-13.72	11.15	1.19
Total Comprehensive (loss) / Income	6.91	30.51	7.51	-12.24	12.29	4.07
Net Assets Value per Unit (PKR)	93.1710	104.2147	98.7278	93.1710	103.6268	97.7938
Issuance of units during the year	3.03	20.51	2.97	1.90	21.10	5.77
Redemption of units during the year	-127.70	-1.00	-145.14	-1.91	-12.40	-4.28

Acknowledgement

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

For and behalf of the Board

Chief Executive Officer
August 25, 2023



**Alfalah
GHP Cash Fund**

FUND INFORMATION

Management Company:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA+ (f) by PACRA

Alfalah GHP Cash Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Money Market Scheme

Investment Objective

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

Accomplishment of Objective

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

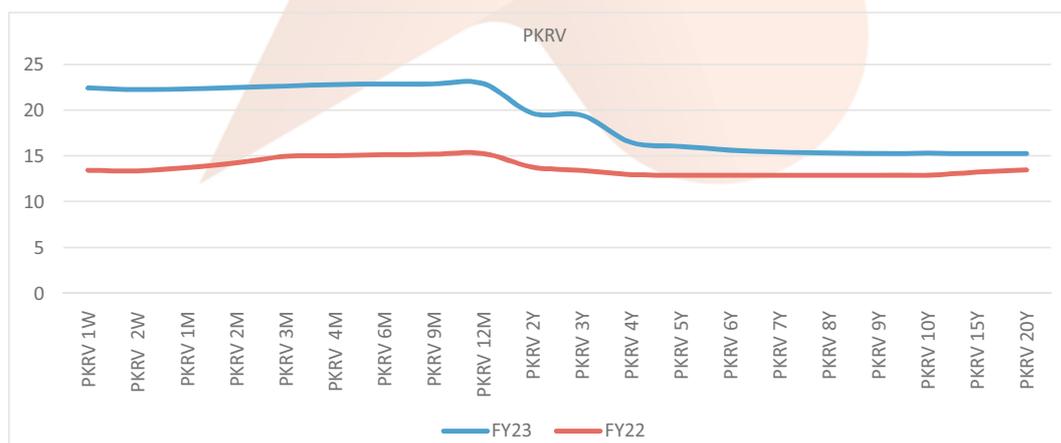
Money Market Review

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

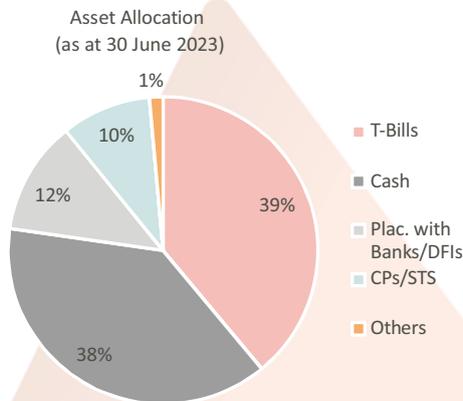
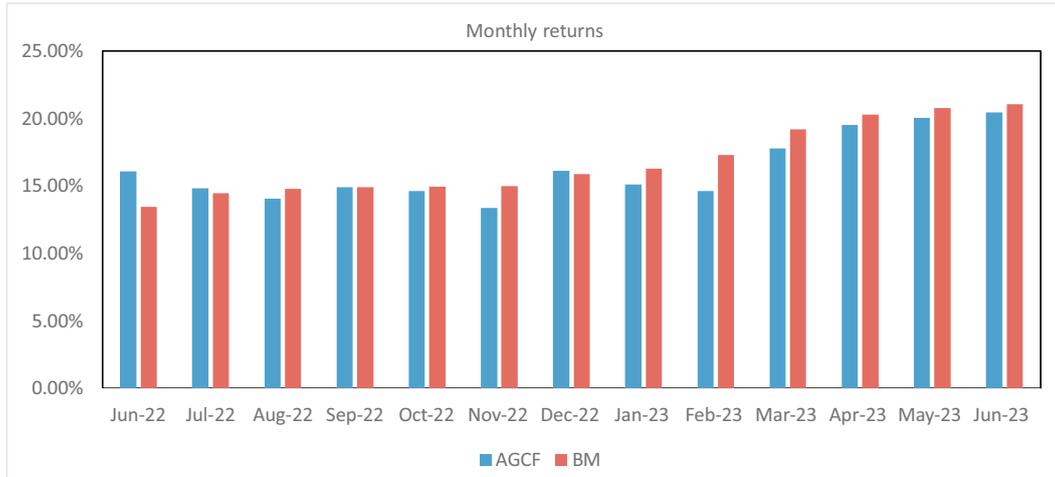
In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.



Fund Performance

During FY23, Alfalah GHP Cash Fund (AGCF) generated a return of 17.56% while the benchmark of the fund was 17.07%. During FY23, Alfalah Stable return Fund-Plan 1 (ASRF-1) generated a return of 13.42% while the benchmark of the fund generated 17.57%.



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	39.00%	A+	0.00%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	0.31%	A-	0.00%
AA+	49.89%	BBB+	0.00%
AA	9.40%	Below IG	0.00%
AA-	0.00%	NR/UR	1.40%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP CASH FUND

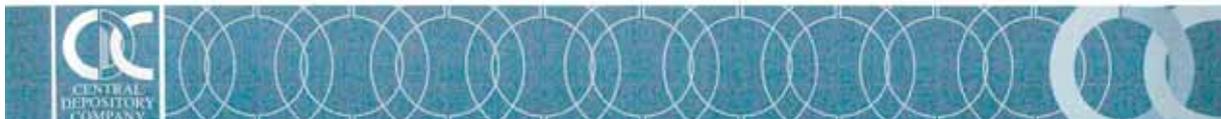
Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited being the Trustee of Alfalah GHP Cash Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2023





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

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Tel: +9221 3565 0007-11
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ey.kh@pk.ey.com
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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfalah GHP Cash Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Cash Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
<p>The bank balances and investments (comprised of debt securities) represent 99.76% of the Total Assets of the Fund at the year end.</p> <p>In view of the significance of existence and valuation of bank balances and investments in relation to determination of the Net Asset Value of the Fund, we have considered these to be a key audit matter.</p> <p>Refer to Notes 4 and 5 of the financial statements of the Fund for the year ended 30</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over receipts and payments, and bank reconciliations as well as acquisition, disposals, and periodic valuation of investments portfolio. - We obtained independent confirmations for verifying the existence of the bank balances

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Key audit matter	How our audit addressed the key audit matter
<p>June 2023 in relation to the above referred bank balances and investments.</p>	<p>and investments as on 30 June 2023. Where such confirmations were not available, we reviewed bank statements and custodian statements.</p> <ul style="list-style-type: none"> - We re-performed valuations on investments in accordance with the accounting policy of the Fund. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9. - We obtained bank reconciliations and tested reconciling items on a sample basis. - We assessed the Fund's compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits. - We also evaluated the adequacy of the disclosures in the financial statements regarding the bank balances and investments in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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



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

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Chartered Accountants

Date: 28 September 2023

Karachi

UDIN Number: AR202310120B3vHx4pCj

ALFALAH GHP CASH FUND**STATEMENT OF ASSETS AND LIABILITIES***As AT JUNE 30, 2023*

	Note	2023 ----- (Rupees) -----	2022 -----
Assets			
Bank balances	4	1,244,328,990	10,343,479,170
Investments	5	2,042,293,651	1,308,752,250
Profit / mark-up receivable		7,936,369	19,933,039
Advance and prepayment	6	71,413	123,295
Total assets		3,294,630,423	11,672,287,754
Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	7	24,627,765	17,735,651
Payable to Central Depository Company of Pakistan Limited - Trustee	8	260,062	630,081
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	1,341,576	1,573,352
Accrued and other liabilities	10	7,495,740	29,416,452
Dividend payable		674,934	494,898
Total liabilities		34,400,077	49,850,434
Net assets attributable to the unit holders		3,260,230,346	11,622,437,320
Unit holders' fund (as per the statement attached)		3,260,230,346	11,622,437,320
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		6,481,042	23,205,201
		----- (Rupees) -----	
Net asset value per unit		503.0411	500.8549

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
Income			
Profit / mark-up income	12	1,123,347,849	881,251,645
Loss on sale of investments - net		(13,409,694)	(10,961,431)
Unrealized loss on investments classified as 'fair value through profit or loss' - net	5.7	(1,765,957)	-
Total income		1,108,172,199	870,290,214
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	7.1	27,745,267	15,017,748
Sindh sales tax on remuneration of the Management Company	7.2	3,606,883	1,952,302
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	3,696,293	4,476,301
Sindh sales tax on remuneration of the Trustee	8.2	480,514	581,920
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	1,344,140	1,573,377
Bank and settlement charges		28,594	132,979
Auditors' remuneration	13	695,822	633,830
Brokerage expense		463,412	235,522
Sindh sales tax on brokerage		47,896	26,277
Allocated expenses		3,784,851	-
Selling and marketing expenses		21,338,238	7,256,881
Annual listing fee		28,776	-
Legal and professional charges		252,094	293,040
Printing charges		29,980	29,952
Fees and subscriptions		454,362	475,633
Total expenses		63,997,122	32,685,762
Operating income for the year		1,044,175,077	837,604,452
Reversal of provision of Sindh Worker's Welfare Fund		-	23,344,668
Net income for the year before taxation		1,044,175,077	860,949,120
Taxation	15	-	-
Net income for the year after taxation		1,044,175,077	860,949,120
Allocation of net income for the year after taxation			
Net income for the year after taxation		1,044,175,077	860,949,120
Income already paid on units redeemed		(459,828,078)	(192,168,396)
		584,346,999	668,780,724
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		584,346,999	668,780,724
		584,346,999	668,780,724

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income for the year after taxation	1,044,175,077	860,949,120
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,044,175,077</u>	<u>860,949,120</u>

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



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----			----- (Rupees) -----		
Net assets at the beginning of the year	11,585,827,841	36,609,479	11,622,437,320	4,547,931,028	21,136,246	4,569,067,274
Issuance of 50,225,879 units (2022: 65,988,975 units)						
- Capital value (at net asset value per unit at the beginning of the period)	25,155,872,580	-	25,155,872,580	33,006,484,296	-	33,006,484,296
- Element of income	629,915,445	-	629,915,445	587,048,690	-	587,048,690
Total proceeds on issuance of units	25,785,788,025	-	25,785,788,025	33,593,532,986	-	33,593,532,986
Redemption of 66,949,563 units (2022: 51,918,587 units)						
- Capital value (at net asset value per unit at the beginning of the period)	33,532,247,892	-	33,532,247,892	25,968,732,299	-	25,968,732,299
- Element of income	306,494,685	459,828,078	766,322,763	179,009,360	192,168,396	371,177,756
Total payments on redemption of units	(33,838,742,577)	(459,828,078)	(34,298,570,655)	(26,147,741,659)	(192,168,396)	(26,339,910,055)
Total comprehensive income for the year	-	1,044,175,077	1,044,175,077	-	860,949,120	860,949,120
Distributions during the year (Note 23)	(292,987,745)	(600,611,676)	(893,599,421)	(407,894,514)	(653,307,491)	(1,061,202,005)
Net assets at the end of the year	3,239,885,544	20,344,802	3,260,230,346	11,585,827,841	36,609,479	11,622,437,320
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		36,609,479			21,136,246	
- Unrealised loss		-			-	
		<u>36,609,479</u>			<u>21,136,246</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		584,346,999			668,780,724	
		<u>584,346,999</u>			<u>668,780,724</u>	
Distributions during the year		(600,611,676)			(653,307,491)	
Undistributed income carried forward		<u>20,344,802</u>			<u>36,609,479</u>	
Undistributed income carried forward						
- Realised income		20,344,802			36,609,479	
- Unrealised income		-			-	
		<u>20,344,802</u>			<u>36,609,479</u>	
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		<u>500.8549</u>			<u>499.9776</u>	
Net asset value per unit at the end of the year		<u>503.0411</u>			<u>500.8549</u>	

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND**CASH FLOW STATEMENT**

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		1,044,175,077	860,949,120
Adjustments for:			
Reversal of provision of Sindh Workers' Welfare Fund		-	23,344,668
Unrealized loss on investments classified as 'fair value through profit or loss' - net		1,765,957	-
		<u>1,045,941,034</u>	<u>884,293,787</u>
(increase) / Decrease in assets			
Investments - net		(735,307,358)	(1,308,752,250)
Profit receivable on bank balances		11,996,670	(19,571,953)
Advance tax and prepayment		51,882	394,979
		<u>(723,258,806)</u>	<u>(1,327,929,224)</u>
(Decrease) / increase in liabilities			
Payable to Alfalah Asset Management Limited - Management Company		6,892,114	5,138,531
Payable to Central Depository Company of Pakistan Limited - Trustee		(370,019)	163,128
Annual fee payable to the Securities and Exchange Commission of Pakistan		(231,776)	504,720
Accrued and other liabilities		(21,920,712)	(47,163,952)
		<u>(15,630,393)</u>	<u>(41,357,573)</u>
Net cash generated from operating activities		<u>307,051,835</u>	<u>(484,993,010)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units - net of refund of capital		25,492,800,280	33,185,638,472
Amount paid against redemption of units		(34,298,570,655)	(26,339,910,055)
Dividend paid		(600,431,639)	(653,307,491)
Net cash used in from financing activities		<u>(9,406,202,014)</u>	<u>6,192,420,926</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(9,099,150,179)</u>	<u>5,707,427,916</u>
Cash and cash equivalents at beginning of the year		10,343,479,170	4,636,051,254
Cash and cash equivalents at end of the year	4	<u><u>1,244,328,990</u></u>	<u><u>10,343,479,170</u></u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer_____
Chief Financial Officer_____
Director

ALFALAH GHP CASH FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Cash Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah Asset Management Limited [formerly Alfalah GHP Asset Management Limited], (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee) on October 23, 2009. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on October 07, 2009. The SECP approved the first and second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/AMCW/AGCF/182/12 and No. SCD/AMCW/AGCF/107/2019 dated June 13, 2012 and October 10, 2019, respectively, to modify and restate the previous Trust Deed to effectuate the amendments listed in Annexure A of the first Supplemental Trust Deed.

After promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan, the abovementioned Trust Deeds have been registered under the Sindh Trust Act on September 17, 2021.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) through a certificate issued by the SECP on February 3, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at 2nd Floor, Islamic Chambers of Commerce, Industry and Agriculture Building, Clifton, Karachi, Pakistan.

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

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

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+ (stable outlook) on March 3, 2022) and AA+(f) to the Fund in its credit rating report dated March 29, 2023 (2022: AA(f) on April 8, 2022).

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

1.7 During the year, the Fund has made a distributions of Rs. 1,060.44 million (including income already paid on units redeemed of Rs. 459.82 million. However, the maximum amount of income available for distribution for the current year as per the criteria given in the constitutive documents of the Fund was Rs. 584.35 million. The Fund intends to adjust the same in the future years through subsequent available profits.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

The following amendments with respect to the accounting and standards reporting standards would be effective from the dates mentioned below against the respective amendment or improvements:

Amendments or Improvements		Effective dates (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	1-Jan-2023
IAS 8	Definition of Accounting Estimates (Amendments)	1-Jan-2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	1-Jan-2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	1-Jan-2023
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments)	1-Jan-2024
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	1-Jan-2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	1-Jan-2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard or interpretation		IASB Effective dates (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	1-Jan-2004
IFRS 17	Insurance Contracts	1-Jan-2003

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of financial assets (notes 3.2.1 and 5)
- ii. Provision against Sindh Workers' Welfare Fund
- iii. Provision against Federal Excise Duty (note 7.3)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

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

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

3.2.2 Impairment

3.2.2.1 Impairment other than debt securities

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

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

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

3.2.2.2 Impairment on debt securities

SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue following the requirements of Circular No. 33 of 2012 dated October 24, 2012 for non-performing debt securities.

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

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

3.2.5 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, Super Tax on High Earning Persons introduced in the Finance Act, 2022 is also not applicable on the Funds (Section 4C of the Income Tax Ordinance, 2001).

Deferred

The Fund does not recognise deferred tax liabilities and assets as its income is exempt from tax as explained above.

3.7 Distributions to unit holders

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

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

3.8 Issue and redemption of units

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

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

Particulars	Date of Issue	Face Value				At June 30, 2023			Market value as a percentage of	
		As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments
					(Rupees)			(%)		
Market Treasury Bills - 3 months	November 17, 2022	-	4,525,000,000	4,525,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	January 26, 2023	-	6,840,700,000	6,840,700,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	December 29, 2022	-	588,700,000	588,700,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	June 30, 2022	-	2,400,000,000	2,400,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	May 18, 2023	-	200,000,000	-	200,000,000	195,420,978	195,206,004	(214,974)	5.99%	9.56%
Market Treasury Bills - 3 months	June 15, 2023	-	990,000,000	-	990,000,000	951,387,718	950,090,130	(1,297,588)	29.14%	46.52%
Market Treasury Bills - 3 months	April 20, 2023	-	100,000,000	100,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	June 22, 2023	-	170,000,000	-	170,000,000	162,034,745	161,781,350	(253,395)	4.96%	7.92%
Market Treasury Bills - 6 months	October 6, 2022	-	500,000,000	500,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 6 months	October 20, 2022	-	350,000,000	350,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 6 months	March 24, 2022	-	50,000,000	50,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 6 months	January 27, 2022	-	5,500,000,000	5,500,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 6 months	March 10, 2022	-	600,000,000	600,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 6 months	April 7, 2022	-	200,000,000	200,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 12 months	January 27, 2022	-	600,000,000	600,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 12 months	February 10, 2022	-	50,000,000	50,000,000	-	-	-	0.00%	0.00%	
Total as at June 30, 2023		-	86,321,000,000	84,961,000,000	1,360,000,000	1,308,843,441	1,307,077,484	(1,765,957)	40.09%	64.00%
Total as at June 30, 2022		-	57,394,000,000	57,394,000,000	-	-	-	0.00%	0.00%	

5.2 Letters of placement

Particulars	Yield	Date of Maturity	Rating (Long Term/ Short Term)	Face Value				At June 30, 2023		Market value as a percentage of	
				As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Net assets of the Fund	Total investments
					(Rupees)			(%)			
Pak Oman Investment Company Limited	15.50%	6-Jan-23	AA+A+1	-	1,000,000,000	-	1,000,000,000	-	-	0.00%	0.00%
Pakistan Kuwait Investment Company (Pvt) Limited	15.75%	24-Jan-23	AAA+A+1	-	1,000,000,000	-	1,000,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	15.50%	16-Jan-23	AA+A+1	-	700,000,000	-	700,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	15.15%	20-Jan-23	AA+A+1	-	700,000,000	-	700,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	15.50%	24-Jan-23	AA+A+1	-	600,000,000	-	600,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	16.25%	24-Jan-23	AA+A+1	-	600,000,000	-	600,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	16.90%	26-Jan-23	AA+A+1	-	625,000,000	-	625,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	16.85%	26-Jan-23	AAA+A+1	-	625,000,000	-	625,000,000	-	-	0.00%	0.00%
Pakistan Kuwait Investment Company (Pvt) Limited	16.50%	26-Jan-23	AAA+A+1	-	625,000,000	-	625,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	16.50%	26-Jan-23	AA+A+1	-	625,000,000	-	625,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	17.10%	30-Jan-23	AAA+A+1	-	600,000,000	-	600,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	17.00%	30-Jan-23	AA+A+1	-	200,000,000	-	200,000,000	-	-	0.00%	0.00%
Pakistan Kuwait Investment Company (Pvt) Limited	17.00%	17-Mar-23	AAA+A+1	-	700,000,000	-	700,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	17.00%	3-Feb-23	AA+A+1	-	550,000,000	-	550,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	17.15%	3-Feb-23	AAA+A+1	-	700,000,000	-	700,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	17.00%	17-Mar-23	AA+A+1	-	200,000,000	-	200,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	17.10%	9-Feb-23	AAA+A+1	-	750,000,000	-	750,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	17.00%	10-Feb-23	AA+A+1	-	700,000,000	-	700,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	16.15%	10-Feb-23	AA+A+1	-	600,000,000	-	600,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	16.60%	13-Feb-23	AAA+A+1	-	750,000,000	-	750,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	16.55%	17-Feb-23	AA+A+1	-	550,000,000	-	550,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	16.20%	15-Feb-23	AAA+A+1	-	500,000,000	-	500,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	14.05%	14-Jul-22	AA+A+1	-	1,225,000,000	-	1,225,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	13.90%	18-Jul-22	AA+A+1	-	1,240,000,000	-	1,240,000,000	-	-	0.00%	0.00%
Askari Bank Limited	14.00%	18-Jul-22	AA+A+1	-	483,000,000	-	483,000,000	-	-	0.00%	0.00%
Askari Bank Limited	14.10%	22-Jul-22	AA+A+1	-	750,000,000	-	750,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	14.00%	19-Jul-22	AA+A+1	-	850,000,000	-	850,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	14.05%	20-Jul-22	AA+A+1	-	975,000,000	-	975,000,000	-	-	0.00%	0.00%
Askari Bank Limited	14.05%	28-Jul-22	AA+A+1	-	480,000,000	-	480,000,000	-	-	0.00%	0.00%
Askari Bank Limited	14.05%	28-Jul-22	AA+A+1	-	700,000,000	-	700,000,000	-	-	0.00%	0.00%
Pakistan Kuwait Investment Company (Pvt) Limited	14.70%	29-Jul-22	AAA+A+1	-	300,000,000	-	300,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	14.75%	1-Aug-22	AA+A+1	-	300,000,000	-	300,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	14.90%	23-Aug-22	AA+A+1	-	900,000,000	-	900,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	14.10%	4-Aug-22	AA+A+1	-	920,000,000	-	920,000,000	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	14.90%	5-Aug-22	AA+A+1	-	500,000,000	-	500,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	15.20%	30-Aug-22	AA+A+1	-	800,000,000	-	800,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	15.10%	14-Sep-22	AA+A+1	-	600,000,000	-	600,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	15.12%	15-Sep-22	AA+A+1	-	600,000,000	-	600,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	15.10%	20-Sep-22	AA+A+1	-	680,000,000	-	680,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	15.05%	6-Oct-22	AA+A+1	-	700,000,000	-	700,000,000	-	-	0.00%	0.00%
Askari Bank Limited	15.15%	7-Oct-22	AA+A+1	-	700,000,000	-	700,000,000	-	-	0.00%	0.00%
Pakistan Kuwait Investment Company (Pvt) Limited	16.00%	9-Dec-22	AAA+A+1	-	350,000,000	-	350,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	16.10%	16-Feb-23	AAA+A+1	-	400,000,000	-	400,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	16.75%	21-Feb-23	AAA+A+1	-	575,000,000	-	575,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	16.40%	22-Feb-23	AAA+A+1	-	575,000,000	-	575,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	16.25%	23-Feb-23	AAA+A+1	-	575,000,000	-	575,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	17.00%	24-Feb-23	AA+A+1	-	550,000,000	-	550,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	17.10%	24-Feb-23	AAA+A+1	-	550,000,000	-	550,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	17.25%	27-Feb-23	AA+A+1	-	400,000,000	-	400,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	20.00%	7-Mar-23	AAA+A+1	-	200,000,000	-	200,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	19.40%	27-Mar-23	AAA+A+1	-	200,000,000	-	200,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	20.00%	5-Apr-23	AAA+A+1	-	400,000,000	-	400,000,000	-	-	0.00%	0.00%
Zarai Taraqati Bank Ltd	21.00%	6-Apr-23	AAA+A+1	-	400,000,000	-	400,000,000	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	21.00%	5-May-23	AA+A+1	-	100,000,000	-	100,000,000	-	-	0.00%	0.00%
Pakistan Kuwait Investment Company (Pvt) Limited	21.20%	24-May-23	AAA+A+1	-	150,000,000	-	150,000,000	-	-	0.00%	0.00%
Total as at June 30, 2023				-	33,028,000,000	-	33,028,000,000	-	-	0.00%	0.00%
Total as at June 30, 2022				-	27,065,000,000	-	27,065,000,000	-	-	0.00%	0.00%

5.3 Short Term Sukuks

Name of the investee company	Profit payments/ principal redemption	Secured/ Unsecured	Maturity	Profit/ Mark- up rate per annum	As at July 01, 2022	Purchased during the year	Sold/ Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	Market Value as a percentage of		
												Net Assets of the Fund	Total Investments	Size of Issue
						Rupees					%			
K-Electric Limited - Short Term Sukuk-2 (STS-2)	-	Unsecured	15-Aug-22	6Month Kibor +0.85%	250	-	250	-	-	-	-	0.00%	0.00%	0.00%
K-Electric Limited - Short Term Sukuk-5 (STS-5)	-	Unsecured	13-Oct-22	6Month Kibor +0.95%	49	-	49	-	-	-	-	0.00%	0.00%	0.00%
Lucky Electric Power Company Limited - Sukuk-1	-	Unsecured	14-Oct-22	6Month Kibor +1.2%	700	-	700	-	-	-	-	0.00%	0.00%	0.00%
K-Electric Limited - Short term Sukuk -7	-	Unsecured	15-Aug-23	6Month Kibor +0.65%	-	140	-	140	151,457,692	151,457,692	-	4.65%	7.42%	0.10%
K-Electric Limited - Short term Sukuk -16	-	Unsecured	11-Oct-23	6Month Kibor +0.30%	-	175	-	175	183,758,475	183,758,475	-	5.64%	9.00%	0.13%
Total as at June 30, 2023						315	999	315	335,216,167	335,216,167	-	10.29%	16.42%	0.23%
Total as at June 30, 2022						999	-	999	1,032,471,222	1,032,471,222	-	9.00%	78.89%	17.11%

5.4 Commercial Papers

Name of the investee company	Rate of return per annum	Issue Date	Maturity date	As at July 01, 2022	Purchased during the year	Sold/ Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market Value as a percentage of		
									Net Assets of the Fund	Total Investments	
								Rupees		%	
China Power Hub Generation Co. Pvt Ltd - Commercial Paper	13.97%	12-Apr-22	October 10, 2022	200	-	200	-	-	0.00%	0.00%	
Lucky Electric Power Co. Ltd - Islamic Commercial Paper -III	16.21%	6-May-22	November 2, 2022	88	-	88	-	-	0.00%	0.00%	
Lucky Electric Power Co. Ltd - Islamic Commercial Paper -IV	16.21%	1-Nov-22	May 2, 2023	-	460	460	-	-	0.00%	0.00%	
Total as at June 30, 2023				288	460	748	-	-	0.00%	0.00%	
Total as at June 30, 2022				-	288	-	288	276,281,028	2.38%	21.11%	

5.5 Pakistan Investment Bond

Particulars	Issue date	Maturity date	Coupon	Face value				Balance as at June 30, 2023			Market value as a percentage of	
				As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	Net assets	Total investment
				(Rupees)							%	
Pakistan Investment Bond - 2 years	26-Aug-21	26-Aug-23	21.99%	-	950,000,000	950,000,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond - 3 years	18-Jun-20	19-Jun-23	21.06%	-	1,000,000,000	1,000,000,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond - 3 years	20-Oct-20	20-Oct-23	21.99%	-	150,000,000	150,000,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2023					2,100,000,000	2,100,000,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2022					-	-	-	-	-	-	0.00%	0.00%

5.6 Term Deposit Receipts

Name of investee company	Maturity date	Profit rate	Face value				Market Value as at June 30, 2023	Market value as a percentage of		
			As at July 01, 2022	Purchased during the period	Matured during the period	As at June 30, 2023		net assets of the Fund	total investments of the Fund	
						Rupees		%		
Bank Alfalah Limited	July 11, 2023	21.70%	-	400,000,000	-	400,000,000	400,000,000	-	12.27%	19.59%
Total as at June 30, 2023			-	400,000,000	-	400,000,000	400,000,000	-	0.00%	0.00%
Total as at June 30, 2022			-	-	-	-	-	-	0.00%	0.00%

5.7 Unrealised Loss on revaluation of investments classified as 'fair value through profit or loss' - net	Note	2023	2022
----- (Rupees) -----			
Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	2,042,293,651	1,308,752,250
Less: Carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	<u>(2,044,059,608)</u>	<u>(1,308,752,250)</u>
		<u>(1,765,957)</u>	<u>-</u>

6 ADVANCE AND PREPAYMENT

Advance tax	6.1	58,895	58,895
Prepaid expenses		<u>12,518</u>	<u>64,400</u>
		<u>71,413</u>	<u>123,295</u>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under other receivable as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	2023	2022
----- (Rupees) -----			
Payable to Alfalah Asset Management Limited - Management Company	7.1	1,286,429	1,295,525
Sindh sales tax payable on management remuneration	7.2	2,129,010	1,570,887
Federal excise duty payable on management remuneration	7.3	9,810,527	9,810,527
Sales load payable		6,823	6,785
Payable against selling & marketing expenses	7.5	10,894,976	5,051,927
Payable against allocated expenses		<u>500,000</u>	<u>-</u>
		<u>24,627,765</u>	<u>17,735,651</u>

- 7.1 During the year, the Management Company has charged remuneration at the rate of upto 0.75% (2022: at the rate of 0.21%) of average annual net assets of the Fund during the year. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the year, an amount of Rs. 3,606 million (2022: Rs. 1.95 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 3.048 million (2022: Rs. 1.74 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 11.40 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2023 would have been higher by Rs 1.51 per unit (2022: Rs 0.42 per unit).

7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense.

7.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan. Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense.

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

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		----- (Rupees) -----	
Trustee remuneration payable	8.1	226,292	556,009
Sindh sales tax payable on trustee remuneration	8.2	33,770	74,072
		<u>260,062</u>	<u>630,081</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate of 0.055% per annum of net assets of the Fund (2022: 0.055% per annum of net assets of the Fund).

8.2 During the year, an amount of Rs. 0.48 million (2022: Rs. 0.58 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.52 million (2022: Rs. 1.93 million) was paid to the Trustee which acts as a collecting agent.

9 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023	2022
		----- (Rupees) -----	
Annual fee payable	9.1	1,341,576	1,573,352

9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

10 ACCRUED AND OTHER LIABILITIES	2023	2022
	----- (Rupees) -----	
Withholding tax payable	3,764,037	23,796,166
Auditors' remuneration payable	427,274	887,895
Brokerage payable	596,323	318,888
Printing charges payable	123,440	122,305
Other payables	75,575	295,446
Sales load payable	1,873,155	3,995,752
Annual listing fee	52,527	-
Payable against central depository system	583,409	-
	<u>7,495,740</u>	<u>29,416,452</u>

11 CONTINGENCIES AND COMMITMENTS

There are no material contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
	(Rupees)	
12 PROFIT / MARK-UP INCOME		
Bank balances	312,700,864	547,318,586
Government securities	633,005,036	219,021,588
Letters of placement	71,894,925	66,608,907
Term deposit receipt	7,609,861	7,076,726
Commercial paper	44,408,808	7,754,583
Short term sukuk	53,728,355	33,471,255
	<u>1,123,347,849</u>	<u>881,251,645</u>

13 AUDITORS' REMUNERATION

Audit fee	346,500	315,000
Review and other certifications	232,100	211,000
Out of pocket expenses	65,680	60,880
	<u>644,280</u>	586,880
Sindh sales tax	51,542	46,950
	<u>695,822</u>	633,830

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 0.95% (2022: 0.42%) which includes 0.08% (2022: 0.052%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% (2022 : 2%) (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15 TAXATION

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

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

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

16.1 Unit Holders' Fund

	2023									
	As at July 01, 2022	Issued for cash / conversion in transferred in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transferred in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2023
	(Units)					(Rupees)				
Associated companies / undertakings										
Alfalsh Asset Management Ltd	563,066	1,441,997	53,378	2,058,441	-	281,887,847	755,986,392	26,735,003	1,054,233,554	-
AlFalsh Insurance Co. Limited	431,146	619,797	2,230	816,239	236,934	215,844,284	315,950,055	1,117,370	418,556,653	119,187,540
Alfalsh GHP Prosperity Planning Fund										
- Alfalsh GHP Conservative Allocation Plan	134	134	22	133	156	66,935	68,398	11,418	68,398	78,474
Key management personnel										
Head of Corporate sales	1,029	478	40	996	551	515,287	250,000	20,157	500,000	277,176
Assistant Vice President-Portfolio	2,689	2,016	462	952	4,621	1,346,157	1,025,000	231,477	500,000	2,324,553
Head of Fixed Income	2,009	-	-	2,009	-	1,005,614	-	-	1,007,401	-
Head of Marketing	-	14	2	-	16	-	7,500	779	-	8,227
Unit holder holding 10% or more Units	594,475	1,936,681	158,232	1,457,936	1,231,452	297,612,288	983,592,960	79,251,803	743,924,416	620,576,933
	1,594,548	4,001,117	214,366	4,336,706	1,473,730	798,278,412	2,056,880,305	107,368,007	2,218,790,422	742,452,903

	2022									
	As at July 01, 2021	Issued for cash / conversion in transferred in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transferred in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2022
	(Units)					(Rupees)				
Associated companies / undertakings										
Alfalsh Asset Management Limited	3,335	769,329	29,699	239,297	563,067	1,667,606	392,733,394	14,854,848	120,000,000	281,887,847
AlFalsh Insurance Company Limited -		429,076	2,070	-	431,146		215,000,000	1,035,282	-	215,844,284
Alfalsh GHP Prosperity Planning Fund										
- Alfalsh GHP Conservative Allocation Plan	107,441	-	5,905	113,212	134	61,690,422	-	2,953,332	57,000,000	66,935
Key management personnel										
Head of Corporate sales	-	984	45	-	1,029	-	500,000	22,447	-	515,287
Head of Administration	-	1,254	29	385	898	-	637,000	14,513	195,000	449,325
Assistant Vice President - Portfolio	-	2,602	87	-	2,689	-	1,325,000	43,727	-	1,346,157
Head of Fixed Income	-	2,009	-	-	2,009	-	1,005,163	-	-	1,005,614
Unit holder holding 10% or more Units	250,936	25,100,765	496,281	18,455,988	7,391,993	125,513,556	12,765,942,200	248,230,437	9,361,508,847	3,700,653,065
	361,712	26,306,019	534,116	18,808,882	8,392,965	188,871,584	13,377,142,757	267,154,586	9,538,703,846	4,201,768,514

16.2 Other transactions

	2023	2022
	(Rupees)	
Associated companies / undertakings		
Alfalsh Asset Management Limited - Management Company		
Remuneration of the Management Company	27,745,267	15,017,748
Sindh sales tax on remuneration of the Management Company	3,606,883	1,952,302
Selling and marketing expense	21,338,238	7,256,881
Sales load	38,644	242,410
Bank Alfalsh Limited		
Profit on bank balances	97,410,125	163,147,998
Bank charges	20,000	21,276
Sales load	3,755,748	3,311,158
Market Treasury Bills - purchased	2,750,628,750	2,118,741,100
Market Treasury Bills - sold	397,681,600	840,209,250
Alfalsh GHP Sovereign Fund		
Market Treasury Bills - purchased	99,013,915	758,161,750
Market Treasury Bills - sold	134,492,887	692,013,470
Alfalsh GHP Money Market Fund		
Market Treasury Bills - purchased	2,521,182,500	9,525,915,229
Market Treasury Bills - sold	4,751,653,346	6,856,552,455
Pakistan Investment Bond - Sold	249,350,000	6,856,552,455
Alfalsh GHP Income Fund		
Market Treasury Bills - purchased	23,224,975	663,176,375
Market Treasury Bills - sold	250,343,893	1,183,045,350
Commercial paper - purchased	33,928,720	-

	2023	2022
	----- (Rupees) -----	
Alfalah Stable Return Fund		
Pakistan Investment Bond - Sold	667,373,356	-
Alfalah GHP Income Multiplier Fund		
Market Treasury Bills - purchased	-	17,751,398
Market Treasury Bills - sold	34,596,345	49,170,150
Alfalah GHP Value Fund		
Market Treasury Bills - sold	27,643,112	-
Other related parties		
Central Depository Company Limited - Trustee		
Remuneration of the Trustee	3,696,293	4,476,301
Sindh sales tax on remuneration of the Trustee	480,514	581,920
16.3 Other balances		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	1,286,429	1,295,524
Sindh sales tax payable on management remuneration	2,129,010	1,570,887
Federal excise duty payable on management remuneration	9,810,527	9,810,527
Sales load payable	6,823	4,002,537
Selling and marketing payable	65,000	-
Bank Alfalah Limited		
Bank balance	787,494,335	1,906,396,045
Profit receivable on bank balances	1	16,610
Sales load payable	1,873,155	-
Other related parties		
Central Depository Company Limited - Trustee		
Trustee remuneration payable	3,696,293	556,009
Sindh sales tax payable on trustee remuneration	480,514	74,072

17 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2023, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	1,244,328,990	-	1,244,328,990
Investments	-	735,216,167	735,216,167
Profit receivable on bank balances	7,936,369	-	7,936,369
	<u>1,252,265,359</u>	<u>735,216,167</u>	<u>1,987,481,526</u>
Financial liabilities			
Payable to Asset Investment Management Limited			
- Management Company	24,627,765	-	24,627,765
Payable to Central Depository Company of Pakistan Limited			
- Trustee	260,062	-	260,062
Accrued and other liabilities	3,731,703	-	3,731,703
Dividend payable	674,934	-	674,934
	<u>29,294,464</u>	<u>-</u>	<u>29,294,464</u>

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	10,343,479,170	-	10,343,479,170
Investments	-	1,308,752,250	1,308,752,250
Profit receivable on bank balances	19,933,039	-	19,933,039
	<u>10,363,412,209</u>	<u>1,308,752,250</u>	<u>11,672,164,459</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	17,735,651	-	17,735,651
Payable to Central Depository Company of Pakistan Limited - Trustee	630,081	-	630,081
Accrued and other liabilities	-	-	-
Dividend payable	494,898	-	494,898
	<u>18,860,630</u>	<u>-</u>	<u>18,860,630</u>

18 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

18.1 Market risk

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

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

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

18.1.1 Currency risk

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

18.1.2 Interest rate risk

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

	Note	2023	2022
		-----Rupees-----	
Variable rate instrument (financial asset)			
Bank balances	4	<u>1,244,328,990</u>	<u>10,343,479,170</u>
Fixed rate instruments (financial assets)			
Short Term Sukuk		335,216,167	1,032,471,222
Commercial paper		-	276,281,028
Term deposit receipt		<u>400,000,000</u>	-
		<u>735,216,167</u>	<u>1,308,752,250</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 12.57 million (2022: Rs. 103.43 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 7.35 million (2022: Rs 13.09) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

Particulars	Effective yield / interest rate	2023				Total
		Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	8.5% - 21.5%	1,244,328,990	-	-	-	1,244,328,990
Investments	15.48% - 22.97%	400,000,000	335,216,167	-	-	735,216,167
Profit receivable on bank balances		-	-	-	7,936,369	7,936,369
Sub total		1,644,328,990	335,216,167	-	7,936,369	1,987,481,526
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	24,627,765	24,627,765
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	260,062	260,062
Accrued and other liabilities		-	-	-	3,731,703	3,731,703
Dividend Payable		-	-	-	674,934	674,934
Sub total		-	-	-	29,294,464	29,294,464
On-balance sheet gap		1,644,328,990	335,216,167	-	(21,358,095)	1,958,187,062
Total interest rate sensitivity gap		1,644,328,990	335,216,167	-	(21,358,095)	1,958,187,062
Cumulative interest rate sensitivity gap		1,644,328,990	1,979,545,157	1,979,545,157		
Particulars	Effective yield / interest rate	2022				Total
		Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	8% - 18.3%	10,343,479,170	-	-	-	10,343,479,170
Investments	11.65% - 16.21%	260,683,288	-	-	1,048,068,963	1,308,752,251
Profit receivable on bank balances		-	-	-	19,933,039	19,933,039
Sub total		10,604,162,458	-	-	1,068,002,002	11,672,164,460
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	17,735,651	17,735,651
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	630,081	630,081
Accrued and other liabilities		-	-	-	5,620,286	5,620,286
Dividend Payable		-	-	-	494,898	494,898
Sub total		-	-	-	24,480,916	24,480,916
On-balance sheet gap		10,604,162,458	-	-	1,043,521,086	11,647,683,544
Total interest rate sensitivity gap		10,604,162,458	-	-	1,043,521,086	11,647,683,544
Cumulative interest rate sensitivity gap		10,604,162,458	10,604,162,458	10,604,162,458		

18.1.3 Price risk

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

Debt price risk is the risk that the fair value of debt instruments decreases as a result of changes in the spread and market rate of the debt securities. As at June 30, 2023, the Fund is not exposed to any debt price risk as the Fund holds the Government securities and the debt risk pertaining to non Government securities is not material.

18.2 Credit risk

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

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

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 was as follows:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	1,244,328,990	1,244,328,990	10,343,479,170	10,343,479,170
Investments	2,042,293,651	735,216,167	1,308,752,250	-
Profit receivable on bank balances	7,936,369	7,936,369	19,933,039	19,933,039
	3,294,559,010	1,987,481,526	11,672,164,459	10,363,412,209

No financial assets were considered to be past due or impaired either at June 30, 2023 and June 30, 2022.

18.2.2 Bank balances

The Fund held bank balances at June 30, 2023 with banks having following credit ratings:

Bank Name	Rating agency	Rating (Short Term / Long Term)	2023	2022	2023	2022
			Percentage of total bank balances		Percentage of profit receivable on saving accounts	
Bank Alfalah Limited	PACRA	A1+ / AA+	87.01%	18.43%	0.00%	0.08%
Allied Bank Limited	PACRA	A1+ / AAA	1.00%	30.52%	3.84%	35.13%
Bank Al Habib Limited	PACRA	A1+ / AAA	0.02%	0.00%	0.00%	0.00%
Samba Bank Limited	PACRA	A1 / AA	0.02%	0.00%	0.18%	0.00%
Habib Bank Limited	VIS	A-1+ / AAA	0.00%	51.03%	0.01%	64.46%
Faysal Bank Limited	PACRA	A1+/AA	11.94%	0.01%	0.09%	0.00%
The Bank of Punjab	PACRA	A1+ / AA+	0.00%	0.00%	0.00%	0.00%
MCB Bank Limited	PACRA	A1+ / AAA+	0.00%	0.00%	0.00%	0.32%
			100.00%	100.00%	4.11%	100.00%

18.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2023 with entities having following credit ratings:

Name of Entity	Rating agency	Rating	2023	2022	2023	2022
			Percentage of investments		Percentage of profit receivable on investments	
K-Electric Limited (Sukuk)	PACRA	A1+/AA+	16.41%	23.78%	0.00%	8.45%
Lucky Electric Power Company Limited - Sukuk	PACRA	A1+ / AA	0.00%	55.11%	0.00%	29.38%
China Power Hub Generation Company Pvt Ltd - Commercial Paper	PACRA	A1+ / AA+	0.00%	14.73%	0.00%	37.78%
Lucky Electric Power Co. Ltd - Islamic Commercial Paper -III	PACRA	A1 / A+	0.00%	6.38%	0.00%	9.03%
Bank Alfalah Limited TDR	PACRA	A1+ / AA+	19.59%	0.00%	95.89%	15.36%
			36.00%	100.00%	95.89%	100.00%

Above rates are on the basis of available ratings assigned by PACRA as of June 30, 2023.

18.2.3 Concentration of credit risk

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

18.3 Liquidity risk

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

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

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

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

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

2023	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees) -----				
Financial assets					
Bank balances	1,244,328,990	-	-	-	1,244,328,990
Investments	-	400,000,000	335,216,167	-	735,216,167
Profit / mark-up receivable	7,936,369	-	-	-	7,936,369
	1,252,265,359	400,000,000	335,216,167	-	1,987,481,526
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company	24,627,765	-	-	-	24,627,765
Payable to Central Depository Company of Pakistan Limited - Trustee	260,062	-	-	-	260,062
Accrued and other liabilities	3,731,703	-	-	-	3,731,703
Dividend payable	674,934	-	-	-	674,934
	29,294,464	-	-	-	29,294,464
Net financial assets	<u>1,222,970,895</u>	<u>400,000,000</u>	<u>335,216,167</u>	<u>-</u>	<u>1,958,187,062</u>
	----- (Rupees) -----				
2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees) -----				
Financial assets					
Bank balances	10,343,479,170	-	-	-	10,343,479,170
Investments	-	260,683,288	1,048,068,963	-	1,308,752,251
Profit / mark-up receivable	19,933,039	-	-	-	19,933,039
	10,363,412,209	260,683,288	1,048,068,963	-	11,672,164,460
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company	17,735,651	-	-	-	17,735,651
Payable to Central Depository Company of Pakistan Limited - Trustee	630,081	-	-	-	630,081
Accrued and other liabilities	5,620,286	-	-	-	5,620,286
Dividend payable	494,898	-	-	-	494,898
	24,480,916	-	-	-	24,480,916
Net financial assets	<u>10,338,931,293</u>	<u>260,683,288</u>	<u>1,048,068,963</u>	<u>-</u>	<u>11,647,683,544</u>

18.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2023 and June 30, 2022, the Fund held the following assets measured at fair values:

	2023			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
At fair value through profit or loss				
Short Term Sukuk	-	335,216,167	-	335,216,167
Term Deposit Receipt	-	400,000,000	-	400,000,000
Market Treasury Bills	-	1,307,077,484	-	1,307,077,484
	-	2,042,293,651	-	2,042,293,651

	2022			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
At fair value through profit or loss				
Commercial Paper	-	276,281,028	-	276,281,028
Short Term Sukuk	-	1,032,471,222	-	1,032,471,222
	-	1,308,752,250	-	1,308,752,250

18.5 Unit holders' fund risk management

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

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

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

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

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

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

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

20 GENERAL

20.1 Figures are rounded off to the nearest rupee.

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

21 DISTRIBUTIONS MADE

Particulars	Date of declaration	Per unit distribution	Capital value	Undistributed income
1st interim distribution for the year ended June 30, 2023	August 24, 2022	10.7190	(26,482,406)	(148,736,974)
2nd interim distribution for the year ended June 30, 2023	January 19, 2023	30.6000	(162,132,285)	(264,354,958)
3rd interim distribution for the year ended June 30, 2023	May 29, 2023	32.5208	(91,357,374)	(154,828,501)
4th interim distribution for the year ended June 30, 2023	June 23, 2023	7.0862	(13,015,680)	(32,691,243)
For the year ended June 30, 2023			(292,987,745)	(600,611,676)

Particulars	Date of declaration	Per unit distribution	Capital value	Undistributed income
1st interim distribution for the year ended June 30, 2022	January 30, 2022	27.4583	(316,249,147)	(296,863,806)
2nd interim distribution for the year ended June 30, 2022	May 19, 2022	16.6057	(61,582,270)	(206,901,941)
3rd interim distribution for the year ended June 30, 2022	June 16, 2022	5.8853	(13,540,852)	(104,985,850)
4th interim distribution for the year ended June 30, 2022	June 28, 2022	2.6806	(16,522,245)	(44,555,894)
For the year ended June 30, 2022			(407,894,514)	(653,307,491)

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	777	4,945,204	2,487,640,841	76%
Associated Co./ Directors	5	236,934	119,187,653	4%
Insurance Co.	23	100,544	50,577,559	2%
Retirement & Other Funds	45	428,845	215,726,627	7%
Others	111	769,515	387,097,723	12%
	961	6,481,042	3,260,230,404	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	223	2,133,490	1,068,568,637	9%
Associated Co./ Directors	3	1,240,508	621,314,463	5%
Insurance Co.	6	2,352,734	1,178,378,001	10%
Retirement & Other Funds	15	917,592	459,580,504	4%
Others	32	16,560,877	8,294,595,715	71%
	279	23,205,201	11,622,437,320	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023 %
Optimus Capital Pvt Ltd	25
Invest One Markets Limited	15
Magenta Capital Pvt Ltd	10
Alfalah Securities Pvt Ltd	9
Vector Capital Pvt Ltd	8
BIPL Securities	8
C&M Management Pvt Ltd	5
JS Global Capital Limited	5
Paramount Capital Pvt Ltd	4
AKD Securities Private Ltd	3
	30 June 2022 %
Summit Capital (Private) Limited	28
Continental Exchange (Pvt.) Limited	14
Magenta Capital Private Limited	12
Pearl Securities Limited	11
Bright Capital Private Limited	10
JS Global Capital Limited	6
Invest One Markets Limited	6
BIPL Securities	5
ICON Securities	2
Optimus Capital Management (Pvt) Limited	2

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khorro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khorro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

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

PERFORMANCE TABLE - AGCF

	30 June 2023 (Rupees in '000)	30 June 2022 (Rupees in '000)	30 June 2021 (Rupees in '000)	30 June 2020 (Rupees in '000)	30 June 2019 (Rupees in '000)
Net Assets	3,260,230	11,622,437	4,569,067	5,678,909	69,276
NAV per unit	503.0411	500.8549	500.1818	499.9776	499.0847
Selling price per unit	507.3044	505.0996	504.4208	504.2149	499.0847
Redemption price per unit	503.0411	500.8549	500.1818	499.9776	499.0847
Highest selling price per unit	537.8961	532.1118	523.7958	544.2103	537.1700
Highest redemption price per unit	533.3757	527.6401	519.3939	539.6369	537.1700
Lowest selling price per unit	505.0996	504.5418	504.2367	499.4200	497.2300
Lowest redemption price per unit	500.8549	500.3017	499.9992	499.2624	497.2300
1st interim distribution per unit	10.7193	27.4583	2.3011	40.55	NIL
1st interim distribution date	24-Aug-22	27-Jan-22	23-Jul-20	12-Feb-20	NIL
2nd interim distribution per unit	30.6066	16.6057	0.6156	NIL	NIL
2nd interim distribution date	19-Jan-23	20-May-22	4-Aug-20	NIL	NIL
3rd interim distribution per unit	32.5208	5.8853	19.4163	NIL	NIL
3rd interim distribution date	29-May-23	16-Jun-22	26-Feb-21	NIL	NIL
4TH interim distribution per unit	7.0862				
4TH interim distribution date	23-Jun-23				
Final distribution per unit	NIL	2.6806	11.8398	20.07	42.65
Final distribution date	NIL	28-Jun-22	28-Jun-21	30-Jun-20	30-Jun-19
Annualized returns %	17.56%	11.01%	7.01%	12.67%	9.03%
Income distribution %	16.16%	10.52%	6.83%	12.15%	8.58%
Weighted avg. portfolio duration (Days)	39.33 Days	11.40 Days	0.90 Days	52.2 Days	0.001 Days

Return since inception is **9.38 %**

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



**Alfalah GHP
Money Market Fund**

FUND INFORMATION

Management Company:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA+ (f) by PACRA

Alfalsh GHP Money Market Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Money Market Scheme

Investment Objective

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

Accomplishment of Objective

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

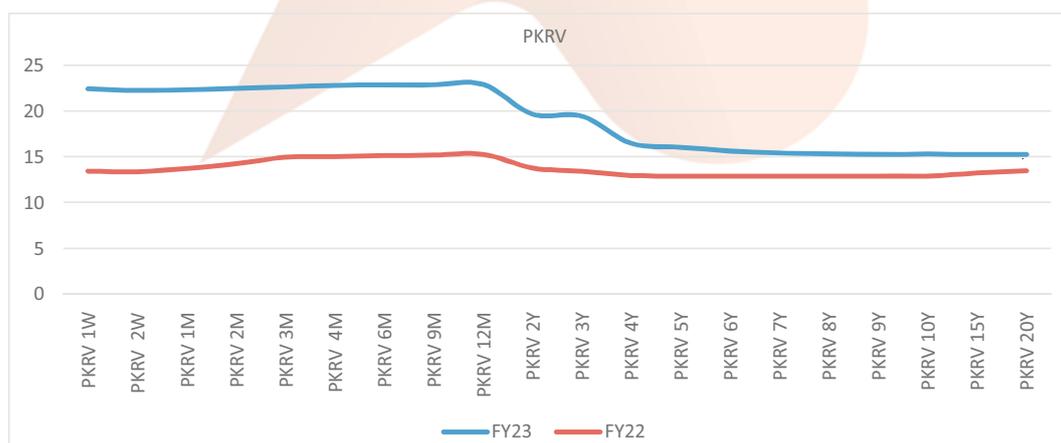
Money Market Review:-

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

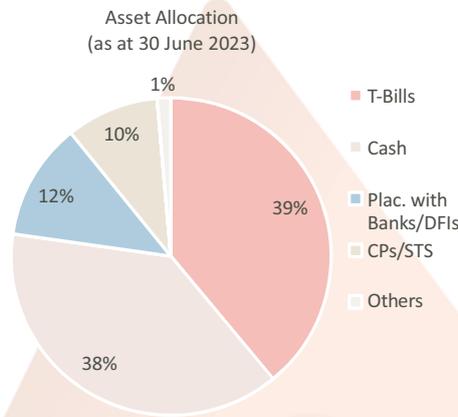
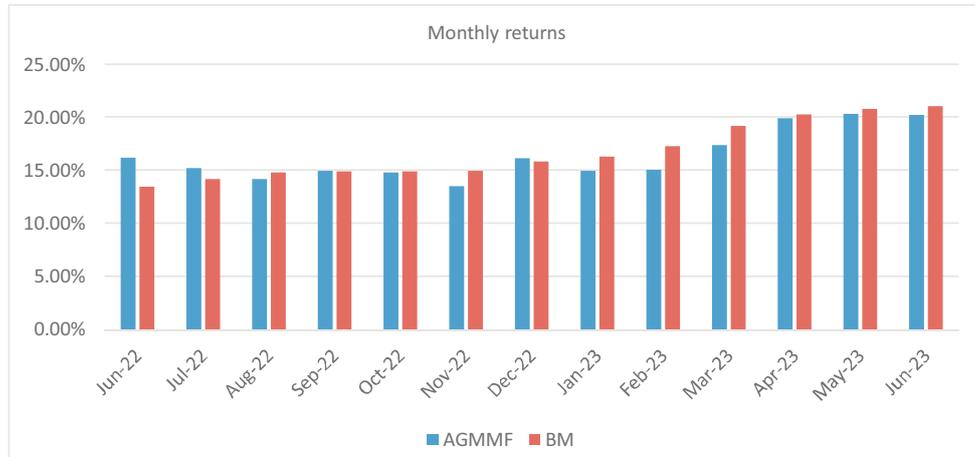
In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.



Fund Performance

During FY23, Alfalah GHP Money Market Fund (AGMMF) generated a return of 17.70% while the benchmark of the fund generated 17.05%.



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	42.46%	A+	0.00%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	0.05%	A-	0.00%
AA+	53.02%	BBB+	0.00%
AA	4.15%	Below IG	0.00%
AA-	0.00%	NR/UR	0.33%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP MONEY MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited being the Trustee of Alfalah GHP Money Market Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2023



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 19,995.992 million and bank balances aggregated to Rs. 17,956.735 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor’s report is **Junaid Mesia**.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: September 28, 2023

UDIN: AR202310611tVxa3IGFk

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
ASSETS			
Bank balances	4	17,956,734,684	26,625,924,053
Investments	5	19,995,992,244	1,815,139,519
Security deposit with the Central Depository Company of Pakistan Limited		100,000	100,000
Advances, prepayments and profit receivable	6	134,339,572	70,825,855
Total assets		38,087,166,500	28,511,989,427
LIABILITIES			
Payable to Alfalah Asset Management Limited - Mangement Company	7	102,329,631	27,800,282
Payable to Central Depository Company of Pakistan Limited - Trustee	8	1,714,107	1,355,677
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	5,933,028	4,907,705
Accrued and other liabilities	10	22,831,566	12,848,530
Total liabilities		132,808,332	46,912,194
Net assets attributable to the unit holders		37,954,358,168	28,465,077,233
Unit holders' fund (as per the statement attached)		37,954,358,168	28,465,077,233
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		384,011,638	289,361,754
		----- (Rupees) -----	
Net asset value per unit		98.8365	98.3719

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
Income			
Profit on bank deposits and investments	12	5,178,671,472	2,560,426,340
Net unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss'	5.7	(21,854,191)	-
Capital loss on sale of investments - net		<u>(45,421,320)</u>	<u>(26,070,540)</u>
Total income		<u>5,111,395,961</u>	<u>2,534,355,800</u>
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	7.1	139,176,944	82,693,052
Sindh sales tax on remuneration of the Management Company	7.2	18,093,003	10,750,097
Selling and marketing expenses	7.4	60,589,454	14,014,705
Allocated expenses	7.5	54,677,151	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	16,315,794	14,146,715
Sindh sales tax on remuneration of the Trustee	8.2	2,121,053	1,839,073
Annual fee to the Securities and Exchange Commission of Pakistan	9	5,933,028	4,907,705
CDS Charges		-	1,032,828
Legal expenses		-	310,793
Brokerage expenses		2,452,900	1,378,061
Bank and settlement charges		209,575	363,340
Auditors' remuneration	13	512,448	483,860
Fees and subscription		580,829	631,939
Printing charges		29,942	29,937
Reversal of provision for Sindh Workers' Welfare Fund		-	(104,303,538)
Total expenses		<u>300,692,121</u>	<u>28,278,567</u>
Net income for the year before taxation		<u>4,810,703,840</u>	<u>2,506,077,233</u>
Taxation	15	-	-
Net income for the year after taxation		<u>4,810,703,840</u>	<u>2,506,077,233</u>
Allocation of net income for the year			
Net income for the year after taxation		4,810,703,840	2,506,077,233
Income already paid on units redeemed		<u>(732,218,377)</u>	<u>(441,520,806)</u>
		<u>4,078,485,463</u>	<u>2,064,556,427</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		<u>4,078,485,463</u>	<u>2,064,556,427</u>
		<u>4,078,485,463</u>	<u>2,064,556,427</u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

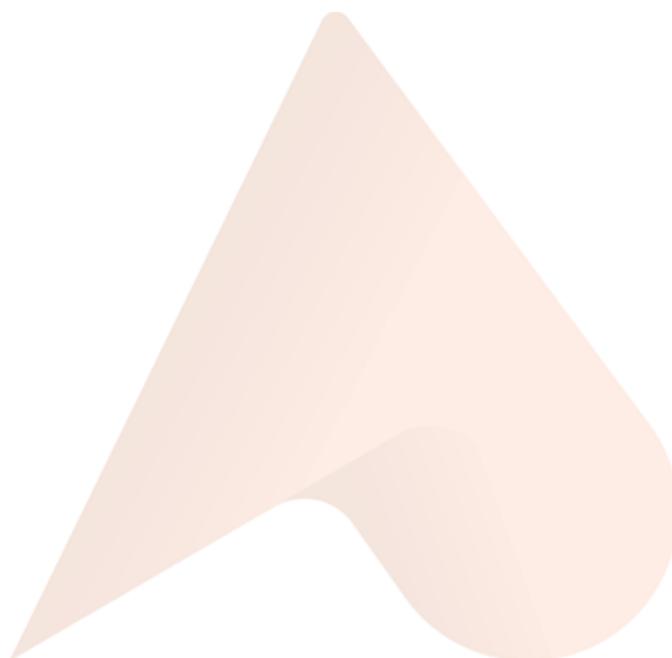
Director

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income for the year after taxation	4,810,703,840	2,506,077,233
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>4,810,703,840</u>	<u>2,506,077,233</u>

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



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		4,810,703,840	2,506,077,233
Adjustments for:			
Net unrealised diminution on revaluation of investments classified as assets at fair value through profit or loss'	5.7	21,854,191	-
Reversal of provision against Sindh Workers' Welfare Fund		-	(104,303,538)
		<u>4,832,558,031</u>	<u>2,401,773,695</u>
Increase in assets			
Investments - net		(646,923,069)	(144,767,252)
Advances, prepayments and profit receivable		(63,513,717)	(62,397,481)
		<u>(710,436,786)</u>	<u>(207,164,733)</u>
Increase in liabilities			
Payable to Alfalah Asset Management Limited - Mangement Company		74,529,349	8,530,059
Payable to Central Depository Company of Pakistan Limited - Trustee		358,430	70,867
Annual fee payable to the Securities and Exchange Commission of Pakistan		1,025,323	895,381
Accrued and other liabilities		9,983,036	6,263,514
		<u>85,896,138</u>	<u>15,759,821</u>
Net cash generated from operating activities		<u>4,208,017,383</u>	<u>2,210,368,783</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units - net of refund of capital		116,518,921,655	94,056,516,648
Payments made against redemption of units		(107,947,623,670)	(92,941,317,582)
Dividend paid		(3,892,720,890)	(2,035,497,189)
Net cash generated from / (used in) financing activities		<u>4,678,577,095</u>	<u>(920,298,123)</u>
Net increase in cash and cash equivalents during the year		<u>8,886,594,478</u>	<u>1,290,070,660</u>
Cash and cash equivalents at beginning of the year		26,625,924,053	25,335,853,393
Cash and cash equivalents at end of the year	16	<u><u>35,512,518,531</u></u>	<u><u>26,625,924,053</u></u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Money Market Fund (formerly IGI Money Market Fund) (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between IGI Funds Limited, (Former Management Company) and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on March 04, 2010. On October 15, 2013, the management rights were transferred from the Former Management Company to Alfalah Asset Management Limited (formerly Alfalah GHP Investment Management Limited) (the Management Company) by sanctioning of order by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/NBFC-II/IGIFL and AFGHP/742/2013. The SECP has approved second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/AMCW/AGISF/238/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Money Market Fund.

The Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act and on September 9, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd Floor, ST-2/A, Block 9, KDA Scheme 5, Clifton, Karachi.

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

1.4 According to the trust deed, the objective of the Fund is to generate competitive returns consistent with low risk from a portfolio constituted of short term instruments. The Fund invests in cash deposits, money market placements and government securities. The investment objectives and policy are explained in the Fund's offering document.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 and has maintained the stability rating of the Fund to AA+ (f) on April 13, 2023.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- Classification and valuation of financial assets (notes 3.2.2 and 5)
- Impairment of financial assets (note 3.2.2.1 and 3.2.3)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

3.2.2.1 Debt instruments

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

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

based on the business model of the entity.

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

3.2.3 Impairment

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

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

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

3.2.3.1 Impairment loss on debt securities

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

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

3.2.4 Regular way contracts

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

3.2.5 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

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

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

3.7 Issue and redemption of units

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

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

3.8 Distributions to unit holders

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised appreciation / (diminution) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Income on sukuk certificates, term deposit receipts, commercial paper, letter of placement, certificate of investment and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Interest income on bank balances is recognised on an accrual basis.

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Foreign currency translation

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

4. BANK BALANCES	Note	2023	2022
		----- (Rupees) -----	
Balances with banks in:			
Current account		18,989	6,214,297,444
Savings accounts	4.1	17,956,715,695	20,411,626,609
		<u>17,956,734,684</u>	<u>26,625,924,053</u>

4.1 These accounts carry profit rates ranging between 19.50% to 22.95% (2022: 8.00% to 18.30%) per annum. These include bank balance of Rs. 17,208 million (2022: Rs. 8,556 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 22.95% (2022: 16.60%) per annum.

5. INVESTMENTS	Note	2023	2022
		----- (Rupees) -----	
At fair value through profit or loss			
Market Treasury Bills	5.1	14,720,748,244	-
Term deposit receipts	5.2	2,850,000,000	-
Pakistan Investment Bonds	5.3	1,561,244,000	-
Commercial papers	5.4	-	765,139,519
Short term sukuk certificates	5.5	864,000,000	1,050,000,000
Letters of placement	5.6	-	-
		<u>19,995,992,244</u>	<u>1,815,139,519</u>

5.1 Market Treasury Bills

Tenor	Issue Date	Face value			Balance as at June 30, 2023			Market value as a percentage of		
		As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	net assets of the Fund	total investments of the Fund
					----- (Rupees) -----			----- (%) -----		
Market Treasury Bills										
- 3 months	April 28, 2022	-	4,513,025,000	4,513,025,000	-	-	-	-	-	
- 3 months	May 19, 2022	-	786,000,000	786,000,000	-	-	-	-	-	
- 3 months	June 2, 2022	-	4,280,000,000	4,280,000,000	-	-	-	-	-	
- 3 months	June 16, 2022	-	5,250,000,000	5,250,000,000	-	-	-	-	-	
- 3 months	June 30, 2022	-	12,250,000,000	12,250,000,000	-	-	-	-	-	
- 3 months	July 14, 2022	-	10,640,000,000	10,640,000,000	-	-	-	-	-	
- 3 months	July 28, 2022	-	33,277,670,000	33,277,670,000	-	-	-	-	-	
- 3 months	August 11, 2022	-	4,930,000,000	4,930,000,000	-	-	-	-	-	
- 3 months	August 25, 2022	-	6,635,000,000	6,635,000,000	-	-	-	-	-	
- 3 months	September 8, 2022	-	1,300,000,000	1,300,000,000	-	-	-	-	-	
- 3 months	September 22, 2022	-	4,525,000,000	4,525,000,000	-	-	-	-	-	
- 3 months	October 6, 2022	-	16,105,000,000	16,105,000,000	-	-	-	-	-	
- 3 months	October 20, 2022	-	18,623,000,000	18,623,000,000	-	-	-	-	-	
- 3 months	November 3, 2022	-	14,100,000,000	14,100,000,000	-	-	-	-	-	
- 3 months	November 17, 2022	-	23,455,000,000	23,455,000,000	-	-	-	-	-	
- 3 months	December 1, 2022	-	2,000,000,000	2,000,000,000	-	-	-	-	-	
- 3 months	December 15, 2022	-	5,500,000,000	5,500,000,000	-	-	-	-	-	
- 3 months	December 29, 2022	-	2,000,000,000	2,000,000,000	-	-	-	-	-	
- 3 months	January 4, 2023	-	1,216,100,000	1,216,100,000	-	-	-	-	-	
- 3 months	January 26, 2023	-	24,018,000,000	24,018,000,000	-	-	-	-	-	
- 3 months	February 9, 2023	-	1,950,000,000	1,950,000,000	-	-	-	-	-	
- 3 months	February 23, 2023	-	800,000,000	800,000,000	-	-	-	-	-	
- 3 months	March 9, 2023	-	4,669,000,000	4,669,000,000	-	-	-	-	-	
- 3 months	March 27, 2023	-	5,700,000,000	5,700,000,000	-	-	-	-	-	
- 3 months	April 6, 2023	-	16,505,400,000	16,505,400,000	-	-	-	-	-	
- 3 months	April 20, 2023	-	900,000,000	900,000,000	-	-	-	-	-	
- 3 months*	May 4, 2023	-	1,000,000,000	-	1,000,000,000	986,304,276	985,534,000	(770,276)	2.60	4.93
- 3 months*	May 18, 2023	-	1,800,000,000	-	1,800,000,000	1,758,790,688	1,756,854,000	(1,936,688)	4.63	8.79
- 3 months*	June 15, 2023	-	10,681,000,000	-	10,681,000,000	10,264,668,687	10,250,416,847	(14,251,840)	27.01	51.26
- 3 months*	June 22, 2023	-	1,800,000,000	-	1,800,000,000	1,715,662,009	1,712,979,000	(2,683,009)	4.51	8.57
Market Treasury Bills										
- 6 months	January 27, 2022	-	12,186,975,000	12,186,975,000	-	-	-	-	-	
- 6 months	March 10, 2022	-	7,100,000,000	7,100,000,000	-	-	-	-	-	
- 6 months	March 24, 2022	-	75,000,000	75,000,000	-	-	-	-	-	
- 6 months	April 21, 2022	-	10,196,330,000	10,196,330,000	-	-	-	-	-	
- 6 months	April 28, 2022	-	1,200,000,000	1,200,000,000	-	-	-	-	-	
- 6 months	June 2, 2022	-	170,000,000	170,000,000	-	-	-	-	-	
- 6 months	July 28, 2022	-	420,650,000	420,650,000	-	-	-	-	-	
- 6 months	October 6, 2022	-	500,000,000	500,000,000	-	-	-	-	-	
- 6 months	October 20, 2022	-	650,000,000	650,000,000	-	-	-	-	-	

Tenor	Issue Date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	net assets of the Fund	total investments of the Fund
(Rupees)								(%)		
Market Treasury Bills										
-12 months	February 10, 2022	-	300,000,000	300,000,000	-	-	-	-	-	-
-12 months*	August 25, 2022	-	2,610,000	-	2,610,000	2,526,800	2,525,989	(811)	0.01	0.01
-12 months*	October 6, 2022	-	12,000,000	-	12,000,000	11,357,192	11,324,256	(32,936)	0.03	0.06
-12 months*	December 15, 2022	-	1,230,000	-	1,230,000	1,115,379	1,114,152	(1,227)	-	0.01
Total as at June 30, 2023						<u>14,740,425,031</u>	<u>14,720,748,244</u>	<u>(19,676,787)</u>		
Total as at June 30, 2022						-	-	-		

*These will mature latest by July 25, 2023 and carry effective rates ranging from 21.80% - 23.00%

5.2 Term deposit receipts

Name of the investee company	Rate of return per annum	Maturity Date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
			As at July 01, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments
(Rupees)								(%)			
Bank Alfalah Limited (A1+, PACRA) (a related party)	20.25%	April 07, 2023	-	2,500,000,000	2,500,000,000	-	-	-	-	-	
Bank Alfalah Limited (A1+, PACRA) (a related party)	21.70%	July 11, 2023	-	2,850,000,000	-	2,850,000,000	2,850,000,000	2,850,000,000	-	7.51 14.25	
Total as at June 30, 2023						<u>2,850,000,000</u>	<u>2,850,000,000</u>	<u>-</u>			
Total as at June 30, 2022						-	-	-			

5.3 Pakistan Investment Bonds

Particulars	Note	Issue Date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
			As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	net assets of the Fund	total investments
Rupees								(%)			
Pakistan Investment Bonds											
-02 years	5.3.1	August 26, 2021	-	7,078,600,000	5,513,600,000	1,565,000,000	1,563,421,404	1,561,244,000	(2,177,404)	4.11 7.81	
Pakistan Investment Bonds											
-03 years		June 18, 2020	-	6,325,800,000	6,325,800,000	-	-	-	-	-	
-03 years		October 22, 2020	-	850,000,000	850,000,000	-	-	-	-	-	
Total as at June 30, 2023						<u>1,563,421,404</u>	<u>1,561,244,000</u>	<u>(2,177,404)</u>			
Total as at June 30, 2022						-	-	-			

5.3.1 These carry purchase yield of % per annum. These have maturity upto August 26, 2023.

5.4 Commercial papers

Name of the investee company	Rate of return per annum	Date of Maturity	Face Value				Balance as at June 30, 2023			Market value as percentage of	
			As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments
			(Rupees)						----- (%) -----		
Lucky Electric Power Company Limited - Islamic CP IV (A-1+, PACRA)	17.34%	May 2, 2023	-	500,000,000	500,000,000	-	-	-	-	-	
China Power Hub Generation Company Private Limited (A-1+, PACRA)	13.97%	October 10, 2022	400,000,000	-	400,000,000	-	-	-	-	-	
Lucky Electric Power Company Limited - Islamic CP (A-1+, PACRA)	16.21%	November 2, 2022	400,000,000	-	400,000,000	-	-	-	-	-	
Total as at June 30, 2023											
Total as at June 30, 2022						765,139,519	765,139,519	-			

5.5 Short term sukuk certificates

Name of the investee company	Profit rate	Date of Maturity	As at July 01, 2022	Purchased during the year	Matured / sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as percentage of	
							Carrying value	Market value	Unrealised appreciation	net assets of the Fund	total investments
							----- No. of Certificates -----				
K-Electric Limited PPSTS - 1 (A1+, PACRA)	6M Kibor +0.85%	August 4, 2022	250	-	250	-	-	-	-	-	
K-Electric Limited PPSTS - 5 (A1+, PACRA)	6M Kibor +0.70%	October 12, 2022	100	-	100	-	-	-	-	-	
K-Electric Limited PPSTS - 13 (A1+, PACRA)	6M Kibor +1.00%	August 9, 2023	-	922	900	22	22,000,000	22,000,000	-	0.06	0.11
K-Electric Limited PPSTS - 14 (A1+, PACRA)	6M Kibor +0.75%	August 28, 2023	-	250	250	-	-	-	-	-	
K-Electric Limited PPSTS - 16 (A1+, VIS)	6M Kibor +0.30%	October 11, 2023	-	500	243	257	257,000,000	257,000,000	-	0.68	1.29
K-Electric Limited PPSTS - 17 (A1+, VIS)	6M Kibor +0.45%	November 18, 2023	-	500	500	-	-	-	-	-	
Lucky Electric Power Company Limited - PPSTS - 1 (A1+, PACRA)	6M Kibor +1.20%	October 14, 2022	700	-	700	-	-	-	-	-	
Lucky Electric Power Company Limited - PPSTS - 7 (A1+, PACRA)	6M Kibor +0.65%	August 15, 2023	-	500	370	130	130,000,000	130,000,000	-	0.34	0.65
Lucky Electric Power Company Limited - PPSTS - 9 (A1+, PACRA)	6M Kibor +0.30%	October 12, 2023	-	413	413	-	-	-	-	-	
Lucky Electric Power Company Limited - PPSTS - 10 (A1+, PACRA)	6M Kibor +0.65%	October 30, 2023	-	455	-	455	455,000,000	455,000,000	-	1.20	2.28
Total as at June 30, 2023							864,000,000	864,000,000	-		
Total as at June 30, 2022							1,050,000,000	1,050,000,000	-		

5.6 Letters of placement

Name of the investee company	Rate of return per annum	Date of maturity	Rating (long term/short term)	Face value			Balance as at June 30, 2023				Market values percentage of	
				As at July 01, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments
				-----Rupees-----								
Askari Bank Limited	14.10%	July 22, 2022	AA+/A1+	-	2,970,000,000	2,970,000,000	-	-	-	-	-	-
Askari Bank Limited	14.05%	July 28, 2022	AA+/A1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Askari Bank Limited	14.10%	August 4, 2022	AA+/A1+	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Askari Bank Limited	14.95%	August 5, 2022	AA+/A1+	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Askari Bank Limited	15.15%	October 7, 2022	AA+/A1+	-	1,600,000,000	1,600,000,000	-	-	-	-	-	-
Askari Bank Limited	16.10%	December 15, 2022	AA+/A1+	-	1,875,000,000	1,875,000,000	-	-	-	-	-	-
Askari Bank Limited	15.80%	January 17, 2023	AA+/A1+	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Habb Bank Limited	14.00%	July 22, 2022	AAA/A-1+	-	425,000,000	425,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	14.05%	July 14, 2022	AA+/A-1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	14.10%	July 22, 2022	AA+/A-1+	-	700,000,000	700,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	14.10%	August 4, 2022	AA+/A-1+	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	14.90%	August 5, 2022	AA+/A-1+	-	1,280,000,000	1,280,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	16.30%	December 9, 2022	AA+/A-1+	-	350,000,000	350,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	16.05%	December 16, 2022	AA+/A-1+	-	2,700,000,000	2,700,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	16.25%	January 24, 2023	AA+/A-1+	-	2,750,000,000	2,750,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	16.50%	January 26, 2023	AA+/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	17.00%	January 30, 2023	AA+/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	16.15%	February 10, 2023	AA+/A-1+	-	300,000,000	300,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	16.55%	February 17, 2023	AA+/A-1+	-	400,000,000	400,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	17.00%	March 17, 2023	AA+/A-1+	-	2,600,000,000	2,600,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	21.10%	May 23, 2023	AA+/A-1+	-	600,000,000	600,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	20.80%	May 26, 2023	AA+/A-1+	-	900,000,000	900,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	13.90%	July 18, 2022	AA+/A-1+	-	2,550,000,000	2,550,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	14.00%	July 28, 2022	AA+/A-1+	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	14.75%	August 1, 2022	AA+/A-1+	-	400,000,000	400,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	14.90%	August 23, 2022	AA+/A-1+	-	2,600,000,000	2,600,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.20%	August 30, 2022	AA+/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.20%	September 2, 2022	AA+/A-1+	-	2,400,000,000	2,400,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.10%	September 14, 2022	AA+/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.12%	September 15, 2022	AA+/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.10%	September 20, 2022	AA+/A-1+	-	2,850,000,000	2,850,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.05%	October 6, 2022	AA+/A-1+	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.05%	November 11, 2022	AA+/A-1+	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	16.20%	December 15, 2022	AA+/A-1+	-	1,675,000,000	1,675,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	16.10%	December 16, 2022	AA+/A-1+	-	1,900,000,000	1,900,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	16.10%	December 23, 2022	AA+/A-1+	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.50%	January 6, 2023	AA+/A-1+	-	1,600,000,000	1,600,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.50%	January 16, 2023	AA+/A-1+	-	2,950,000,000	2,950,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.15%	January 20, 2023	AA+/A-1+	-	2,950,000,000	2,950,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	15.50%	January 24, 2023	AA+/A-1+	-	2,700,000,000	2,700,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	16.90%	January 26, 2023	AA+/A-1+	-	2,750,000,000	2,750,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	17.10%	February 3, 2023	AA+/A-1+	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	17.00%	February 10, 2023	AA+/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	16.20%	February 20, 2023	AA+/A-1+	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	17.00%	February 24, 2023	AA+/A-1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	17.25%	February 27, 2023	AA+/A-1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	17.15%	February 28, 2023	AA+/A-1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	19.60%	March 9, 2023	AA+/A-1+	-	2,750,000,000	2,750,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	19.00%	March 15, 2023	AA+/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	19.00%	March 16, 2023	AA+/A-1+	-	2,750,000,000	2,750,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	19.25%	April 6, 2023	AA+/A-1+	-	2,750,000,000	2,750,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	21.00%	May 5, 2023	AA+/A-1+	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	21.75%	June 23, 2023	AA+/A-1+	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	14.70%	July 29, 2022	AAA/A1+	-	900,000,000	900,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	14.85%	August 25, 2022	AAA/A1+	-	1,100,000,000	1,100,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	15.10%	August 29, 2022	AAA/A1+	-	1,700,000,000	1,700,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	15.15%	September 2, 2022	AAA/A1+	-	1,800,000,000	1,800,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	15.20%	October 28, 2022	AAA/A1+	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	15.15%	October 31, 2022	AAA/A1+	-	1,050,000,000	1,050,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	15.00%	November 8, 2022	AAA/A1+	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	15.00%	November 11, 2022	AAA/A1+	-	1,200,000,000	1,200,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	15.15%	November 17, 2022	AAA/A1+	-	1,200,000,000	1,200,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	16.00%	December 9, 2022	AAA/A1+	-	1,550,000,000	1,550,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	16.10%	December 15, 2022	AAA/A1+	-	1,250,000,000	1,250,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	15.75%	January 24, 2023	AAA/A1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	16.50%	January 26, 2023	AAA/A1+	-	2,750,000,000	2,750,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	16.25%	February 10, 2023	AAA/A1+	-	2,200,000,000	2,200,000,000	-	-	-	-	-	-

Name of the investee company	Rate of return per annum	Date of maturity	Rating (long term / short term)	Face value			Balance as at June 30, 2023			Market values percentage of		
				As at July 01, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments
				Ruppes								
Pakistan Kuwait Investment Company (Pvt) Limited	16.50%	February 17, 2023	AAA/A1+	-	2,200,000,000	2,200,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	16.05%	February 23, 2023	AAA/A1+	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	17.00%	February 24, 2023	AAA/A1+	-	2,100,000,000	2,100,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	19.45%	March 6, 2023	AAA/A1+	-	700,000,000	700,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	17.00%	March 17, 2023	AAA/A1+	-	700,000,000	700,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	19.25%	April 6, 2023	AAA/A1+	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	21.20%	May 24, 2023	AAA/A1+	-	1,650,000,000	1,650,000,000	-	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Limited	21.25%	May 25, 2023	AAA/A1+	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	16.85%	January 26, 2023	AAA/A-1+	-	2,750,000,000	2,750,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	17.10%	January 30, 2023	AAA/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	17.15%	February 3, 2023	AAA/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	17.10%	February 9, 2023	AAA/A-1+	-	2,850,000,000	2,850,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	16.60%	February 13, 2023	AAA/A-1+	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	16.60%	February 14, 2023	AAA/A-1+	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	16.20%	February 15, 2023	AAA/A-1+	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	16.10%	February 16, 2023	AAA/A-1+	-	2,400,000,000	2,400,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	16.75%	February 21, 2023	AAA/A-1+	-	2,950,000,000	2,950,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	16.40%	February 22, 2023	AAA/A-1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	16.25%	February 23, 2023	AAA/A-1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	17.10%	February 24, 2023	AAA/A-1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	17.25%	February 27, 2023	AAA/A-1+	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	17.20%	February 28, 2023	AAA/A-1+	-	2,900,000,000	2,900,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	17.10%	March 2, 2023	AAA/A-1+	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	17.10%	March 3, 2023	AAA/A-1+	-	2,700,000,000	2,700,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	20.00%	March 7, 2023	AAA/A-1+	-	800,000,000	800,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	19.30%	March 14, 2023	AAA/A-1+	-	2,700,000,000	2,700,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	19.10%	March 15, 2023	AAA/A-1+	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	19.20%	March 17, 2023	AAA/A-1+	-	1,800,000,000	1,800,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	19.40%	March 27, 2023	AAA/A-1+	-	2,400,000,000	2,400,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	20.00%	April 5, 2023	AAA/A-1+	-	1,450,000,000	1,450,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	21.00%	April 6, 2023	AAA/A-1+	-	1,700,000,000	1,700,000,000	-	-	-	-	-	-
Zarai Taraqati Bank Ltd	21.20%	April 20, 2023	AAA/A-1+	-	400,000,000	400,000,000	-	-	-	-	-	-
Total as at June 30, 2023									-	-	-	-
Total as at June 30, 2022									-	-	-	-

5.7 Net unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss'

	Note	2023	2022
		----- (Rupees) -----	
Market value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	19,995,992,244	1,815,139,519
Less: Carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	20,017,846,435	1,815,139,519
		<u>(21,854,191)</u>	<u>-</u>

6. ADVANCES, PREPAYMENTS AND PROFIT RECEIVABLE

	Note	2023	2022
		----- (Rupees) -----	
Profit receivable on:			
Sukuk certificates		43,739,254	36,047,617
Pakistan Investment Bonds		33,123,193	-
Term deposit receipts		54,220,283	-
Bank balances		1,887,223	33,751,266
Advance tax	6.1	997,466	789,610
Prepaid credit rating fee		315,969	237,362
Prepaid brokerage		56,184	-
		<u>134,339,572</u>	<u>70,825,855</u>

6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2023, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs. 0.99 million (2022: Rs. 0.79 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7. PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANGEMENT COMPANY	Note	2023	2022
		----- (Rupees) -----	
Management remuneration payable	7.1	15,923,276	6,831,088
Sindh sales tax payable on management remuneration	7.2	2,639,347	1,457,360
Federal excise duty payable on management remuneration	7.3	11,119,352	11,119,352
Selling and marketing expenses	7.4	31,037,923	8,381,943
Allocated expenses payable	7.5	41,589,856	-
Sales load payable		19,877	10,539
		<u>102,329,631</u>	<u>27,800,282</u>

7.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Accordingly, the Management Company has charged its remuneration variably keeping in view the overall return and the total expense ratio limit of the Fund subject to the maximum limit of 0.75% of average annual net assets as disclosed in the offering document. The remuneration is paid to the Management Company on a monthly basis in arrears.

7.2 During the year, an amount of Rs. 18.093 million (2022: Rs. 10.750 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 16.911 million (2022: Rs. 10.665 million) has been paid to the Management Company which acts as a collecting agent.

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

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

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

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

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2023 would have been higher by Re. 0.0290 per unit (June 30, 2022: Re. 0.0384 per unit).

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

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

7.5 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense incurred.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		----- (Rupees) -----	
Trustee remuneration payable	8.1	1,449,991	1,062,810
Sindh sales tax payable on trustee remuneration	8.2	189,488	139,156
CDS charges payable		74,628	153,711
		<u>1,714,107</u>	<u>1,355,677</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the Trustee has charged remuneration at the rate of 0.055% per annum of average annual net assets of the Fund (2022: 0.065% per annum from July 1, 2021 till September 30, 2021 and at 0.055% per annum from October 1, 2021 till June 30, 2022 of average annual net assets of the Fund).

8.2 During the year, an amount of Rs. 2.121 million (2022: Rs. 1.839 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2.071 million (2022: Rs. 1.849 million) was paid to the Trustee which acts as a collecting agent.

9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023	2022
		----- (Rupees) -----	
Annual fee payable	9.1	<u>5,933,028</u>	<u>4,907,705</u>

9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

10. ACCRUED AND OTHER LIABILITIES	2023	2022
	----- (Rupees) -----	
Sales load payable	13,663,572	3,962,445
Withholding tax payable	436,318	376,590
Capital gain tax payable	7,506,193	5,391,224
Brokerage and settlement charges payable	580,877	52,952
Auditors' remuneration payable	478,955	349,208
Printing charges payable	107,191	105,773
Zakat payable	16,669	16,669
Legal charges payable	41,791	41,791
Other payable	-	2,551,878
	<u>22,831,566</u>	<u>12,848,530</u>

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

12. PROFIT ON BANK DEPOSITS AND INVESTMENTS	2023	2022
	----- (Rupees) -----	
Profit / mark-up income on:		
- Market Treasury Bills	3,172,519,760	730,629,492
- Pakistan Investment Bonds	308,669,631	-
- Letters of placement	413,481,017	250,340,821
- Term deposit receipts	68,090,146	1,446,164
- Commercial papers	74,651,301	50,568,099
- Sukuk certificates	122,397,921	44,428,394
- Bank balances	1,018,861,696	1,483,013,370
	<u>5,178,671,472</u>	<u>2,560,426,340</u>

13. AUDITORS' REMUNERATION

Audit fee	145,200	132,000
Review and other certifications	286,154	286,154
Out of pocket expenses	43,135	29,866
Sindh sales tax	37,959	35,840
	<u>512,448</u>	<u>483,860</u>

14. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.01% which includes 0.09% representing government levies on the Fund such as sales taxes and annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15. TAXATION

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

The Fund is also exempt from the provisions of the Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

16. CASH AND CASH EQUIVALENTS

	2023	2022
	----- (Rupees) -----	
Bank balances	17,956,734,684	26,625,924,053
Market Treasury Bills - 3 months	14,705,783,847	-
Term deposit receipts	2,850,000,000	-
	<u>35,512,518,531</u>	<u>26,625,924,053</u>

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

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

17.1 Unit Holders' Fund

Note	2023										
	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023	
	(Units)					(Rupees)					
Associated companies / undertakings											
Alfalah Asset Management Limited	17.1.1	3,592,367	25,107,812	646,682	27,726,540	1,620,321	353,387,967	2,487,050,123	63,615,357	2,742,795,572	160,146,857
Alfalah GHP Prosperity Planning Fund	17.1.1	1,579,555	7,063,084	203,342	7,537,225	1,308,756	155,383,827	702,963,408	20,003,191	750,343,408	129,352,862
Alfalah Insurance Company Limited	17.1.1	-	19,206,807	226,837	19,433,644	-	-	1,910,754,150	22,314,389	1,930,973,384	-
Bank Alfalah Limited - Employees Gratuity Fund Trust	17.1.1	-	1,279,650	186,699	-	1,466,349	-	127,680,875	18,365,917	-	144,928,803
Bank Alfalah Limited - Employees Gratuity Fund	17.1.1	-	2,270,978	331,332	-	2,602,310	-	226,593,662	32,593,764	-	257,203,212
Bank Alfalah Limited - Employees Provident Fund	17.1.1	3,742,725	-	641,706	-	4,384,431	368,178,969	-	63,125,831	-	433,341,815
Key management personnel											
Chief Operating Officer	17.1.1	2	19,375	901	19,441	837	197	1,925,809	75,202	1,924,095	82,726
Chief Financial Officer	17.1.1	6	8	1	-	15	590	787	124	-	1,483
Head of Operations & Registrar Services	17.1.1	3	-	-	2	1	295	-	16	220	99
Head of Administration	17.1.1	2	-	-	-	2	197	-	21	-	198
Head of Corporate & Institutional Sales	17.1.1	8,492	4	870	5,813	3,553	835,374	434	85,606	575,000	351,166
Vice President - Portfolio Department	17.1.1	10	-	-	10	-	984	-	-	984	-
Head of Investor Relations	17.1.1	1	-	-	-	1	98	-	18	-	99
Head of Retail Sales	17.1.1	1	35,050	-	35,051	-	98	3,450,000	16	-	3,464,318
Director - Private Equity	17.1.1	-	596,897	14,025	518,507	92,415	-	59,400,624	1,379,686	51,671,137	9,133,975
Assistant Vice President - Finance	17.1.1	-	10	1	-	11	-	1,012	146	-	1,087
Assistant Vice President - Operations	17.1.1	-	9,159	29	-	9,188	-	903,750	2,816	-	908,110

Note	2022										
	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022	
	(Units)					(Rupees)					
Associated companies / undertakings											
Alfalsh Asset Management Limited	17.1.1	1,765,437	2,660,870	284,335	1,118,275	3,592,367	173,433,883	262,948,797	27,932,603	110,000,000	353,387,967
Alfalsh GHP Prosperity Planning Fund	17.1.1	598,797	2,417,954	109,958	1,547,154	1,579,555	58,824,919	127,750,000	8,678,462	108,150,000	155,383,827
Bank Alfalah Limited - Employees Provident Fund	17.1.1	3,856,280	-	393,544	507,099	3,742,725	378,835,163	-	38,661,239	50,000,000	368,178,969
Key management personnel											
Chief Operating Officer	17.1.1	2	13,676	92	13,768	2	196	1,350,000	9,015	1,360,523	197
Chief Financial Officer	17.1.1	-	5	1	-	6	-	528	41	-	590
Head of Operations & Registrar Services	17.1.1	-	2	1	-	3	-	233	18	-	295
Head of Administration	17.1.1	2	73	-	73	2	196	7,198	-	7,236	197
Head of Corporate & Institutional Sales	17.1.1	12,370	5,082	818	9,778	8,492	1,215,210	500,011	80,370	965,000	835,374
Vice President - Portfolio Department	17.1.1	10	-	-	-	10	982	-	-	-	984
Head of Investor Relations	17.1.1	1	-	-	-	1	98	-	-	-	98
Head of Retail Sales	17.1.1	1,589	1	21	1,610	1	156,101	109	2,056	159,111	98
Unit holder holding 10% or more units	17.1.1	45,821,234	344,447,725	2,357,846	353,286,303	39,340,502	4,501,409,296	33,992,090,576	231,631,270	34,880,674,289	3,869,999,929

17.1.1 This reflects the position of related party / connected persons status as at June 30, 2023.

17.2 Other transactions

	2023	2022
	(Rupees)	
Associated companies / undertakings		
Alfalsh Asset Management Limited - Management Company		
Remuneration of Alfalah Asset Management Limited	139,176,944	82,693,052
Sindh sales tax on remuneration of the Management Company	18,093,003	10,750,097
Selling and marketing expenses	60,589,454	14,014,705
Allocated expenses	54,677,151	-
Sales load	1,194,766	518,911
Alfalsh GHP Income Multiplier Fund		
Market Treasury Bills - purchased		
face value: Rs. 25,000,000 (2022: Nil)	24,729,885	-
Market Treasury Bills - sold		
face value: Rs. 50,000,000 (2022: Rs. 115,000,000)	49,885,200	112,845,305
Alfalsh GHP Sovereign Fund		
Market Treasury Bills - purchased		
face value: Rs. 184,000,000,000 (2022: Rs. 903,000,000)	181,891,200	888,577,086
Market Treasury Bills - sold		
face value: Rs. 35,000,000 (2022: Rs. 1,160,000,000)	34,919,640	1,102,728,040
Alfalsh Islamic Rozana Amdani Fund		
Short Term Sukuk - Sold	-	369,500,000
Alfalsh GHP Cash Fund		
Market Treasury Bills - purchased		
face value: Rs. 4,794,000,000 (2022: 9,592,000,000)	4,751,653,346	9,525,915,229
Market Treasury Bills - sold		
face value: Rs. 2,550,000,000 (2022: Rs. 6,905,000,000)	2,521,182,500	6,856,552,455
Pakistan Investment Bonds - sold		
face value: Rs. 250,000,000 (2022: Nil)	249,350,000	-
Alfalsh GHP Income Fund		
Market Treasury Bills - purchased		
face value: Rs. 280,000,000 (2022: Rs. 2,080,000,000)	271,230,720	2,040,411,440
Market Treasury Bills - sold		
face value: Rs. 30,000,000 (2022: Rs. 4,387,000,000)	29,053,920	4,320,651,488
Alfalsh GHP Islamic Income Fund		
K-Electric Limited STS - 13 - Purchased	172,000,000	-

	2023	2022
	----- (Rupees) -----	
Alfalsh Stable Return Plan I		
Market Treasury Bills - purchased face value: Rs. 2,610,000 (2022: Nil)	2,507,467	-
Alfalsh Stable Return Plan II		
Market Treasury Bills - purchased face value: Rs. 1,230,000 (2022: Nil)	1,111,525	-
Alfalsh Stable Return Plan III		
Pakistan Investment Bonds - purchased face value: Rs. 2,800,000 (2022: Nil)	2,783,497	-
Alfalsh Stable Return Plan V		
Pakistan Investment Bonds - purchased face value: Rs. 240,000,000 (2022: Nil)	237,525,600	-
Bank Alfalah Limited		
Profit on bank balances	457,582,839	563,441,828
Profit on term deposit receipts	68,090,146	1,446,164
Sales load	52,356,573	32,914,740
Bank charges	82,468	125,986
Term deposit receipts - purchased	-	-
Term deposit receipts - matured	2,500,000,000	300,000,000
Market Treasury Bills - purchased face value: Rs. 525,000,000 (2022: Rs. 2,800,000,000)	506,898,000	2,785,973,800
Market Treasury Bills - sold face value: Nil (2022: Rs. 4,400,000,000)	-	4,386,870,000
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan	16,315,794	14,146,715
Sindh sales tax on remuneration of the Trustee	2,121,053	1,839,073
CDS Charges	-	1,032,828
17.3 Other balances		
Associated companies / undertakings		
Alfalsh Asset Management Limited - Management Company		
Management remuneration payable	15,923,276	6,831,088
Sindh sales tax payable on management remuneration	2,639,347	1,457,360
Federal excise duty payable on management remuneration	11,119,352	11,119,352
Selling and marketing expenses	31,037,923	8,381,943
Allocated expenses payable	41,589,856	-
Sales load payable	19,877	10,539
Bank Alfalah Limited		
Bank balance	17,208,491,965	8,555,662,905
Term deposit receipts	2,850,000,000	-
Profit receivable	54,221,485	2,146
Sales load payable	13,663,572	3,962,445
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	1,449,991	1,062,810
Sindh sales tax payable on trustee remuneration	189,488	139,156
CDS charges payable	74,628	153,711

18. FINANCIAL INSTRUMENTS BY CATEGORY

	2023		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	17,956,734,684	-	17,956,734,684
Investments	-	19,995,992,244	19,995,992,244
Security deposit with the Central Depository Company of Pakistan Limited - Trustee	100,000	-	100,000
Profit receivable	132,969,953	-	132,969,953
	<u>18,089,804,637</u>	<u>19,995,992,244</u>	<u>38,085,796,881</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	102,329,631	-	102,329,631
Payable to Central Depository Company of Pakistan Limited - Trustee	1,714,107	-	1,714,107
Accrued and other liabilities	14,872,386	-	14,872,386
	<u>118,916,124</u>	<u>-</u>	<u>118,916,124</u>

	2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	26,625,924,053	-	26,625,924,053
Investments	-	1,815,139,519	1,815,139,519
Security deposit with the Central Depository Company of Pakistan Limited - Trustee	100,000	-	100,000
Profit receivable	69,798,883	-	69,798,883
	<u>26,695,822,936</u>	<u>1,815,139,519</u>	<u>28,510,962,455</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	27,800,282	-	27,800,282
Payable to Central Depository Company of Pakistan Limited - Trustee	1,355,677	-	1,355,677
Accrued and other liabilities	7,064,047	-	7,064,047
	<u>36,220,006</u>	<u>-</u>	<u>36,220,006</u>

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2023, is as follows:

	2023	2022
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	17,956,715,695	20,411,626,609
Pakistan Investment Bonds	1,561,244,000	-
Sukuk certificates	864,000,000	1,050,000,000
	<u>20,381,959,695</u>	<u>21,461,626,609</u>
Fixed rate instruments (financial assets)		
Market Treasury Bills	14,720,748,244	-
Commercial papers	-	765,139,519
Term deposit receipts	2,850,000,000	-
	<u>17,570,748,244</u>	<u>765,139,519</u>

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds PKFRV based Pakistan Investment Bonds and KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 203.820 million (2022: Rs. 214.616 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at June 30, 2023, the Fund holds market treasury bills and term deposit receipts which are classified as financial assets 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in interest rates, with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 175.7132 million (2022: Rs. 7.65 million). The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

	----- 2023 -----				
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk
Upto three months		More than three months and up to one year	More than one year		
	----- (Rupees) -----				
On-balance sheet financial instruments					
Financial assets					
Bank balances	19.5% - 22.95%	17,956,715,695	-	-	18,989
Market Treasury Bills	20.80% - 23.00%	-	-	-	14,720,748,244
Term deposit receipts	21.70%	-	-	-	2,850,000,000
Pakistan Investment Bonds	22.32% - 23.10%	1,561,244,000	-	-	1,561,244,000
Short term sukuk certificates	22.39% - 23.07%	-	864,000,000	-	864,000,000
Profit receivable		-	-	-	132,969,953
Security deposit with the Central Depository Company of Pakistan Limited - Trustee		-	-	-	100,000
Sub total		<u>19,517,959,695</u>	<u>864,000,000</u>	<u>-</u>	<u>17,703,837,186</u>
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	102,329,631
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,714,107
Accrued and other liabilities		-	-	-	14,872,386
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>118,916,124</u>
On-balance sheet gap		<u>19,517,959,695</u>	<u>864,000,000</u>	<u>-</u>	<u>17,584,921,062</u>
Total interest rate sensitivity gap		<u>19,517,959,695</u>	<u>864,000,000</u>	<u>-</u>	<u>17,584,921,062</u>
Cumulative interest rate sensitivity gap		<u>19,517,959,695</u>	<u>20,381,959,695</u>	<u>20,381,959,695</u>	

2022					
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	8.00% - 18.3%	20,411,626,609	-	-	6,214,297,444	26,625,924,053
Investments	11.59% - 16.21%	250,000,000	1,565,139,519	-	-	1,815,139,519
Profit receivable		-	-	-	69,798,883	69,798,883
Security deposit with the Central Depository Company of Pakistan Limited - Trustee		-	-	-	100,000	100,000
Sub total		<u>20,661,626,609</u>	<u>1,565,139,519</u>	<u>-</u>	<u>6,284,196,327</u>	<u>28,510,962,455</u>

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company		-	-	-	27,800,282	27,800,282
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,355,677	1,355,677
Accrued and other liabilities		-	-	-	7,064,047	7,064,047
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>36,220,006</u>	<u>36,220,006</u>

On-balance sheet gap

		<u>20,661,626,609</u>	<u>1,565,139,519</u>	<u>-</u>	<u>6,247,976,321</u>	<u>28,474,742,449</u>
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Total interest rate sensitivity gap

		<u>20,661,626,609</u>	<u>1,565,139,519</u>	<u>-</u>	<u>6,247,976,321</u>	<u>28,474,742,449</u>
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Cumulative interest rate sensitivity gap

		<u>20,661,626,609</u>	<u>22,226,766,128</u>	<u>22,226,766,128</u>		
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19.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2023.

19.2 Credit risk

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

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

19.2.1 Exposure to credit risk

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees)			
Bank balances	17,956,734,684	17,956,734,684	26,625,924,053	26,625,924,053
Investments	19,995,992,244	3,714,000,000	1,815,139,519	1,815,139,519
Profit receivable	132,969,953	99,846,760	69,798,883	69,798,883
Security deposit	100,000	100,000	100,000	100,000
	<u>38,085,796,881</u>	<u>21,770,681,444</u>	<u>28,510,962,455</u>	<u>28,510,962,455</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired either at June 30, 2023 and June 30, 2022.

19.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2023 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2023	2022
			% of bank balances exposed to credit risk	
Allied Bank Limited	PACRA	A1+ / AAA	0.03%	29.71%
Bank Al Habib Limited	PACRA	A1+ / AAA	0.01%	0.00%
Bank Alfalah Limited	PACRA	A1+ / AA+	95.83%	32.13%
Habib Bank Limited	VIS	A-1+ / AAA	0.09%	38.13%
Habib Metropolitan Bank Limited	PACRA	A1+ / AA+	0.00%	0.00%
MCB Bank Limited	PACRA	A1+ / AAA	0.00%	0.01%
National Bank of Pakistan	PACRA	A1+ / AAA	0.00%	0.00%
Samba Bank Limited	VIS	A-1 / AA	0.00%	0.00%
Zarai Taraqiati Bank Limited	VIS	A-1+ / AAA	0.00%	0.00%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	0.00%	0.00%
The Bank of Punjab	PACRA	A1+ / AA+	0.00%	0.00%
Faysal Bank Limited	PACRA	A1+ / AA	4.04%	0.02%
United Bank Limited	VIS	A-1+ / AAA	0.00%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2023.

Ratings of commercial papers, term deposit receipts and sukuk certificates have been disclosed in related notes to the financial statements.

19.2.3 Concentration of credit risk

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

	2023		2022	
	Rupees	%	Rupees	%
Commercial banks (including TDR and profit receivable)	20,808,621,907	95.82%	26,659,675,319	93.51%
Power generation and distribution - sukuk certificates (including profit receivable)	907,739,254	4.18%	1,086,047,617	3.81%
Power generation and distribution - commercial papers	-	0.00%	765,139,519	2.68%
Central Depository Company of Pakistan Limited	100,000	0.00%	100,000	0.00%
	<u>21,716,461,161</u>	<u>100.00%</u>	<u>28,510,962,455</u>	<u>100.00%</u>

19.3 Liquidity risk

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

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

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

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

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

- 2023 -						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	17,956,734,684	-	-	-	-	17,956,734,684
Investments	-	19,271,553,836	724,438,408	-	-	19,995,992,244
Profit receivable	56,107,506	33,123,193	43,739,254	-	-	132,969,953
Security deposit with the Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	100,000	100,000
	18,012,842,190	19,304,677,029	768,177,662	-	100,000	38,085,796,881
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	102,329,631	-	-	-	-	102,329,631
Payable to Central Depository Company of Pakistan Limited - Trustee	1,714,107	-	-	-	-	1,714,107
Accrued and other liabilities	14,872,386	-	-	-	-	14,872,386
	118,916,124	-	-	-	-	118,916,124
Net financial assets	17,893,926,066	19,304,677,029	768,177,662	-	100,000	37,966,880,757
- 2022 -						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	26,625,924,053	-	-	-	-	26,625,924,053
Investments	-	250,000,000	1,565,139,519	-	-	1,815,139,519
Profit receivable	33,751,266	-	36,047,617	-	-	69,798,883
Security deposit with the Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	100,000	100,000
	26,659,675,319	250,000,000	1,601,187,136	-	100,000	28,510,962,455
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	27,800,282	-	-	-	-	27,800,282
Payable to Central Depository Company of Pakistan Limited - Trustee	1,355,677	-	-	-	-	1,355,677
Accrued and other liabilities	7,064,047	-	-	-	-	7,064,047
	36,220,006	-	-	-	-	36,220,006
Net financial assets	26,623,455,313	250,000,000	1,601,187,136	-	100,000	28,474,742,449

20. FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

2023			
Level 1	Level 2	Level 3	Total
At fair value through profit or loss			
----- (Rupees) -----			
Market Treasury Bills	14,720,748,244	-	14,720,748,244
Term deposit receipts	2,850,000,000	-	2,850,000,000
Pakistan Investment Bonds	1,561,244,000	-	1,561,244,000
Short term sukuk certificates*	864,000,000	-	864,000,000
	19,995,992,244	-	19,995,992,244
2022			
Level 1	Level 2	Level 3	Total
At fair value through profit or loss			
----- (Rupees) -----			
Commercial papers	765,139,519	-	765,139,519
Short term sukuk certificates*	1,050,000,000	-	1,050,000,000
	1,815,139,519	-	1,815,139,519

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

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21. UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

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

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

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23. CORRESPONDING FIGURES

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

24. GENERAL

Figures have been rounded off to the nearest rupee.

25. DISTRIBUTIONS MADE

Particulars	Date of declaration	Per unit distribution	Capital value	Undistributed income
----- (Rupees) -----				
1st interim distribution for the year ended June 30, 2023	28-Jul-22	1.1169	54,632,128	251,224,454
2nd interim distribution for the year ended June 30, 2023	25-Aug-22	1.0649	46,180,927	260,967,352
3rd interim distribution for the year ended June 30, 2023	30-Sep-22	1.4479	137,091,453	362,314,692
4th interim distribution for the year ended June 30, 2023	27-Oct-22	1.0832	46,986,306	314,399,471
5th interim distribution for the year ended June 30, 2023	29-Nov-22	1.2085	51,694,799	332,045,953
6th interim distribution for the year ended June 30, 2023	30-Dec-22	1.3338	118,870,794	331,350,071
7th interim distribution for the year ended June 30, 2023	19-Jan-23	0.7960	37,896,513	202,823,579
8th interim distribution for the year ended June 30, 2023	25-Feb-23	1.5470	75,198,313	379,720,742
9th interim distribution for the year ended June 30, 2023	28-Mar-23	1.3963	44,370,438	338,969,566
10th interim distribution for the year ended June 30, 2023	29-Apr-23	1.7054	56,061,226	366,242,926
11th interim distribution for the year ended June 30, 2023	27-May-23	1.5255	75,749,198	367,769,891
12th interim distribution for the year ended June 30, 2023	22-Jun-23	1.4483	124,788,003	384,892,193
For the year ended June 30, 2023			869,520,098	3,892,720,890

Particulars	Date of declaration	Per unit distribution	Capital value	Undistributed income
----- (Rupees) -----				
1st interim distribution for the year ended June 30, 2022	28-Jul-21	0.5381	8,168,084	144,742,591
2nd interim distribution for the year ended June 30, 2022	25-Aug-21	0.9770	10,207,512	189,987,105
3rd interim distribution for the year ended June 30, 2022	28-Sep-21	0.7052	22,007,779	175,225,417
4th interim distribution for the year ended June 30, 2022	28-Oct-21	0.5872	25,920,966	117,276,983
5th interim distribution for the year ended June 30, 2022	26-Nov-21	0.6146	42,529,450	126,858,199
6th interim distribution for the year ended June 30, 2022	27-Dec-21	0.8445	25,273,702	175,253,826
7th interim distribution for the year ended June 30, 2022	26-Jan-22	0.8799	74,528,827	191,351,769
8th interim distribution for the year ended June 30, 2022	24-Feb-22	0.7248	15,481,933	126,068,632
9th interim distribution for the year ended June 30, 2022	21-Mar-22	0.6919	13,589,319	114,580,151
10th interim distribution for the year ended June 30, 2022	27-Apr-22	1.1616	63,770,791	221,723,879
11th interim distribution for the year ended June 30, 2022	25-May-22	0.9612	21,115,806	168,527,225
12th interim distribution for the year ended June 30, 2022	27-Jun-22	1.4189	75,445,513	283,901,412
For the year ended June 30, 2022			398,039,682	2,035,497,189

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	7,791	206,091,579	20,369,365,996	37%
Associated Co./ Directors	6	1,620,322	160,146,887	1%
Insurance Co.	35	3,547,884	350,660,328	0%
Banks/ DFIs	5	138,117	13,651,021	1%
Retirement & Other Funds	119	12,440,794	1,229,604,239	3%
Others	307	160,172,943	15,830,929,696	59%
	8,263	384,011,638	37,954,358,168	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	4,385	126,359,206	12,430,200,237	37%
Associated Co./ Directors	2	3,592,367	353,388,157	1%
Insurance Co.	11	6,135,224	603,533,899	0%
Banks/ DFIs	-	-	-	1%
Retirement & Other Funds	62	10,021,903	985,874,057	3%
Others	163	143,253,054	14,092,080,882	59%
	4,623	289,361,754	28,465,077,233	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023 %
Continental Exchange (Pvt.) Limited	27%
Magenta Capital (Pvt) Limited	13%
Optimus Markets (Private) Limited	10%
Bright Capital (Pvt.) Limited	9%
Alfalah CLSA Securities (Private) Limited	8%
C&M Management (Pvt) Limited	7%
Pearl Securities Limited	5%
Invest One Markets Limited	4%
AKD Securities Limited	4%
Icon Management (Private) Limited	3%

	30 June 2022 %
Bright Capital (Pvt.) Limited	21%
Summit Capital (Private) Limited	16%
Continental Exchange (Pvt.) Limited	15%
Magenta Capital (Pvt) Limited	10%
Pearl Securities Limited	11%
Invest One Markets Limited	7%
JS Global Capital Limited	3%
Icon Management (Private) Limited	2%
Paramount Capital (Pvt.) Limited	1%
BIPL Securities Limited	1%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khorro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenure also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khorro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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 tenure 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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

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PERFORMANCE TABLE - AGHPMMF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
	(Rupees in '000)				
Net Assets	37,954,538	28,465,077	26,879,298	15,462,891	17,975,253
NAV per unit	98.8365	98.3719	98.2385	98.1382	97.9519
Selling price per unit	99.9534	99.4835	99.3486	99.2472	99.0588
Redemption price per unit	98.8365	98.3719	98.2385	98.1382	97.9519
Highest selling price per unit	101.2082	100.7835	99.9017	100.2992	100.1671
Highest redemption price per unit	100.0773	99.6574	98.7854	99.1785	99.0479
Lowest selling price per unit	99.5201	98.2422	99.2625	99.0781	98.6027
Lowest redemption price per unit	98.4081	98.2422	98.1534	97.9711	97.5009
1st interim distribution per unit	1.1169	0.5381	0.4724	0.8419	1.4682
1st interim distribution date	27-Jul-22	28-Jul-21	28-Jul-20	26-Jul-19	28-Sep-18
2nd interim distribution per unit	1.0649	0.9770	0.5506	1.1416	0-Jan-00
2nd interim distribution date	24-Aug-22	25-Aug-21	31-Aug-20	29-Aug-19	26-Oct-18
3rd interim distribution per unit	1.4479	0.7052	0.4301	0.9671	0-Jan-00
3rd interim distribution date	29-Sep-22	28-Sep-21	25-Sep-20	26-Sep-19	29-Nov-18
4th interim distribution per unit	1.0832	0.5872	0.5911	1.0285	0-Jan-00
4th interim distribution date	26-Oct-22	28-Oct-21	28-Oct-20	25-Oct-19	27-Dec-18
5th interim distribution per unit	1.2085	0.6146	0.5177	1.0306	0-Jan-00
5th interim distribution date	28-Nov-22	26-Nov-21	27-Nov-20	28-Nov-19	29-Jan-19
6th interim distribution per unit	1.3338	0.8445	0.5578	1.0043	0-Jan-00
6th interim distribution date	29-Dec-22	27-Dec-21	28-Dec-20	26-Dec-19	27-Feb-19
7th interim distribution per unit	0.7960	0.8799	0.5499	1.2027	0-Jan-00
7th interim distribution date	18-Jan-23	26-Jan-22	27-Jan-21	30-Jan-20	29-Mar-19
8th interim distribution per unit	1.547	0.7248	0.4861	0.9137	0-Jan-00
8th interim distribution date	24-Feb-23	24-Feb-22	24-Feb-21	27-Feb-20	29-Apr-19
9th interim distribution per unit	1.3963	0.6919	0.5583	1.0632	0-Jan-00
9th interim distribution date	27-Mar-23	21-Mar-22	26-Mar-21	27-Mar-20	31-May-19
10th interim distribution per unit	1.7054	1.1616	0.6472	1.2266	1.2000
10th interim distribution date	28-Apr-23	27-Apr-22	29-Apr-21	29-Apr-20	30-Jun-19
11th interim distribution per unit	1.5255	0.9612	0.5086	0.5758	N/A
11th interim distribution date	26-May-23	25-May-22	27-May-21	29-May-20	N/A
12th interim distribution per unit	1.4483	1.4189	0.5560	0.5381	N/A
12th interim distribution date	21-Jun-23	27-Jun-22	25-Jun-21	24-Jun-20	N/A
Annualized returns %	17.70%	10.93%	6.86%	12.64%	9.15%
Income distribution %	15.93%	10.29%	6.55%	11.78%	7.86%
Weighted avg. portfolio duration (Days)	31 Days	04 Days	06 Days	40 Days	06 Day

Return since inception is 9.48%

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



**Alfalah
Ghp Sovereign Fund**

FUND INFORMATION

Management Company:	Alfalsh Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalsh Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA-(f) by PACRA

Alfalah GHP Sovereign Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

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

Accomplishment of Objective

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

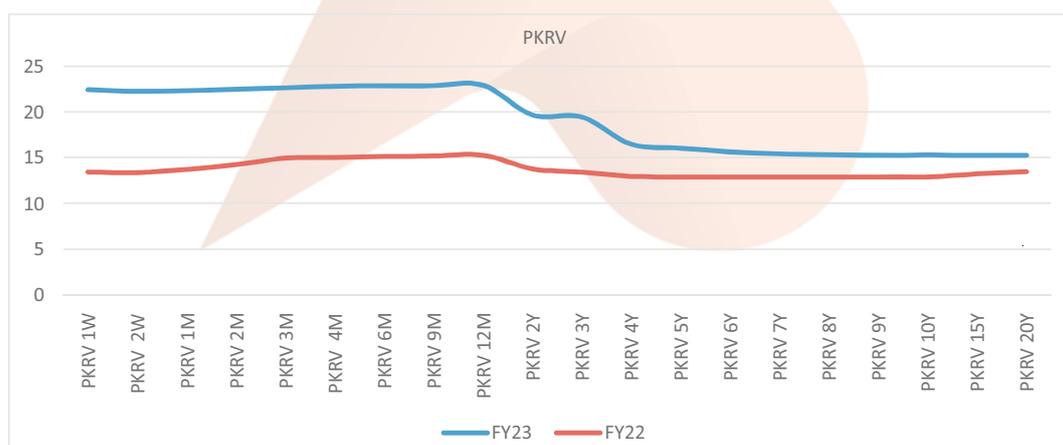
Money Market Review:-

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

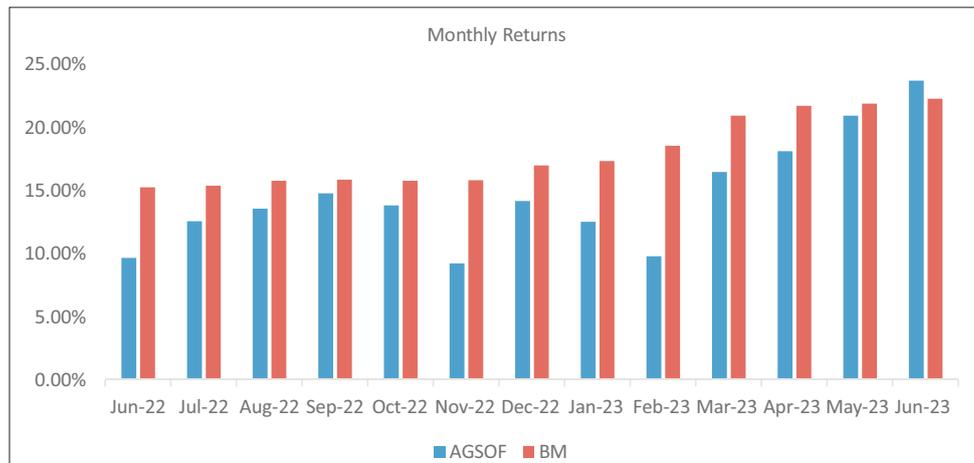
In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.

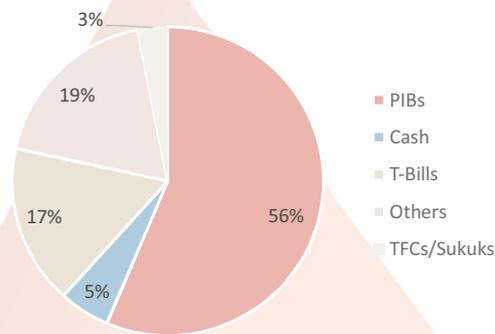


Fund Performance

During FY23, Alfalah GHP Sovereign Fund generated a return of 16.07% against the fund's benchmark returned 18.20%.



Asset Allocation
(as at 30 June 2023)



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	73.10%	A+	0.00%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	0.91%	A-	0.00%
AA+	0.90%	BBB+	0.00%
AA	0.01%	Below IG	0.00%
AA-	2.60%	NR/UR/MTS	18.48%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP SOVEREIGN FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited being the Trustee of Alfalah GHP Sovereign Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2023



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Sovereign Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Sovereign Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	Investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 367.222 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; andRe-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor’s report is **Junaid Mesia**.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: September 28, 2023

UDIN: AR202310611RuXhIDIF8

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	-----
Assets		
Bank balances	4 23,856,981	58,044,132
Investments	5 367,222,090	629,888,755
Advances and profit receivable	6 8,905,701	8,281,531
Receivable against sale of investments	80,125,531	11,536,208
Total assets	<u>480,110,303</u>	<u>707,750,626</u>
Liabilities		
Payable to Alfalah Asset Management Limited - Management Company	7 21,671,099	24,747,746
Payable to Central Depository Company of Pakistan Limited - Trustee	8 24,044	44,537
Annual fee payable to the Securities and Exchange Commission of Pakistan	9 105,235	182,663
Accrued and other liabilities	10 16,900,919	9,526,439
Total liabilities	<u>38,701,297</u>	<u>34,501,385</u>
Net assets attributable to the unit holders	<u>441,409,006</u>	<u>673,249,241</u>
Unit holders' fund (as per statement attached)	<u>441,409,006</u>	<u>673,249,241</u>
Contingencies and commitments		
	11	----- (Number of units) -----
Number of units in issue	<u>4,120,379</u>	<u>6,305,908</u>
		----- (Rupees) -----
Net asset value per unit	<u>107.1283</u>	<u>106.7648</u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
Income			
Profit / mark up income	12	85,189,705	91,254,381
Gain / (loss) on sale of investments - net		1,514,360	(1,905,846)
Unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	(3,433,774)	(5,118,102)
Total income		<u>83,270,291</u>	<u>84,230,433</u>
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	7.1	3,489,016	8,687,918
Sindh Sales Tax on remuneration of the Management Company	7.2	453,572	1,129,426
Allocated expenses	7.4	743,575	913,433
Selling and marketing expenses	7.5	-	5,858,210
Remuneration of Central Depository Company of Pakistan - Trustee	8.1	289,500	531,225
Sindh Sales Tax on remuneration of the Trustee	8.2	37,635	69,057
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	105,260	182,688
Brokerage expense		30,828	168,465
Bank charges and settlement charges		434,459	434,381
Annual fee of Marginal Trading System		250,025	250,025
Auditors' remuneration	13	512,449	483,860
Annual listing fee		27,500	33,100
Annual rating fee		535,482	574,735
Legal and professional charges		355,950	-
Printing charges		27,435	29,995
Reversal of provision against Sindh Workers' Welfare Fund		-	(11,633,704)
Total expenses		<u>7,292,686</u>	<u>7,712,814</u>
Net income for the year before taxation		<u>75,977,605</u>	<u>76,517,619</u>
Taxation	15	-	-
Net income for the year after taxation		<u>75,977,605</u>	<u>76,517,619</u>
Allocation of net income for the year			
Net income for the year after taxation		75,977,605	76,517,619
Income already paid on units redeemed		(25,001,482)	(24,538,999)
		<u>50,976,123</u>	<u>51,978,620</u>
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		50,976,123	51,978,620
		<u>50,976,123</u>	<u>51,978,620</u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

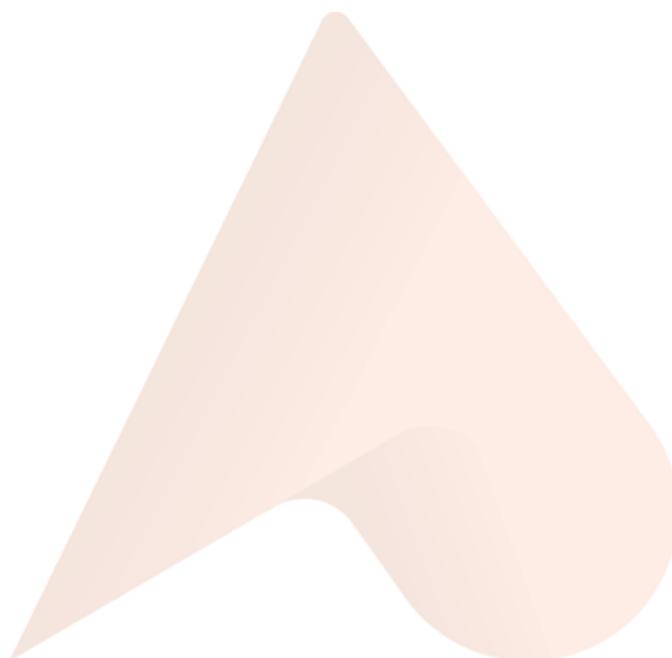
Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income for the year after taxation	75,977,605	76,517,619
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>75,977,605</u>	<u>76,517,619</u>

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



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the year	604,089,266	69,159,975	673,249,241	1,059,387,133	69,116,148	1,128,503,281
Issuance of 5,273,753 (2022: 2,926,873) units						
- Capital value (at net asset value per unit at the beginning of the year)	563,051,184	-	563,051,184	312,433,449	-	312,433,449
- Element of (loss) / income	(29,092,044)	-	(29,092,044)	7,084,020	-	7,084,020
Total proceeds on issuance of units	533,959,140	-	533,959,140	319,517,469	-	319,517,469
Redemption of 7,459,282 (2022: 7,192,772) units						
- Capital value (at net asset value per unit at the beginning of the year)	796,388,751	-	796,388,751	767,803,236	-	767,803,236
- Element of (loss) / income	(29,586,313)	25,001,482	(4,584,831)	1,461,572	24,538,999	26,000,571
Total payments on redemption of units	766,802,438	25,001,482	791,803,920	769,264,808	24,538,999	793,803,807
Total comprehensive income for the year	-	75,977,605	75,977,605	-	76,517,619	76,517,619
Final distribution for the year ended June 30, 2023 on June 26, 2023 @ Rs. 16.7388 per unit	(351,559)	(49,621,501)	(49,973,060)	-	-	-
Final distribution for the year ended June 30, 2022 on June 25, 2022 @ Rs. 9.4865 per unit	-	-	-	(5,550,528)	(51,934,793)	(57,485,321)
Net assets at end of the year	370,894,409	70,514,597	441,409,006	604,089,266	69,159,975	673,249,241
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		74,278,077			65,970,000	
- Unrealised (loss) / income		(5,118,102)			3,146,148	
		69,159,975			69,116,148	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		50,976,123			51,978,620	
		50,976,123			51,978,620	
Final distribution for the year ended June 30, 2023 on June 23, 2023 @ Rs. 16.7388 per unit		(49,621,501)			-	
Final distribution for the year ended June 30, 2022 on June 25, 2022 @ Rs. 9.4865 per unit		-			(51,934,793)	
Undistributed income carried forward		70,514,597			69,159,975	
Undistributed income carried forward						
- Realised income		73,948,371			74,278,077	
- Unrealised loss		(3,433,774)			(5,118,102)	
		70,514,597			69,159,975	
Net asset value per unit at the beginning of the year		106.7648			106.7465	
Net asset value per unit at the end of the year		107.1283			106.7648	

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		75,977,605	76,517,619
Adjustments for:			
Unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		3,433,774	5,118,102
Reversal of provision against Sindh Workers' Welfare Fund		-	(11,633,704)
		79,411,379	70,002,017
Decrease / (increase) in assets			
Investments		285,144,440	(81,707,219)
Advances and profit receivable		(624,170)	5,688,818
Receivable against sale of investments		(68,589,323)	(11,536,208)
		215,930,947	(87,554,609)
Increase / (decrease) in liabilities			
Payable to Alfalah Asset Management Limited - Management Company		(3,076,647)	(473,863)
Payable to Central Depository Company of Pakistan Limited - Trustee		(20,493)	(25,674)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(77,428)	(103,667)
Accrued and other liabilities		7,374,480	(1,672,814)
		4,199,912	(2,276,018)
Net cash generated from / (used in) operating activities		299,542,238	(19,828,610)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		533,607,581	313,966,941
Amount paid against redemption of units		(791,803,920)	(793,803,807)
Dividend paid		(49,621,501)	(51,934,793)
Net cash used in financing activities		(307,817,840)	(531,771,659)
Net decrease in cash and cash equivalents during the year		(8,275,602)	(551,600,269)
Cash and cash equivalents at the beginning of the year		58,044,132	609,644,401
Cash and cash equivalents at end of the year	4.2	49,768,530	58,044,132

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Sovereign Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah Asset Management Limited (formerly 'Alfalah GHP Investment Management Limited') as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 6, 2014.
- 1.2** During the year ended June 30, 2021, The Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2022" (the Sindh Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry and Agricultural Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
- 1.4** The Fund is categorised as "Income Scheme" pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.5** According to the trust deed, the objective of the Fund is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt Instruments. The investment objectives and policy are explained in the Fund's offering document.
- 1.6** The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+ dated March 3, 2022) to the Management Company.
- 1.7** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan (CDC) as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and

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

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to Classification, impairment and valuation of financial assets (notes 3.2 and 5).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

a) Debt instruments

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

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

based on the business model of the entity.

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

b) Equity instruments

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

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

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

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

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

3.2.3 Impairment

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

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

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

3.2.4 Impairment loss on debt securities

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

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

3.2.5 Regular way contracts

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

3.2.6 Derecognition

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

3.2.7 Derivatives

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

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

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

3.7 Net asset value per unit

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

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

3.9 Distributions to unit holders

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

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

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

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

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place;
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Income on government securities, term finance certificates, sukuks and margin trading system (MTS) is recognised on a time proportionate basis using the effective yield method.
- Profit on bank balances is recognised on an accrual basis.

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Margin Trading System

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

3.15 Foreign currency translation

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

	Note	2023 ----- (Rupees) -----	2022
4. BANK BALANCES			
In savings accounts	4.1	<u>23,856,981</u>	<u>58,044,132</u>
4.1	These accounts carry profit rates ranging from 16.5% to 22.25% (2022: 3.10% to 16.60%) per annum. These include bank balance of Rs. 21.122 million (2022: Rs. 55.450 million) maintained with Bank Alfalah Limited (a related party) carrying profit at the rate of 22.25% (2022: 16.60%) per annum.		
	Note	2023 ----- (Rupees) -----	2022
4.2 CASH AND CASH EQUIVALENTS			
Bank balances		23,856,981	58,044,132
Market treasury bills (original maturity of 3 months or less)		<u>25,911,549</u>	-
		<u>49,768,530</u>	<u>58,044,132</u>
5. INVESTMENTS			
At fair value through profit or loss			
Market Treasury Bills	5.1	80,451,320	302,211,270
Pakistan Investment Bonds	5.2	271,773,327	192,776,678
Term Finance Certificates	5.3	12,490,000	46,557,722
Sukuk certificates	5.4	2,507,443	38,526,750
Islamic Commercial Papers	5.5	-	49,816,335
		<u>367,222,090</u>	<u>629,888,755</u>
5.1 Market Treasury Bills - at fair value through profit or loss			

Particulars	Face value			Balance as at June 30, 2023				Market value as a percentage of	
	As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	net assets	total investment
	----- (Rupees) -----							----- % -----	
Market Treasury Bills									
Treasury Bills - 3 Months	-	550,000,000	523,000,000	27,000,000	25,914,448	25,911,549	(2,899)	5.87%	7.06%
Treasury Bills - 6 Months	171,000,000	60,000,000	231,000,000	-	-	-	-	0.00%	0.00%
Treasury bills - 12 months	150,000,000	232,600,000	325,000,000	57,600,000	55,617,733	54,539,771	(1,077,962)	12.36%	14.85%
Total as at June 30, 2023				<u>84,600,000</u>	<u>81,532,181</u>	<u>80,451,320</u>	<u>(1,080,861)</u>		
Total as at June 30, 2022				<u>321,000,000</u>	<u>306,143,818</u>	<u>302,211,270</u>	<u>(3,932,548)</u>		

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

Particulars	Note	Issue date	Face value				Balance as at June 30, 2023			Market value as a percentage of		
			As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	net assets	total investment	
			(Rupees)									%
Pakistan Investment Bonds												
- 02 years	5.2.1	August 26, 2021	75,000,000	10,000,000	25,000,000	60,000,000	59,763,586	59,856,000	92,414	13.56%	16.30%	
- 02 years	5.2.2	September 8, 2022	-	120,000,000	25,000,000	95,000,000	94,221,232	93,955,000	(266,232)	21.29%	25.59%	
Pakistan Investment Bonds												
- 03 years	5.2.3	August 20, 2020	20,000,000	-	-	20,000,000	19,720,187	19,562,327	(157,860)	4.43%	5.33%	
Pakistan Investment Bonds												
- 05 years	5.2.4	June 18, 2020	100,000,000	-	-	100,000,000	99,952,233	98,400,000	(1,552,233)	22.29%	26.80%	
Total as at June 30, 2023			<u>195,000,000</u>	<u>130,000,000</u>	<u>50,000,000</u>	<u>275,000,000</u>	<u>273,657,238</u>	<u>271,773,327</u>	<u>(1,883,911)</u>			
Total as at June 30, 2022			<u>300,000,000</u>	<u>325,000,000</u>	<u>430,000,000</u>	<u>195,000,000</u>	<u>194,164,678</u>	<u>192,776,678</u>	<u>(1,388,000)</u>			

5.2.1 These carry purchase yield of 8.56% per annum. These have maturity upto August 26, 2023.

5.2.2 These carry purchase yield of 17.67% per annum. These have maturity upto September 08, 2024.

5.2.3 These carry purchase yield of 11.05% per annum. These have maturity upto August 20, 2023.

5.2.4 These carry purchase yield of 8.18% per annum. These have maturity upto June 18, 2025.

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

Name of the investee company	Profit payments / principal redemptions	Profit rate	Issue date	Maturity date	As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Investment as a percentage of issue size
									Carrying value	Market value	Unrealised diminution	net assets	total investment	
									(Number of certificates)					
The Bank of Punjab (AA, PACRA) (Face value: Rs. 99,760)	Semi-annually	6M Kibor +1%	December 23, 2016	December 23, 2026	340	-	340	-	-	-	-	0.00%	0.00%	0.00%
Samba Bank Limited (AA-, PACRA) (Face value: Rs. 99,920)	Semi-annually	6M Kibor +1.35%	March 1, 2021	March 1, 2031	125	-	-	125	12,491,821	12,490,000	(1,821)	2.83%	3.40%	0.25%
Total as at June 30, 2023									<u>12,491,821</u>	<u>12,490,000</u>	<u>(1,821)</u>			
Total as at June 30, 2022									<u>46,712,088</u>	<u>46,557,722</u>	<u>(154,366)</u>			

5.4 Sukuk certificates - at fair value through profit or loss

Name of the investee company	Profit payments / principal redemptions	Profit rate	Issue date	Maturity date	As at July 01, 2022	Purchased during the year	Matured / sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Investment as a percentage of issue size
									Carrying value	Market value	Unrealised diminution	net assets	total investment	
									(Number of certificates)					
Power generation & distribution														
The Hub Power Company Limited (AA+, PACRA) (Face value: Rs. 75,000)	Quarterly	3M Kibor +1.9%	August 22, 2019	August 22, 2023	100	-	-	100	2,974,624	2,507,443	(467,181)	0.57%	0.68%	0.14%
K-Electric Limited (AA+, VIS) (Face value: Rs. 5,000)	Quarterly	3M Kibor +1.7%	August 03, 2020	August 03, 2027	6,000	-	6,000	-	-	-	-	0.00%	0.00%	0.00%
Total as at June 30, 2023									<u>2,974,624</u>	<u>2,507,443</u>	<u>(467,181)</u>			
Total as at June 30, 2022									<u>38,169,938</u>	<u>38,526,750</u>	<u>356,812</u>			

5.5 Islamic Commercial Papers - at fair value through profit or loss

Name of the investee company	Profit rate	Maturity date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
			As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying Value	Market Value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments of the Fund
						(Rupees)			(%)		
Lucky Electric Power Company Limited - ICP-2 (A1, PACRA)	13.04%	July 11, 2022	50,000,000	-	50,000,000	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited - ICP-IV (A1, PACRA)	17.34%	May 2, 2023	-	45,000,000	45,000,000	-	-	-	-		
Total as at June 30, 2023						<u>-</u>					
Total as at June 30, 2022						<u>49,816,335</u>			<u>49,816,335</u>		

5.5.1 The nominal value of these Islamic commercial papers is Rs 1,000,000 each.

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

	Note	2023	2022
		----- (Rupees) -----	
Market value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	367,222,090	629,888,755
Less: Carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	(370,655,864)	(635,006,857)
		<u>(3,433,774)</u>	<u>(5,118,102)</u>

6. ADVANCES AND PROFIT RECEIVABLE

Advances and deposits:			
- Advance against MTS - National Clearing Company of Pakistan Limited		2,750,000	2,750,000
- Advance against TFC exposure - National Clearing Company of Pakistan Limited		573,419	573,419
- Deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Profit receivable on:			
- Bank balances		1,045,221	884,859
- Pakistan Investment Bonds		3,317,286	2,267,066
- Sukuk certificates		63,009	821,732
- Term Finance Certificates		841,745	669,434
Advance tax	6.1	215,021	215,021
		<u>8,905,701</u>	<u>8,281,531</u>

6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2021, withholding tax on profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on bank deposits amounts to Rs. 0.215 million (2022: Rs. 0.215 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7. PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2023	2022
		----- (Rupees) -----	
Management remuneration payable	7.1	93,976	767,586
Sindh sales tax payable on management remuneration	7.2	2,581,237	2,665,458
Payable against allocated expenses	7.4	211,879	196,678
Payable against selling and marketing expenses	7.5	-	2,334,023
Federal exercise duty payable on management remuneration	7.3	18,099,663	18,099,657
Sales load payable		629,344	629,344
Preliminary expenses and floatation costs payable		5,000	5,000
Other payable		50,000	50,000
		<u>21,671,099</u>	<u>24,747,746</u>

7.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 10% of the gross earnings of the Fund, subject to a minimum remuneration of 0.25% and maximum remuneration of 1.5% of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

7.2 During the year, an amount of Rs. 0.453 million (2022: Rs. 1.129 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

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

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

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

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

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2023 would have been higher by Rs. 4.39 per unit (June 30, 2022: Rs. 2.87 per unit).

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

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

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

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

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

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		----- (Rupees) -----	
Trustee remuneration payable	8.1	21,278	39,413
Sindh Sales Tax payable on trustee remuneration	8.2	2,766	5,124
		<u>24,044</u>	<u>44,537</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate of 0.055% per annum (2022: at the rate of 0.065% per annum from July 1, 2021 till October 13, 2021 and 0.055% from October 14, 2021 till June 30, 2022 of net assets of the Fund).

8.2 During the year, an amount of Rs. 0.038 million (2022: Rs. 0.069 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

9 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Annual fee payable	9.1	<u>105,235</u>	<u>182,663</u>

9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

10 ACCRUED AND OTHER LIABILITIES	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Withholding tax payable	7,311,825	328,758
Capital gain tax payable	845	136,057
Auditors' remuneration payable	671,050	541,303
Brokerage and settlement charges payable	61,139	64,283
NCCPL charges payable	924,008	553,524
Sales load payable	7,825,558	7,825,201
Printing charges payable	106,494	77,313
	<u>16,900,919</u>	<u>9,526,439</u>

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

12 PROFIT / MARK UP INCOME	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Profit / mark up income on:		
- Market Treasury Bills	23,916,882	35,570,484
- Pakistan Investment Bonds	43,306,324	31,283,314
- Term Finance Certificates	10,059,276	13,361,540
- Commercial Paper	2,399,677	2,837,835
- Bank balances	5,507,546	8,201,208
	<u>85,189,705</u>	<u>91,254,381</u>

13. AUDITORS' REMUNERATION

Annual audit fee	145,201	132,000
Review and other certifications	286,154	286,154
Out of pocket expenses	43,135	29,865
Sindh Sales Tax	37,959	35,841
	<u>512,449</u>	<u>483,860</u>

14. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.38% which included 0.11% representing Government levies on the Fund such as provision for sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 1.30% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "income scheme".

15. TAXATION

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

The Fund is also exempt from the provisions of the Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Since the Management Company intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these financial statements.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

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

16.1 Unit holders' fund

Note	2023										
	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2023	
	Units					(Rupees)					
Associated companies / undertakings											
CDC - Trustee Alfalah GHP Conservative Plan	16.1.1	286,747	-	44,957	18,733	312,971	30,614,533	-	4,799,812	2,000,000	33,528,003
CDC - Trustee Alfalah GHP Moderate Plan	16.1.1	449,416	-	13,443	363,673	99,186	47,981,785	-	1,435,230	40,000,000	10,625,587
CDC - Trustee Alfalah GHP Active Allocation Plan	16.1.1	143,940	-	5,515	108,762	40,693	15,367,733	-	588,844	12,000,000	4,359,346
Alfalah Asset Management Limited	16.1.1	341	4,273,017	5,023	4,239,089	39,292	36,366	479,533,876	5,023	479,968,148	4,209,245
Key management personnel											
Chief Operating Officer	16.1.1	-	8	1	-	9	-	1,020	133	-	927
Head of Corporate Sales	16.1.1	4	0	1	-	5	422	7	62	-	492
Unit holder holding 10% or more units	16.1.1	1,795,863	-	229,127	76,526	1,948,464	191,734,915	-	24,462,693	9,000,000	208,735,631
Note	2022										
	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	
	Units					(Rupees)					
Associated companies / undertakings											
CDC - Trustee Alfalah GHP Conservative Plan	16.1.1	231,797	53,099	21,987	20,135	286,747	24,743,518	6,000,000	2,347,051	2,150,000	30,614,533
CDC - Trustee Alfalah GHP Moderate Plan	16.1.1	301,009	141,596	33,377	26,566	449,416	32,131,657	16,000,000	3,562,898	3,000,000	47,981,820
CDC - Trustee Alfalah GHP Active Allocation Plan	16.1.1	-	132,747	11,194	-	143,940	-	15,000,000	1,194,871	-	15,367,733
Alfalah GHP Investment Management Limited	16.1.1	-	316	25	-	341	-	34,537	2,672	-	36,410
Key management personnel											
Head of Corporate Sales	16.1.1	2,023	4	-	2,023	4	215,948	451	36	222,987	422
Unit holder holding 10% or more units	16.1.1	-	1,289,214	101,871	-	1,391,085	-	140,810,933	10,874,386	-	148,518,939

16.1.1 This reflects the position of related party / connected persons status as at June 30, 2023.

16.2 Other transactions

Associated companies / undertakings	2023	2022
	(Rupees)	
Alfalah Asset Management Limited - Management Company		
Remuneration of the Management Company	3,489,016	8,687,918
Sindh Sales Tax on remuneration of the Management Company	453,572	1,129,426
Allocated expenses	743,575	913,433
Selling and marketing expenses	-	5,858,210
Sales load	-	6,968

	2023	2022
	----- (Rupees) -----	
Bank Alfalah Limited		
Profit on bank balances	3,798,540	6,609,397
Sales load	-	93,004
Alfalah GHP Money Market Fund		
Market Treasury Bills - purchased	34,919,640	1,102,728,040
Market Treasury Bills - sold	181,891,200	888,577,086
Alfalah GHP Income Multiplier Fund		
Market Treasury Bills - sold	-	4,833,155
Alfalah GHP Cash Fund		
Market Treasury Bills - purchased	134,492,887	692,013,470
Market Treasury Bills - sold	97,636,555	758,161,750
Alfalah GHP Income Fund		
Market Treasury Bills - purchased	-	122,185,736
Market Treasury Bills - sold	24,762,050	255,207,040
Alfalah GHP Islamic income Fund		
GOP Ijarah - Sukuk - sold	-	51,185,000
Alfalah GHP Pension Fund - Money Market Sub Fund		
Market Treasury Bills - purchased	4,774,935	-
Alfalah Stable Return Fund - Plan I		
Market Treasury Bills - purchased	5,024,732	-
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	289,500	531,225
Sindh Sales Tax on remuneration of the Trustee	37,635	69,057
16.3 Other balances		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	93,976	767,586
Sindh sales tax payable on management remuneration	2,581,237	2,665,458
Federal exercise duty payable on management remuneration	18,099,663	18,099,657
Sales load payable	629,344	629,344
Preliminary expenses and floatation costs payable	5,000	5,000
Payable against allocated expenses	211,879	196,678
Payable against selling and marketing expenses	-	2,334,023
Other payable	50,000	50,000
Bank Alfalah Limited		
Bank balances	21,112,004	55,449,633
Sales load	7,825,558	7,825,201
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	21,278	39,413
Sindh Sales Tax payable on Trustee remuneration	2,766	5,124
Security deposit	100,000	100,000

18. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	23,856,981	-	23,856,981
Investments	-	367,222,090	367,222,090
Advances and profit receivable	8,690,680	-	8,690,680
Receivable against sale of investments	80,125,531	-	80,125,531
	<u>112,673,192</u>	<u>367,222,090</u>	<u>479,895,282</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	21,671,099	-	21,671,099
Payable to Central Depository Company of Pakistan Limited - Trustee	24,044	-	24,044
Accrued and other liabilities	9,588,249	-	9,588,249
	<u>31,283,392</u>	<u>-</u>	<u>31,283,392</u>

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	58,044,132	-	58,044,132
Investments	-	629,888,755	629,888,755
Advances and profit receivable	8,066,510	-	8,066,510
Receivable against sale of investments	11,536,208	-	11,536,208
	<u>77,646,850</u>	<u>629,888,755</u>	<u>707,535,605</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	24,747,746	-	24,747,746
Payable to Central Depository Company of Pakistan Limited - Trustee	44,537	-	44,537
Accrued and other liabilities	9,061,624	-	9,061,624
	<u>33,853,907</u>	<u>-</u>	<u>33,853,907</u>

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2023, is as follows:

	2023	2022
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	23,856,981	58,044,132
Term Finance Certificates	12,490,000	46,557,722
Sukuk certificates	2,507,443	38,526,750
Pakistan Investment Bonds	252,211,000	18,354,178
	<u>291,065,424</u>	<u>161,482,782</u>
Fixed rate instruments (financial assets)		
Market Treasury Bills	80,451,320	302,211,270
Pakistan Investment Bonds	19,562,327	174,422,500
Islamic commercial paper	-	49,816,335
	<u>100,013,647</u>	<u>526,450,105</u>

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based sukuk certificates, bank balances, and PKFRV based Pakistan Investment Bonds which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 2.91 million (June 30, 2022: Rs 1.61 million) The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund holds Market Treasury Bills and Pakistan Investment Bonds which are classified as financial assets 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in interest rates announced by Financial Markets Association of Pakistan for Pakistan Investment Bonds and with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 1 million (June 30, 2022: Rs. 5.26 million). The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

Yield / effective interest rate	2023				Total
	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	
	Upto three months	More than three months and upto one year	More than one year		

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

On-balance sheet financial instruments

Financial assets

Bank balances	16.50% - 22.25%	23,856,981	-	-	-	23,856,981
Investments:						
- Term Finance Certificates	12.38% - 21.45%	-	-	12,490,000	-	12,490,000
- Sukuk certificates	16.35% - 23.98%	2,507,443	-	-	-	2,507,443
- Pakistan Investment Bonds	13.88% - 22.71%	79,418,327	-	192,355,000	-	271,773,327
- Market Treasury Bills	3.94% - 22.53%	73,095,949	7,355,371	-	-	80,451,320
Advances and profit receivable		-	-	-	8,690,680	8,690,680
Receivable against sale of investments		-	-	-	80,125,531	80,125,531
		<u>178,878,700</u>	<u>7,355,371</u>	<u>204,845,000</u>	<u>88,816,211</u>	<u>479,895,282</u>

2023					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees)

Financial liabilities

Payable to Alfalah Asset Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Accrued and other liabilities

-	-	-	-	21,671,099	21,671,099
-	-	-	-	24,044	24,044
-	-	-	-	9,588,249	9,588,249
-	-	-	-	31,283,392	31,283,392

On-balance sheet gap

178,878,700	7,355,371	204,845,000	57,532,819	448,611,890
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Off-balance sheet financial instruments

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

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

178,878,700	7,355,371	204,845,000	57,532,819	448,611,890
-------------	-----------	-------------	------------	-------------

2022					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances 3.10% - 16.60%
Investments:
- Term Finance Certificates 11.03% - 15.44%
- Sukuk certificates 14.65% - 14.66%
- Pakistan Investment Bonds 8.56% - 11.05%
- Market Treasury Bills 10.88% - 14.68%
- Islamic Commercial Papers 13.04%
Advances and profit receivable
Receivable against sale of investments

58,044,132	-	-	-	-	58,044,132
-	-	46,557,722	-	-	46,557,722
-	-	38,526,750	-	-	38,526,750
-	-	192,776,678	-	-	192,776,678
165,428,820	136,782,450	-	-	-	302,211,270
49,816,335	-	-	-	-	49,816,335
-	-	-	-	8,281,531	8,281,531
-	-	-	-	11,536,208	11,536,208
273,289,287	136,782,450	277,861,150	19,817,739	707,750,626	

Financial liabilities

Payable to Alfalah Asset Management Limited - the Management Company
Payable to Central Depository Company of Pakistan Limited - the Trustee
Accrued and other liabilities

-	-	-	-	24,747,746	24,747,746
-	-	-	-	44,537	44,537
-	-	-	-	9,061,624	9,061,624
-	-	-	-	33,853,907	33,853,907

On-balance sheet gap

273,289,287	136,782,450	277,861,150	(14,036,168)	673,896,719
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Off-balance sheet financial instruments

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

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

273,289,287	136,782,450	277,861,150	(14,036,168)	673,896,719
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19.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2023.

19.2 Credit risk

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

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

19.2.1 Exposure to credit risk

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees)			
Bank balances	23,856,981	23,856,981	58,044,132	58,044,132
Investments	367,222,090	14,997,443	629,888,755	134,900,807
Advances and profit receivable	8,905,701	5,373,394	8,281,531	5,799,444
Receivable against sale of Investments	80,125,531	80,125,531	11,536,208	11,536,208
	<u>480,110,303</u>	<u>124,353,349</u>	<u>707,750,626</u>	<u>210,280,591</u>

The difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. 352.225 million (June 30, 2022: Rs. 494.988 million) are not exposed to credit risk.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired either at June 30, 2023 and June 30, 2022.

19.2.2 Credit quality of financial assets

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

Bank balances

The Fund held bank balances at June 30, 2023 with banks having following credit ratings:

Name of bank	Rating Agency	Rating (Short Term / Long Term)	2023	2022
			(%)	
Bank Alfalah Limited	PACRA	A1+ / AA+	88.49%	95.53%
MCB Bank Limited	PACRA	A1+ / AAA	0.07%	2.55%
Faysal bank Limited	PACRA	A1+ / AA	0.10%	1.12%
Bank Al Habib Limited	PACRA	A1+ / AAA	7.13%	0.00%
Allied Bank Limited	PACRA	A1+ / AAA	2.97%	0.14%
Zarai Taraqati Bank Limited	VIS	A-1+ / AAA	0.04%	0.02%
Habib Bank Limited	VIS	A-1+ / AAA	0.07%	0.03%
National Bank of Pakistan	PACRA	A-1+ / AAA	0.81%	0.33%
Samba Bank Limited	VIS	A-1 / AA	0.05%	0.02%
Soneri Bank Limited	PACRA	A1+ / AA-	0.00%	0.00%
JS Bank Limited	PACRA	A1+ / AA-	0.22%	0.09%
Bank of Punjab Limited	PACRA	A-1+ / AA+	0.04%	0.17%
			<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2023.

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

19.2.3 Concentration of credit risk

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

19.3 Liquidity risk

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

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

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

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

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

	2023						Total
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	
	(Rupees)						
Financial assets							
Bank balances	23,856,981	-	-	-	-	-	23,856,981
Investments	-	155,021,719	7,355,371	192,355,000	12,490,000	-	367,222,090
Advances and profit receivable	1,045,221	63,009	4,159,031	-	-	3,423,419	8,690,680
Receivable against sale of investments	80,125,531	-	-	-	-	-	80,125,531
	105,027,733	155,084,728	11,514,402	192,355,000	12,490,000	3,423,419	479,895,282
Financial liabilities							
Payable to Alfalah Asset Management Limited - the Management Company	21,671,099	-	-	-	-	-	21,671,099
Payable to Central Depository Company of Pakistan Limited - the Trustee	24,044	-	-	-	-	-	24,044
Accrued and other liabilities	9,588,249	-	-	-	-	-	9,588,249
	31,283,392	-	-	-	-	-	31,283,392
Net financial assets	73,744,341	155,084,728	11,514,402	192,355,000	12,490,000	3,423,419	448,611,890

2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	58,044,132	-	-	-	-	58,044,132
Investments	49,816,335	165,428,820	136,782,450	234,728,329	43,132,821	629,888,755
Advances and profit receivable	3,151,925	821,732	669,434	-	-	4,643,091
Receivable against sale of investments	11,536,208	-	-	-	-	11,536,208
	122,548,600	166,250,552	137,451,884	234,728,329	43,132,821	704,112,186
Financial liabilities						
Payable to Alfalah Asset Management Limited - the Management Company	24,747,746	-	-	-	-	24,747,746
Payable to Central Depository Company of Pakistan Limited - the Trustee	44,537	-	-	-	-	44,537
Accrued and other liabilities	9,061,624	-	-	-	-	9,061,624
	33,853,907	-	-	-	-	33,853,907
Net financial assets	88,694,693	166,250,552	137,451,884	234,728,329	43,132,821	670,258,279

20. FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2022, the Fund held the following financial instruments measured at fair values:

2023				
Financial assets 'at fair value through profit or loss'	Level 1	Level 2	Level 3	Total
(Rupees)				
Investments				
Term Finance Certificates	-	12,490,000	-	12,490,000
Pakistan Investment Bonds	-	271,773,327	-	271,773,327
Sukuk certificates	-	2,507,443	-	2,507,443
Market Treasury Bills	-	80,451,320	-	80,451,320
	-	367,222,090	-	367,222,090

2022			
Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'			
Investments			
Term Finance Certificates	-	46,557,722	-
Pakistan Investment Bonds	-	192,776,678	-
Sukuk certificates	-	38,526,750	-
Market Treasury Bills	-	302,211,270	-
Islamic Commercial Papers	-	49,816,335	-
	-	<u>629,888,755</u>	-
			<u>629,888,755</u>

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21. UNIT HOLDER'S FUND RISK MANAGEMENT

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

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

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

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

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

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

22. SUPPLEMENTARY NON - FINANCIAL INFORMATION

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

23. GENERAL

23.1 Rounding off

Figures have been rounded off to the nearest rupee.

24. CORRESPONDING FIGURES

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

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	2319	3,343,053	358,135,458	81%
Retirement & Other Funds	83	606,205	64,941,692	15%
Banks/DFIs	4	148	15,852	0%
Others	52	170,973	18,316,004	4%
	2458	4,120,378	441,409,006	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	544	2,878,964	307,372,161	46%
Retirement & Other Funds	37	2,286,983	244,169,410	36%
Others	11	1,139,960	121,707,672	18%
	592	6,305,908	673,249,243	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023
	%
JS Global	1.04%
Invest One Mkt	15.99%
Next Capital Limited	39.51%
C&M Management (Pvt) Limited	15.99%
Continental Exchange (Pvt.) Limited	22.82%
Summit Capital (Private) Limited	1.04%
Vector Capital (Pvt.) Limited	2.08%
Alfalsh CLSA Securities (Private) Limited	1.53%
	30 June 2022
	%
IGI Finex Securities	0.67%
Icon Securities	3.79%
Invest One Mkt	23.01%
Magenta Capital	1.11%
Arif Habib Ltd	3.14%
Pearl Securities Limited	0.96%
Next Capital Limited	49.85%
C&M Management (Pvt) Limited	8.38%
Bright Capital	9.08%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khorro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khorro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

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

PERFORMANCE TABLE - AGSOF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
	(Rupees in '000)				
Net Assets	530,350	673,249	1,431,753	1,429	943,649
NAV per unit	107.1283	106.7648	106.7465	106.6712	106.3270
Selling price per unit	108.3388	107.9712	107.9527	107.8766	107.5285
Redemption price per unit	107.1283	106.7648	106.7465	106.6712	106.3270
Highest selling price per unit	124.8992	117.5464	114.6199	124.5069	112.7015
Highest redemption price per unit	123.5036	116.2330	113.3392	123.1157	111.4422
Lowest selling price per unit	108.0098	107.9712	107.6914	107.5285	106.6400
Lowest redemption price per unit	106.8029	106.7648	106.6898	106.3270	105.8583
1st interim distribution per unit	Nil	Nil	Nil	Nil	5.12
Interim distribution date	N/A	N/A	N/A	N/A	43,553.00
Final distribution per unit	16.7388	9.4865	6.6680	16.7887	2.3296
Final distribution date	26-Jun-22	24-Jun-22	25-Jun-21	30-Jun-20	30-Jun-19
Annualized returns	16.07%	9.09%	6.33%	16.16%	7.68%
Income distribution	15.68%	8.89%	6.25%	15.79%	6.71%
Weighted avg. portfolio duration	0.98 Yrs	1.44 Yrs	2.47 Yrs	2.05 Yrs	1.24 Yrs

Return since inception is 9.83%

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



**Alfalah
Ghp Income Fund**

FUND INFORMATION

Management Company:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Income Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

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

Accomplishment of Objective

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

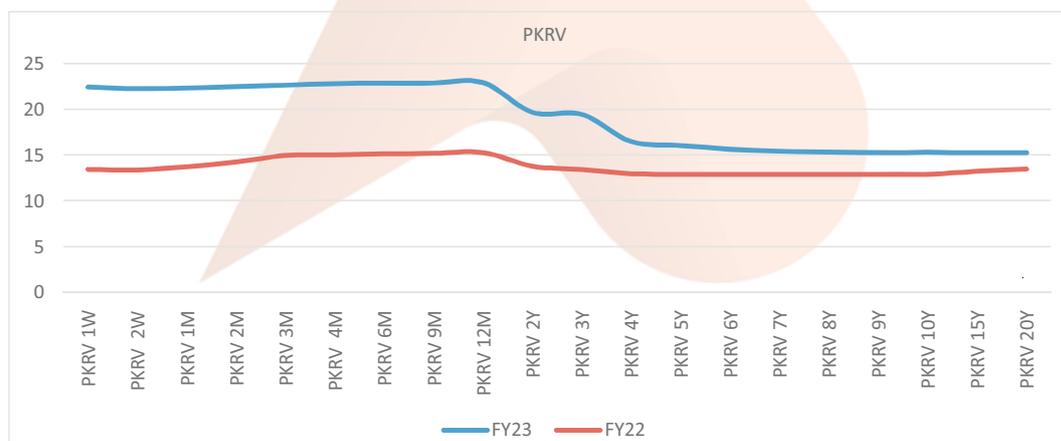
Money Market Review

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.



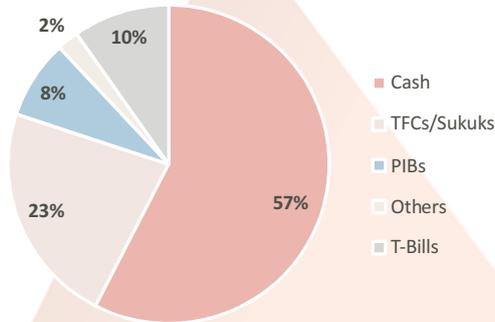
Fund Performance

During the year under review, AGIF earned a return of 17.13% while the fund's benchmark stood at 18.33%.

Performance comparison with Benchmark



Asset Allocation (as at 30 June 2023)



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	17.73%	A+	27.66%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	0.79%	A-	0.00%
AA+	41.89%	BBB+	0.00%
AA	0.02%	Below IG	0.00%
AA-	9.73%	MTS/NR/UR	2.17%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.

For the purpose of information, we would like to draw the attention of the unit holders towards the clause 2.2 of the Offering Document of the Fund which requires that the maximum exposure in debt securities shall not exceed 50% of net assets of the Fund. In this regard, the Fund was non-compliant with the said requirement from January 19, 2023 to February 21, 2023 due to reduction in the Net Assets of the Fund with total exposure of 51.95% to 66.82% of the net assets. The said non-compliance has also been reported to the Commission.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2023





EY Ford Rhodes
Chartered Accountants
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P.O. Box 15541, Karachi 75530
Pakistan

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfalah GHP Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Income Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
<p>The bank balances and investments (comprised of debt securities) represent 97.83% of the Total Assets of the Fund at the year end.</p> <p>In view of the significance of existence and valuation of bank balances and investments in relation to determination of the Net Asset Value of the Fund, we have considered these to be a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over receipts and payments, and bank reconciliations as well as acquisition, disposals, and periodic valuation of investments portfolio. - We obtained independent confirmations for verifying the existence of the bank balances

Key audit matter	How our audit addressed the key audit matter
<p>Refer to Notes 4 and 5 of the financial statements of the Fund for the year ended 30 June 2023 in relation to the above referred bank balances and investments.</p>	<p>and investments as on 30 June 2023. Where such confirmations were not available, we reviewed bank statements and custodian statements.</p> <ul style="list-style-type: none"> - We re-performed valuations on investments in accordance with the accounting policy of the Fund. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9. - We obtained bank reconciliations and tested reconciling items on a sample basis. - We assessed the Fund's compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits. - We also evaluated the adequacy of the disclosures in the financial statements regarding the bank balances and investments in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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





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

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtal.

Chartered Accountants
Date: 28 September 2023
Karachi
UDIN Number: AR202310120V0U6AWoxg

ALFALAH GHP INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
Assets			
Bank balances	4	265,781,431	927,631,875
Investments	5	186,490,555	509,732,773
Advance, deposits and prepayment	6	3,891,942	3,357,947
Mark-up / profit receivable		8,028,948	4,947,737
Total assets		<u>464,192,876</u>	<u>1,445,670,332</u>
Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	7	11,622,028	12,903,368
Payable to Central Depository Company of Pakistan Limited - Trustee	8	88,842	70,750
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	97,331	338,837
Advance against issuance of units		1,980,000	-
Dividend payable		22,507	-
Accrued expenses and other liabilities	10	6,392,705	9,061,493
Total liabilities		<u>20,203,413</u>	<u>22,374,448</u>
Net assets attributable to the unit holders		<u>443,989,463</u>	<u>1,423,295,884</u>
Unit holders' fund (as per the statement attached)		<u>443,989,463</u>	<u>1,423,295,884</u>
Contingencies and commitments			
	11	----- (Number of units) -----	
Number of units in issue		<u>3,907,972</u>	<u>12,575,341</u>
		----- (Rupees) -----	
Net asset value per unit		<u>113.6112</u>	<u>113.1815</u>

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
Income			
Profit / mark up income	12	84,710,299	141,277,350
Dividend income		-	11,841,250
Income from spread transactions - net		-	7,803,474
Loss on sale of investments - net		(828,586)	(8,693,692)
Unrealised loss on revaluation on measurement of investments classified 'as fair value through profit or loss' - net	5	(1,553,987)	(5,504,041)
Total income		82,327,726	146,724,341
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	7.1	3,975,981	15,194,869
Sindh sales tax on remuneration of the Management Company	7.2	516,878	1,975,333
Allocated expenses	7.4	40,704	1,694,243
Selling and marketing expenses	7.5	-	869,624
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	365,000	1,270,769
Sindh sales tax on remuneration of the Trustee	8.2	47,449	165,200
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	97,331	338,862
Brokerage expense		39,949	2,769,126
Settlement and bank charges		20,903	52,867
Auditors' remuneration	13	442,408	324,054
Legal and professional charges		483,075	-
Annual listing fee		27,500	27,500
Annual rating fee		415,145	379,234
Clearing charges		539,236	902,117
Printing charges		29,930	30,082
Total expenses		7,041,489	25,993,880
Operating income for the year		75,286,237	120,730,461
Reversal for Sindh Workers' Welfare Fund		-	5,456,777
Net income for the year before taxation		75,286,237	126,187,238
Taxation	14	-	-
Net income for the year after taxation		75,286,237	126,187,238
Allocation of net income for the year after taxation			
Net income for the year after taxation		75,286,237	126,187,238
Income already paid on units redeemed		(28,242,978)	(93,161,951)
		47,043,259	33,025,287
Accounting income available for distribution			
-Relating to capital gains		-	-
-Excluding capital gains		47,043,259	33,025,287
		47,043,259	33,025,287

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

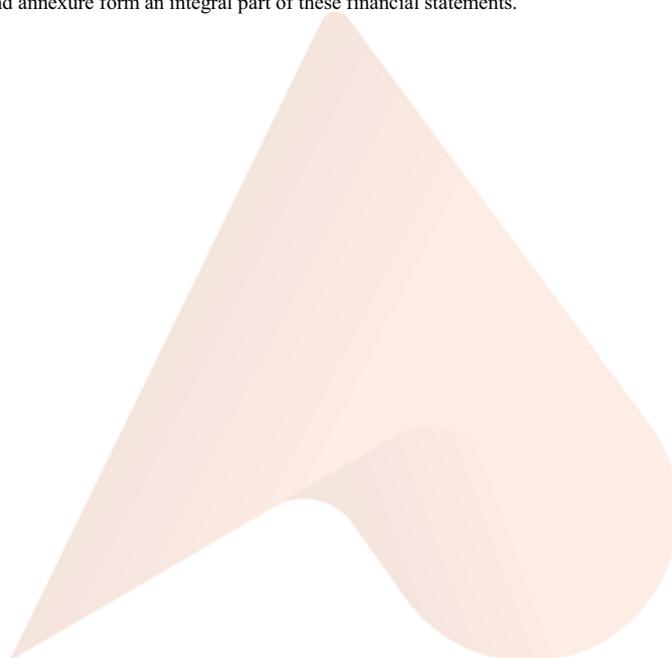
Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income for the year after taxation	75,286,237	126,187,238
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>75,286,237</u>	<u>126,187,238</u>

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	Rupees			Rupees		
Net assets at the beginning of the year	1,344,532,368	78,763,516	1,423,295,884	1,715,092,128	81,263,568	1,796,355,696
Issuance of 12,530,077 units (2022: 39,649,510 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,353,873,028	-	1,353,873,028	4,491,631,301	-	4,491,631,301
- Element of income	85,057,395	-	85,057,395	66,216,265	-	66,216,265
Total proceeds on issuance of units	1,438,930,423	-	1,438,930,423	4,557,847,566	-	4,557,847,566
Redemption of 21,197,446 units (2022: 42,931,355 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,334,858,853	-	2,334,858,853	4,863,409,861	-	4,863,409,861
- Element of income	66,121,385	28,242,978	94,364,363	57,850,087	93,161,951	151,012,038
Total payments on redemption of units	(2,400,980,238)	(28,242,978)	(2,429,223,216)	(4,921,259,948)	(93,161,951)	(5,014,421,899)
Total comprehensive income for the year	-	75,286,237	75,286,237	-	126,187,238	126,187,238
Interim cash distribution for the year ended June 30, 2022 @ Rs. 9.1418 per unit on June 24, 2022	-	-	-	(7,147,378)	(35,525,339)	(42,672,717)
Interim cash distribution for the year ended June 30, 2023 @ Rs.18.8904 per unit on June 23, 2023	(18,921,896)	(45,377,969)	(64,299,865)	-	-	-
Net assets at the end of the year	363,560,657	80,428,806	443,989,463	1,344,532,368	78,763,516	1,423,295,884
	(Rupees)			(Rupees)		
Undistributed income brought forward comprising of:						
- Realised income		84,267,557			73,395,812	
- Unrealised (loss) / income		(5,504,041)			7,867,756	
		78,763,516			81,263,568	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		47,043,259			33,025,287	
		47,043,259			33,025,287	
Distribution during the year		(45,377,969)			(35,525,339)	
Undistributed income carried forward		80,428,806			78,763,516	
Undistributed income carried forward comprising of:						
- Realised income		81,982,793			84,267,557	
- Unrealised loss		(1,553,987)			(5,504,041)	
		80,428,806			78,763,516	
Net asset value per unit at the beginning of the year		113.1815			113.2834	
Net asset value per unit at the end of the year		113.6112			113.1815	

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		75,286,237	126,187,238
Adjustments for:			
Reversal for Sindh Workers' Welfare Fund		-	(5,456,777)
Unrealised loss on revaluation of investments classified 'as fair value through profit or loss' - net	5	1,553,987	5,504,041
		<u>76,840,224</u>	<u>126,234,502</u>
Decrease / (increase) in assets			
Investments - net		321,688,231	460,800,976
Advances, deposits and prepayments		(533,995)	136,864,905
Mark-up / profit receivable		(3,081,211)	1,119,250
		<u>318,073,025</u>	<u>598,785,131</u>
Increase / (decrease) in liabilities			
Payable to Alfalah Asset Management Limited - Management Company		(1,281,340)	(773,654)
Payable to Central Depository Company of Pakistan Limited - Trustee		18,092	(83,753)
Annual fee payable to the Securities and Exchange Commission of Pakistan		(241,506)	71,829
Advance against issuance of units		1,980,000	-
Dividend payable		22,507	-
Accrued expenses and other liabilities		(2,668,788)	629,983
		<u>(2,171,035)</u>	<u>(155,595)</u>
Net cash flow generated from operating activities		<u>392,742,214</u>	<u>724,864,038</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(45,377,969)	(35,525,339)
Amounts received against issuance of units (net of refund of capital)		1,420,008,527	4,550,700,188
Payments made against redemption of units		(2,429,223,216)	(5,014,421,899)
Net cash used in financing activities		<u>(1,054,592,658)</u>	<u>(499,247,050)</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(661,850,444)</u>	<u>225,616,988</u>
Cash and cash equivalents at the beginning of the year		927,631,875	702,014,887
Cash and cash equivalents at the end of the year	4	<u><u>265,781,431</u></u>	<u><u>927,631,875</u></u>

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Income Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, between IGI Funds Limited (Former Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. On October 15, 2013, the management rights of the Fund were transferred from the former Management Company to Alfalah Asset Management Limited [formerly Alfalah GHP Investment Management Limited] (the Management Company) by order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013 of the Securities and Exchange Commission of Pakistan (SECP). The SECP has approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/AMCW/AD-ZI/AGIF/241/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Fund (formerly IGI Income Fund).

After promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan, the abovementioned Trust Deeds have been registered under the Sindh Trust Act on 17 September, 2021.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) through a certificate issued by the SECP on February 3, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at 2nd Floor, Islamic Chambers of Commerce, Industry and Agriculture Building, Clifton, Karachi, Pakistan.

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

1.4 According to the Trust Deed, the principal activity of the Fund is to invest in fixed-rate securities and other avenues of investment, which include corporate debt securities, Government securities, sukuk and term finance certificates, certificates of investment, certificates of musharaka, commercial papers, term deposit receipts, spread transactions, transactions under Margin Trading Systems and reverse repurchase agreements.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+ (stable outlook) on March 3, 2022) and AA-(f) to the Fund in its credit rating report dated March 22, 2023 (2022: A+(f) on April 8, 2022).

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain new and amendments to the published accounting and reporting standards issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

The following amendments with respect to the accounting and standards reporting standards would be effective from the dates mentioned below against the respective amendment or improvements:

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

There are certain new and amendments to the published accounting and reporting standards issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

The following amendments with respect to the accounting and standards reporting standards would be effective from the dates mentioned below against the respective amendment or improvements:

Amendments or Improvements		Effective dates (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	1-Jan-2023
IAS 8	Definition of Accounting Estimates (Amendments)	1-Jan-2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	1-Jan-2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	1-Jan-2023
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments)	1-Jan-2024
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	1-Jan-2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	1-Jan-2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard or interpretation		IASB Effective dates (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	1-Jan-2004
IFRS 17	Insurance Contracts	1-Jan-2003

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund
- iii. Provision against Federal Excise Duty (note 7.3)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured at 'fair value through profit or loss' category which are stated at fair value. The Company has prepared these financial statements on the basis that it will continue to operate as a going concern.

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

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

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

3.2.1.2 Equity instruments

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

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

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

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

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

3.2.1.3 Impairment

Impairment - other than debt securities

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

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

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

Impairment loss on debt securities

SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue following the requirements of Circular No. 33 of 2012 dated October 24, 2012 for non-performing debt securities.

3.2.1.4 Regular way contracts

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

3.2.1.5 Initial recognition and measurement

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

3.2.1.6 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, Super Tax on High Earning Persons introduced in the Finance Act, 2022 is also not applicable on the Funds (Section 4C of the Income Tax Ordinance, 2001).

Deferred

The Fund does not recognize deferred tax liabilities and assets as its income is exempt from tax as explained above.

3.7 Distributions to unit holders

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

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

3.8 Issue and redemption of units

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Dividend income is recognised when the Fund's right to receive the same is established.
- Markup income on bank balances, letter of placement and other income is recognised on an accrual basis.
- Income on government securities (including Market Treasury Bills and Pakistan Investment Bonds) is recognised on an accrual basis using the effective yield rate method.
- Income on debt securities (including term finance certificates and sukuk) is recognised on an accrual basis using the effective yield method.
- Profit on margin trading system is recognised on an accrual basis.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Margin Trading System

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

3.15 Foreign currency translation

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

4 BANK BALANCES	Note	2023	2022
		----- (Rupees) -----	
Savings accounts	4.1	265,772,132	927,631,875
Current accounts		9,299	-
		<u>265,781,431</u>	<u>927,631,875</u>

4.1 These carry profit rates ranging between 8.50% to 21.50% (2022: 5.5% to 16.60%) per annum and include bank balance of Rs. 150.34 million (2022: Rs. 915.44 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 20.50% (2022: 16.60%) per annum.

5 INVESTMENTS	Note	2023	2022
		----- (Rupees) -----	
At fair value through profit or loss			
Sukuk certificates	5.1	59,449,883	92,325,375
Term finance certificates	5.2	44,964,000	161,668,550
Government securities	5.3	82,076,672	255,738,848
		<u>186,490,555</u>	<u>509,732,773</u>

5.1 Sukuk certificates

Name of the investee company	Profit payments / principal redemptions	Profit rate	Maturity date	As at July 01, 2022	Purchase d during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Investment as percentage of issue size
								Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investment of the Fund	
----- (Number of certificates) -----													
----- (Rupees) -----													
POWER GENERATION & DISTRIBUTION													
K - Electric Limited [(AA+, PACRA) (Face value Rs. 4,250)] [(2022: (AA+, PACRA) (Face value Rs. 5,000)]	Quarterly	3 Months KIBOR + 1.70%	August 3, 2027	11,000	-	3,300	7,700	33,541,200	33,324,883	(216,317)	7.51%	17.87%	0.13%
ENGINEERING													
Mughal Iron & Steel Industries Limited [(A+, PACRA) (Face value Rs. 687,500)] [(2022: A+, PACRA) (Face value Rs. 937,500)]	Quarterly	3 Months KIBOR + 1.30%	March 02, 2026	38	-	-	38	26,659,375	26,125,000	(534,375)	5.88%	14.01%	0.87%
Total as at June 30, 2023								<u>60,200,575</u>	<u>59,449,883</u>	<u>(750,692)</u>	<u>13.39%</u>	<u>31.88%</u>	<u>1.00%</u>
Total as at June 30, 2022								<u>91,610,500</u>	<u>92,325,375</u>	<u>714,875</u>	<u>6.49%</u>	<u>18.11%</u>	<u>1.43%</u>

5.2 Term finance certificates

Name of the investee company	Profit payments / principal redemptions	Profit rate	Maturity date	As at July 01, 2022	Purchase d during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Investment as percentage of issue size
								Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investment of the Fund	
Samba Bank Limited (AA-, PACRA) (Face value Rs. 99,920) [2022: (AA-, PACRA) (Face value Rs. 99,960)]	Semi-annually	6 Months KIBOR + 1.35%	March 01, 2031	450	-	-	450	45,142,233	44,964,000	(178,233)	10.13%	24.11%	0.90%
The Bank of Punjab Limited (AA, PACRA) (Face value Rs. 99,760) [2022: (AA, PACRA) (Face value Rs. 99,780)]	Semi-annually	6 Months KIBOR + 1%	December 23, 2026	1163	-	1,163	-	-	-	-	0.00%	0.00%	0.00%
Total as at June 30, 2023								<u>45,142,233</u>	<u>44,964,000</u>	<u>(178,233)</u>	<u>10.13%</u>	<u>24.11%</u>	<u>0.90%</u>
Total as at June 30, 2022								<u>162,376,705</u>	<u>161,668,550</u>	<u>(708,155)</u>	<u>11.36%</u>	<u>31.72%</u>	<u>5.56%</u>

5.3 Government securities

5.3.1 Market Treasury Bills

Particulars	Issue Date	Face Value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investment of the Fund
		(Rupees)							%	
Market Treasury Bills - 3 months	14-Jul-22	94,000,000	50,000,000	144,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	17-Nov-22	-	100,000,000	100,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	15-Dec-22	-	100,000,000	100,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	25-Aug-22	-	50,000,000	50,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	26-Jan-23	-	50,000,000	50,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	28-Jul-22	-	35,000,000	35,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	6-Apr-23	-	79,000,000	79,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	4-Jan-23	-	130,000,000	130,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	6-Oct-22	-	100,000,000	100,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 3 months	15-Jun-23	-	100,000,000	100,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 6 months	24-Mar-22	-	260,000,000	260,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 12 months	6-Oct-22	-	37,000,000	-	37,000,000	35,557,254	35,508,419	(48,835)	8.00%	19.04%
Market Treasury Bills - 12 months	10-Feb-22	-	100,000,000	100,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 12 months	20-Oct-22	150,000,000	-	150,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 12 months	25-Aug-22	-	9,880,000	-	9,880,000	9,631,459	9,561,983	(69,476)	2.15%	5.13%
Total as at June 30, 2023		244,000,000	1,200,880,000	1,398,000,000	46,880,000	45,188,713	45,070,402	(118,311)	10.15%	24.17%
Total as at June 30, 2022		-	12,382,000,000	12,138,000,000	244,000,000	232,495,669	228,207,580	(4,288,089)	16.03%	44.77%

5.3.2 Pakistan Investment Bonds

Particulars	Issue Date	Face Value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investment of the Fund
		(Rupees)							%	
Pakistan Investment Bond - 03 Years	20-Aug-20	30,000,000	-	-	30,000,000	29,846,768	29,339,380	(507,388)	6.61%	15.73%
Pakistan Investment Bond - 02 Years	30-Dec-21	-	7,700,000	-	7,700,000	7,666,253	7,666,890	637	1.73%	4.11%
Pakistan Investment Bond - 03 Years	4-Aug-22	-	75,000,000	75,000,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2023		30,000,000	82,700,000	75,000,000	37,700,000	37,513,021	37,006,270	(506,751)	8.34%	19.84%
Total as at June 30, 2022		-	450,000,000	420,000,000	30,000,000	28,753,940	27,531,268	(1,222,672)	1.93%	5.40%

6. ADVANCE, DEPOSITS AND PREPAYMENT

	Note	2023	2022
(Rupees)			
Advance:			
Advance tax	6.1	279,384	279,384
Deposits:			
- National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	2,750,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
- Other deposit		501,710	-
		3,351,710	2,850,000
Prepayment:			
Prepaid Margin trading system fee		260,848	228,563
		3,891,942	3,357,947

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as a receivable as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7. PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2023	2022
		----- (Rupees) -----	
Management remuneration payable	7.1	278,466	763,171
Sindh sales tax payable on management remuneration	7.2	36,201	99,220
Sindh sales tax payable on federal excise duty on management remuneration		1,353,987	1,353,987
Federal excise duty payable on management remuneration	7.3	9,778,882	9,778,882
Payable against allocated expenses	7.4	-	469,872
Selling and marketing expenses payable	7.5	-	389,731
Sales load payable		174,492	48,505
		<u>11,622,028</u>	<u>12,903,368</u>

- 7.1 As per regulation 61 of the the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 10% of the gross earnings of the Fund, calculated on a daily basis, provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Fund.
- 7.2 During the year, an amount of Rs. 0.52 million (2022: Rs. 1.98 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.58 million (2022: Rs. 2.02 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 9.78 million (2022: Rs 9.78 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2023 would have been higher by Rs. 1.05 per unit (2022: Rs. 0.78 per unit).

- 7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company has charged allocated expenses to the fund based on its discretion subject to not being higher than actual expense incurred.

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

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

	Note	2023	2022
----- (Rupees) -----			
8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration payable	8.1	26,570	45,129
Sindh sales tax payable on trustee remuneration	8.2	3,451	5,865
Central Depository System Transaction Fee		<u>58,821</u>	<u>19,756</u>
		<u>88,842</u>	<u>70,750</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration is payable to the trustee at the rate of 0.075% (2022: 0.075%) per annum of the net assets of the Fund.

8.2 During the year, an amount of Rs. 0.047 million (2022: Rs. 0.170 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.050 million (2022: Rs. 0.170 million) was paid to the Trustee which acts as a collecting agent.

	Note	2023	2022
----- (Rupees) -----			
9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	9.1	<u>97,331</u>	<u>338,837</u>

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

The SECP vide SRO no. 685 (1) / 2019 dated June 28, 2019 revised the rate of annual fee to 0.02% (2022: 0.02%) of net assets, applicable on all categories of CISs. Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% of net assets during the year.

	Note	2023	2022
----- (Rupees) -----			
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		5,431,373	6,370,542
Auditors' remuneration		298,661	188,815
Sales load payable		457,550	809,115
Brokerage and settlement charges		25,287	673,157
Others		<u>179,834</u>	<u>1,019,864</u>
		<u>6,392,705</u>	<u>9,061,493</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There are no material contingencies and commitments to be disclosed as at June 30, 2023 and June 30, 2022.

	2023	2022
----- (Rupees) -----		
12. PROFIT / MARK UP INCOME		
Profit / mark up income on:		
- Bank balances	19,625,937	34,079,319
- Term finance certificates and sukuk certificates	35,950,398	28,761,168
- Market Treasury Bills	22,288,188	61,965,069
- Pakistan Investment Bonds	5,016,468	7,798,560
- Letters of placement	-	7,487,300
- Commercial paper	1,714,077	-
- Others	<u>115,231</u>	<u>1,185,934</u>
	<u>84,710,299</u>	<u>141,277,350</u>

13. AUDITORS' REMUNERATION

Audit fee	250,000	120,000
Review and other certifications	121,000	110,000
Out of pocket expenses	<u>38,637</u>	<u>27,323</u>
	409,637	257,323
Sindh sales tax	<u>32,771</u>	<u>20,586</u>
	<u>442,408</u>	<u>277,909</u>

14. TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. The Fund is exempt from the provisions of the section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income tax Ordinance, 2001. Since the management has paid the required minimum percentage of income earned by the the Fund during the year ended 30 June 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.45% (2022: 1.53%) which includes 0.14% (2022: 0.17%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

16.1 Unit Holders' Fund

	2023									
	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023
	Units				(Rupees)					
Associated companies / undertakings										
Alfalah GHP Prosperity Planning Fund	1,102,141	-	68,231	693,336	477,036	124,741,972	-	7,722,515	80,950,000	54,196,632
Alfalah Asset Management Limited	1,774,624	9,569,650	71,962	10,901,309	514,927	200,854,606	1,145,424,771	8,144,754	1,300,514,373	58,501,474
Key management personnel (Employees)										
Head of Retail Sales	1,772	-	41	1,485	328	216,906	-	4,615	170,000	37,264
Chief Operating Officer	-	-	1	-	1	-	-	50	-	114
Unit holder holding 10% or more units	1,018,758	-	144,529	-	1,163,287	115,304,515	-	16,358,028	-	132,162,432

	2022									
	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022
	Units				(Rupees)					
Associated companies / undertakings										
Alfalah GHP Prosperity Planning Fund	91,798	1,115,102	73,584	178,343	1,102,141	10,399,190	129,000,000	8,335,862	21,300,000	124,741,972
Alfalah Asset Management Limited	3,163,030	3,342,888	872	4,732,166	1,774,624	358,318,793	390,005,463	66,935	570,000,000	200,854,606
Key management personnel (Employees)										
Head of Retail Sales	1,915	-	114	257	1,772	216,906	-	12,885	31,000	200,558
Chief Operating Officer	-	418	-	417	1	-	50,000	14	50,000	113
Unit holder holding 10% or more units	-	5,978,395	-	-	5,978,395	-	678,076,798	-	-	676,643,714

16.2 Other transactions	2023	2022
	----- (Rupees) -----	
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Remuneration of Alfalah Asset Management Limited - Management Company	3,975,981	15,194,869
Sindh sales tax on remuneration of the Management Company	516,878	1,975,333
Sales load	305,869	359,224
Allocated expenses	40,704	1,694,243
Selling and marketing expenses	-	869,624
Alfalah GHP Sovereign Fund		
Market Treasury Bills - purchased	24,762,050	255,207,040
Market Treasury Bills - sold	-	122,185,736
Alfalah GHP Income Multiplier Fund		
Market Treasury Bills - sold	-	55,553,421
Term Finance Certificate - Purchased	-	19,345,116
Alfalah GHP Value Fund		
Market Treasury Bills - sold	-	14,938,455
Alfalah GHP Money Market Fund		
Market Treasury Bills - purchased	29,053,920	4,320,651,488
Market Treasury Bills - sold	271,230,720	2,040,411,440
Alfalah GHP Cash Fund		
Market Treasury Bills - purchased	250,343,893	1,183,045,350
Market Treasury Bills - sold	23,224,975	663,176,375
Commercial Paper - sold	33,928,720	-
Alfalah GHP Islamic Income Fund		
GOP Ijara Sukuk - Sell	-	25,592,500
Alfalah Stable Return Plan - 5		
Pakistan Investment Bond - Purchase	7,664,218	-
Bank Alfalah Limited		
Profit on Bank Balances	5,904,112	25,900,577
Bank charges	4,705	39,091
Sales load	21,167	940,849
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	365,000	1,270,769
Sindh sales tax on remuneration of the Trustee	47,449	165,200
CDS charges	60,955	179,676
16.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Asset Management Limited - Management Company		
Management remuneration payable	278,466	763,171
Sindh sales tax payable on management remuneration	36,201	99,220
Sindh sales tax payable federal excise duty	1,353,987	1,353,987
Federal excise duty payable on management remuneration	9,778,882	9,778,882

	2023	2022
	----- (Rupees) -----	
Sales load payable	174,492	48,505
Payable against allocated expenses	-	469,872
Selling and marketing expenses payable	-	389,731
Bank Alfalah Limited		
Bank balance	150,345,367	924,239,757
Sales load payable	457,550	809,115
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	26,570	45,129
Sindh sales tax payable on trustee remuneration	3,451	5,865
CDS transaction Fee	58,821	19,756
Security deposit	100,000	100,000

17 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2023		
	At amortised Cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	265,781,431	-	265,781,431
Investments	-	186,490,555	186,490,555
Advance, deposits and prepayment	3,351,710	-	3,351,710
Mark-up / profit receivable	8,028,948	-	8,028,948
	<u>277,162,089</u>	<u>186,490,555</u>	<u>463,652,644</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	11,622,028	-	11,622,028
Payable to Central Depository Company of Pakistan Limited - Trustee	88,842	-	88,842
Accrued expenses and other liabilities	961,332	-	961,332
	<u>12,672,202</u>	<u>-</u>	<u>12,672,202</u>
Particulars	2022		
	At amortised Cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	927,631,875	-	927,631,875
Investments	-	509,732,773	509,732,773
Advance, deposits and prepayment	2,850,000	-	2,850,000
Mark-up / profit receivable	4,947,737	-	4,947,737
	<u>935,429,612</u>	<u>509,732,773</u>	<u>1,445,162,385</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	12,903,368	-	12,903,368
Payable to Central Depository Company of Pakistan Limited - Trustee	70,750	-	70,750
Accrued expenses and other liabilities	2,690,951	-	2,690,951
	<u>15,665,069</u>	<u>-</u>	<u>15,665,069</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

18.1 Market risk

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

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

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

18.1.1 Currency risk

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

18.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2023, is as follows:

	2023	2022
	----- Rupees -----	
Variable rate instruments (financial assets)		
Sukuk certificates	59,449,883	92,325,375
Bank balances	265,772,132	927,631,875
Term finance certificates	44,964,000	161,668,550
	<u>370,186,015</u>	<u>1,181,625,800</u>
Fixed rate instruments (financial assets)		
Market treasury bills	45,070,402	228,207,580
Pakistan Investment Bonds	37,006,270	27,531,268
	<u>82,076,672</u>	<u>255,738,848</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 3.70 million (2022: Rs. 11.82 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.82 million (2022: Rs 2.56 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

Particulars	2023					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	8.50% - 21.50%	265,781,431	-	-	-	265,781,431
Investments	12.38% - 21.98%	-	-	104,413,883	82,076,672	186,490,555
Advance, deposits and prepayment		-	-	-	2,850,000	2,850,000
Mark-up / profit receivable		-	-	-	8,028,948	8,028,948
Sub total		<u>265,781,431</u>	<u>-</u>	<u>104,413,883</u>	<u>92,955,620</u>	<u>463,150,934</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	11,622,028	11,622,028
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	88,842	88,842
Accrued expenses and other liabilities		-	-	-	961,332	961,332
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>12,672,202</u>	<u>12,672,202</u>
On-balance sheet gap		<u>265,781,431</u>	<u>-</u>	<u>104,413,883</u>	<u>80,283,418</u>	<u>450,478,732</u>
Total interest rate sensitivity gap		<u>265,781,431</u>	<u>-</u>	<u>104,413,883</u>	<u>80,283,418</u>	<u>450,478,732</u>
Cumulative interest rate sensitivity gap		<u>265,781,431</u>	<u>265,781,431</u>	<u>370,195,314</u>		

Particulars	2022					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50% - 16.60%	927,631,875	-	-	-	927,631,875
Investments	7% - 16.35%	-	-	253,993,925	255,738,848	509,732,773
Advance, deposits and prepayment		-	-	-	2,850,000	2,850,000
Mark-up / profit receivable		-	-	-	4,947,737	4,947,737
Sub total		<u>927,631,875</u>	<u>-</u>	<u>253,993,925</u>	<u>263,536,585</u>	<u>1,445,162,385</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	12,903,368	12,903,368
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	70,750	70,750
Accrued expenses and other liabilities		-	-	-	961,332	961,332
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>13,935,450</u>	<u>13,935,450</u>
On-balance sheet gap		<u>927,631,875</u>	<u>-</u>	<u>253,993,925</u>	<u>249,601,135</u>	<u>1,431,226,935</u>
Total interest rate sensitivity gap (a+b)		<u>927,631,875</u>	<u>-</u>	<u>253,993,925</u>		
Cumulative interest rate sensitivity gap		<u>927,631,875</u>	<u>927,631,875</u>	<u>1,181,625,800</u>		

18.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. As at June 30, 2023, the Fund is not exposed to any equity price risk as it does not hold any equity instruments.

Debt price risk is the risk that the fair value of debt instruments decreases as a result of changes in the spread and market rate of the debt securities. As at June 30, 2023, the Fund is not exposed to any debt price risk as the Fund holds the Government securities and the debt risk pertaining to non Government securities is not material.

18.2 Credit risk

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

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

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 was as follows:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	265,781,431	265,781,431	927,631,875	927,631,875
Investments	186,490,555	104,413,883	509,732,773	253,993,925
Advance, deposits and prepayment	3,351,710	3,351,710	2,850,000	2,850,000
Mark-up / profit receivable	8,028,948	8,028,948	4,947,737	4,947,737
	<u>463,652,644</u>	<u>381,575,972</u>	<u>1,445,162,385</u>	<u>1,189,423,537</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in shares of listed companies and government securities of Rs. 82.076 million (2022: Rs 255.74 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2023 and June 30, 2022.

18.2.2 Bank balances

The Fund held bank balances at June 30, 2023 with banks (including profit receivable) having following credit ratings:

Name of Bank	Rating Agency	Rating	2023	2022	2023	2022
			Percentage of total bank balances		Percentage of profit receivable on profit receivable	
Bank Alfalah Limited	PACRA	A1+/AA+	56.59%	99.63%	0.00%	0.09%
JS Bank Limited	PACRA	A1+/AA-	0.00%	0.00%	0.00%	0.02%
Allied Bank Limited	PACRA	A1+/AAA	1.01%	0.21%	0.00%	1.65%
Soneri Bank Limited	PACRA	A1+/AA-	0.02%	0.00%	0.00%	0.11%
National Bank of Pakistan	PACRA	A1+/AAA	0.00%	0.01%	0.00%	0.00%
Bank Islami Pakistan Limited	PACRA	A1/AA-	0.04%	0.01%	0.00%	0.41%
Habib Bank Limited	VIS	A-1+/AAA	0.03%	0.01%	0.00%	2.66%
MCB Bank Limited	PACRA	A1+/AAA	0.01%	0.00%	0.00%	0.00%
Habib Metropolitan Bank Limited	PACRA	A1+/AA+	0.00%	0.00%	0.00%	0.00%
Telenor Microfinance Bank Limited	PACRA	A1/A	0.00%	0.00%	0.00%	0.00%
Zarai Taraqati Bank Limited	VIS	A-1+/AAA	0.01%	0.00%	0.00%	0.05%
Samba Bank Limited	PACRA	A1/AA	0.00%	0.00%	0.00%	0.17%
Bank Al Habib Limited	PACRA	A1+/AAA	3.92%	0.00%	0.00%	0.00%
First Microfinance Bank	PACRA	A1/A+	0.01%	0.00%	0.00%	0.00%
U Microfinance Bank Limited	PACRA	A1/A+	38.31%	0.00%	0.00%	0.00%
Bank of Punjab	PACRA	A1+/AA+	0.01%	0.01%	0.00%	0.00%
Khushali Microfinance Bank	PACRA	B-	0.00%	0.00%	0.00%	0.00%
Faysal Bank Limited	PACRA	A1+/AA	0.02%	0.10%	0.00%	0.00%
Mobilink Microfinance Bank	PACRA	A1/A	0.00%	0.00%	0.00%	0.00%
			<u>99.98%</u>	<u>99.98%</u>	<u>0.00%</u>	<u>5.16%</u>

18.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2023 with entities having following credit ratings:

Name of Entity	Rating agency	Rating	2023	2022	2023	2022
			Percentage of total balance		Percentage of total balance	
The Bank of Punjab	PACRA	A1+/AA+	0.00%	22.78%	0.00%	8.45%
K-Electric Limited	PACRA	A1+ / AA	17.87%	10.84%	20.48%	29.38%
Samba Bank Limited	PACRA	A1 / AA	24.11%	8.73%	52.47%	37.78%
Mughal Iron & Steel Industries Limited	PACRA	A1 / A+	14.01%	6.94%	7.94%	9.03%
Pakistan Investment Bonds	N/A	N/A	19.84%	5.58%	19.11%	15.36%
Market Treasury Bills	N/A	N/A	24.17%	45.12%	0.00%	0.00%
			<u>55.99%</u>	<u>49.29%</u>	<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA as of June 30, 2023.

18.2.4 Concentration of credit risk

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

18.3 Liquidity risk

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

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

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

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

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

2023					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total

----- Rupees -----

Financial assets

Bank balances	265,781,431	-	-	-	-	265,781,431
Investments	-	-	104,413,883	82,076,672	-	186,490,555
Advance, deposits and prepayment	2,850,000	-	-	-	-	2,850,000
Mark-up / profit receivable	8,028,948	-	-	-	-	8,028,948
	<u>276,660,379</u>	<u>-</u>	<u>104,413,883</u>	<u>82,076,672</u>	<u>-</u>	<u>463,150,934</u>

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company	11,622,028	-	-	-	-	11,622,028
Payable to Central Depository Company of Pakistan Limited - Trustee	88,842	-	-	-	-	88,842
Accrued expenses and other liabilities	961,332	-	-	-	-	961,332
	<u>12,672,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,672,202</u>
Net financial assets	<u>263,988,177</u>	<u>-</u>	<u>104,413,883</u>	<u>82,076,672</u>	<u>-</u>	<u>450,478,732</u>

2022					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					
Financial assets					
Bank balances	927,631,875	-	-	-	927,631,875
Investments	-	253,993,925	255,738,848	-	509,732,773
Advance, deposits and prepayment	2,850,000	-	-	-	2,850,000
Mark-up / profit receivable	4,947,737	-	-	-	4,947,737
	935,429,612	-	253,993,925	255,738,848	1,445,162,385
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company	12,903,368	-	-	-	12,903,368
Payable to Central Depository Company of Pakistan Limited - Trustee	70,750	-	-	-	70,750
Accrued expenses and other liabilities	961,332	-	-	-	961,332
	13,935,450	-	-	-	13,935,450
Net financial assets	921,494,162	-	253,993,925	255,738,848	1,431,226,935

18.4 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

2023				
Level 1	Level 2	Level 3	Total	
----- Rupees -----				
Financial assets at fair value through profit or loss				
Investments				
Sukuk certificates	-	59,449,883	-	59,449,883
Term finance certificates	-	44,964,000	-	44,964,000
Government securities	-	82,076,672	-	82,076,672
	-	186,490,555	-	186,490,555
----- Rupees -----				
2022				
Level 1	Level 2	Level 3	Total	
----- Rupees -----				
Financial assets at fair value through profit or loss				
Investments				
Sukuk certificates	-	92,325,375	-	92,325,375
Term finance certificates	-	161,668,550	-	161,668,550
Government securities	-	255,738,848	-	255,738,848
	-	509,732,773	-	509,732,773

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

18.5 Unit holders' fund management

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

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

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

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

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

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

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

20 GENERAL

20.1 Figures have been rounded off to the nearest rupee.

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

21 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on August 25, 2023.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	2584	2,280,255	259,062,541	58%
Associated Co./ Directors	6	514,926	58,501,371	13%
Banks/Dfis	61	21,161	2,404,174	1%
Insurance Co.	31	232,959	26,466,742	6%
Retirement & Other Funds	89	376,646	42,791,195	10%
Others	107	482,025	54,763,439	12%
	2878	3,907,972	443,989,462	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	946	9,049,525	1,024,231,575	72%
Associated Co./ Directors	2	1,774,623	200,853,109	14%
Banks/Dfis	2	18,134	2,052,368	0%
Insurance Co.	1	39	4,425	0%
Retirement & Other Funds	15	354,935	40,171,798	3%
Others	23	1,378,085	155,982,608	11%
	989	12,575,342	1,423,295,884	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023 %
Next Capital Limited	45%
Continental Exchange (Pvt.) Limited	20%
C&M Management (Pvt) Limited	14%
Invest One Markets Limited	13%
Alfalah CLSA Securities (Private) Limited	3%
Invest One Markets Limited	2%
Bright Capital (Pvt.) Limited	2%
BIPL Securities Limited	1%
Summit Capital (Private) Limited	1%

	30 June 2022 %
Topline Securities (Pvt) Limited	54%
VECTOR SECURITIES (PRIVATE) LIMITED	25%
MULTILINE SECURITIES LIMITED	11%
ADAM Securities Limited	5%
BMA Capital Management Limited	2%
Next Capital Limited	1%
Cedar Capital (Private) Limited	1%
Bright Capital Private Limited	1%
Continental Exchange (Pvt.) Limited	1%
Summit Capital (Private) Limited	0%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khorro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khorro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
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PERFORMANCE TABLE - AGHPIF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
	(Rupees in '000)				
Net Assets	443,989	1,423,296	1,796,356	1,193,294	276,440
NAV per unit	113.6112	113.1815	113.2834	112.7162	112.4856
Selling price per unit	114.8950	114.4605	114.5635	113.9899	113.7567
Redemption price per unit	113.6112	113.1815	113.2834	112.7162	112.4856
Highest selling price per unit	133.5643	124.8292	121.7033	130.3594	121.8312
Highest redemption price per unit	132.0719	120.7362	120.3434	128.9028	120.4699
Lowest selling price per unit	117.0638	114.4605	114.0724	113.8146	113.0394
Lowest redemption price per unit	113.2255	113.1815	112.7978	112.5429	111.7763
Total interim distribution per unit	18.8904	Nil	Nil	Nil	Nil
Interim distribution date	23-Jun-23	N/A	N/A	N/A	N/A
Final distribution per unit	Nil	9.14	7.26	16.42	8.11
Final distribution date	Nil	24-Jun-22	25-Jun-21	24-Jun-20	30-Jun-19
Annualized returns %	17.13%	7.97%	6.96%	14.83%	7.70%
Income distribution %	16.69%	8.07%	6.44%	14.59%	7.24%
Weighted avg. portfolio duration (Days)	602 Days	377 Days	405 Days	505 Days	501 Days

Return since inception is 9.47%

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



Alfalah GHP Income Multiplier Fund

FUND INFORMATION

Management Company:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi..
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Income Multiplier Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Aggressive Income Scheme

Investment Objective

The investment objective of Alfalah GHP Income Multiplier Fund (AGIMF) is to generate stable and consistent returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements.

Accomplishment of Objective

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

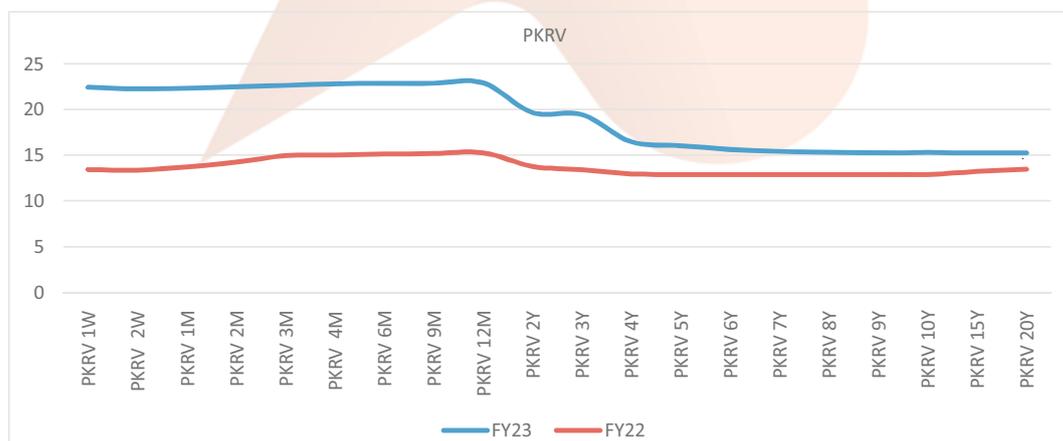
Money Market Review

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.

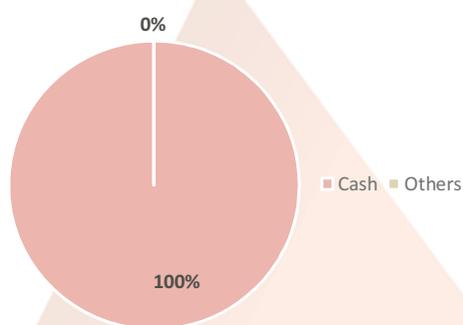


Fund performance review and strategies employed

During the year, Alfalah GHP Income Multiplier Fund's earned a return of 19.41% while the fund's benchmark stood at 18.61%.



Asset Allocation
(as at 30 June 2023)



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	0.00%	A+	99.89%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	0.04%	A-	0.00%
AA+	0.03%	BBB+	0.00%
AA	0.00%	Below IG	0.00%
AA-	0.00%	MTS/NR/UR	0.04%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME MULTIPLIER FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2023





EY Ford Rhodes
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfalah GHP Income Multiplier Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Income Multiplier Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of bank balances</p> <p>The bank balances represent 99.96% of the Total Assets of the Fund at the year end.</p> <p>In view of the significance of existence and valuation of bank balances in relation to determination of the Net Asset Value of the Fund, we have considered these to be a key audit matter.</p> <p>Refer to Note 4 of the financial statements of the Fund for the year ended 30 June 2023 in relation to the above referred bank balances.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the bank balances. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over receipts and payments, and bank reconciliations. - We obtained independent confirmations for verifying the existence of the bank balances as on 30 June 2023. Where such

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A member firm of Ernst & Young Global Limited



Key audit matter	How our audit addressed the key audit matter
	<p>confirmations were not available, we reviewed bank statements.</p> <ul style="list-style-type: none"> - We obtained bank reconciliations and tested reconciling items on a sample basis. - We assessed the Fund's compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits. - We also evaluated the adequacy of the disclosures in the financial statements regarding the bank balances in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee



that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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



Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Chartered Accountants
Date: 28 September 2023
Karachi

UDIN: UDIN Number: AR202310120eDAiyR81w

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Assets			
Bank balances	4	7,469,341,450	63,978,256
Investments	5	-	58,934,457
Advance and deposits	6	3,004,482	3,001,985
Profit / mark-up receivables	7	113,057,661	1,254,779
Total assets		7,585,403,593	127,169,477
Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	8	21,752,658	15,007,142
Payable to Central Depository Company of Pakistan Limited - Trustee	9	416,228	8,587
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	419,117	21,873
Dividend payable		587,613	-
Accrued expenses and other liabilities	11	47,607,520	3,672,162
Total liabilities		70,783,136	18,709,764
Net assets attributable to unit holders		7,514,620,457	108,459,713
Unit holders' fund (as per the statement attached)		7,514,620,457	108,459,713
Contingencies and commitments			
	12	----- (Number of units) -----	
Number of units in issue		139,062,060	2,010,739
		----- (Rupees) -----	
Net asset value per unit		54.0379	53.9402

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Income			
Profit / mark-up income	13	427,268,332	12,122,596
(Loss) / gain on sale of investments - net		(193,129)	177,075
Unrealised gain on revaluation of remeasurement of investments classified as 'fair value through profit or loss' - net	5.4	-	265,795
Other income		400,368	1,853,504
Total income		427,475,571	14,418,970
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	8.1	4,429,714	699,809
Sindh sales tax on remuneration of the Management Company	8.2	575,863	90,976
Allocated expenses	8.4	1,029,236	109,488
Selling and marketing expenses	8.5	2,914,725	100,000
Remuneration of Central Depository of Pakistan Limited - Trustee	9.1	1,571,621	82,118
Sindh sales tax on remuneration of the Trustee	9.2	204,311	10,675
Annual fee to the Securities and Exchange Commission of Pakistan		419,117	21,898
Brokerage expense		14,954	15,593
Bank and settlement charges		76,309	14,725
Fees and subscriptions		980,952	1,136,968
Auditor's remuneration	14	433,797	362,822
Legal expenses		355,950	-
Printing charges		29,963	30,015
Total expenses		13,036,512	2,675,087
Operational income for the year		414,439,059	11,743,883
Reversal of Sindh Workers' Welfare Fund		-	5,791,470
Impairment charge on sukus		-	(11,876,525)
Net income for the year before taxation		414,439,059	5,658,828
Taxation	15	-	-
Net income for the year after taxation		414,439,059	5,658,828
Allocation of net income for the year after taxation			
Net income for the year after taxation		414,439,059	5,658,828
Income already paid on units redeemed		(190,705,450)	(6,800)
		223,733,609	5,652,028
Accounting income available for distribution after taxation			
- Relating to capital gains		-	-
- Excluding capital gains		223,733,609	5,652,028
		223,733,609	5,652,028

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 ----- (Rupees) -----	2022 -----
Net income for the year before taxation	414,439,059	5,658,828
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>414,439,059</u>	<u>5,658,828</u>

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



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	(26,929,172)	135,388,885	108,459,713	46,274,716	135,069,102	181,343,818
Issuance of 239,904,104 units (2022: 354,882 units)						
- Capital value (at net asset value per unit at the beginning of the year)	12,940,475,322	-	12,940,475,322	18,838,379	-	18,838,379
- Element of income / (loss)	1,456,097,464	-	1,456,097,464	(5,180,930)	-	(5,180,930)
	14,396,572,786	-	14,396,572,786	13,657,449	-	13,657,449
Redemption of 102,852,783 units (2022: 1,760,346 units)						
- Capital value (at net asset value per unit at the beginning of the year)	5,547,899,685	-	5,547,899,685	93,445,327	-	93,445,327
- Element of income / (loss)	451,564,959	190,705,450	642,270,409	(6,585,154)	6,800	(6,578,354)
	(5,999,464,644)	(190,705,450)	(6,190,170,094)	(86,860,173)	(6,800)	(86,866,973)
Total comprehensive (loss) / income for the year	-	414,439,059	414,439,059	-	5,658,828	5,658,828
Interim cash distribution for the year ended June 30, 2022 @ Rs. 2.7655 per unit on June 24, 2022	-	-	-	(1,164)	(5,332,245)	(5,333,409)
Interim cash distribution for the year ended June 30, 2023 @ Rs. 10.3524 per unit on June 27, 2023	(1,004,534,870)	(210,146,137)	(1,214,681,007)	-	-	-
Net assets at the end of the year	7,365,644,100	148,976,357	7,514,620,457	(26,929,172)	135,388,885	108,459,713
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		135,123,090			134,068,888	
- Unrealised income		265,795			1,000,214	
		135,388,885			135,069,102	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		223,733,609			5,652,028	
		223,733,609			5,652,028	
Distribution during the year		(210,146,137)			(5,332,245)	
Undistributed income carried forward		148,976,357			135,388,885	
Undistributed income carried forward						
- Realised income		148,976,357			135,123,090	
- Unrealised gain		-			265,795	
		148,976,357			135,388,885	
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		53.9402			53.0835	
Net asset value per unit at the end of the year		54.0379			53.9402	

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		414,439,059	5,658,828
Adjustments for:			
Unrealised gain on revaluation of investments classified as 'fair value through profit or loss' - net		-	(265,795)
Reversal against Sindh Worker's Welfare Fund		-	(5,791,470)
		<u>414,439,059</u>	<u>(398,437)</u>
Decrease in assets			
Investments		58,934,457	61,202,844
Advance and deposits		(2,497)	
Profit / mark-up receivables		(111,802,882)	2,650,588
		<u>(52,870,922)</u>	<u>63,853,432</u>
Increase / (decrease) in liabilities			
Payable to the Alfalah Asset Management Limited - Management Company		6,745,516	(368,553)
Payable to Central Depository Company of Pakistan Limited - Trustee		407,641	(5,611)
Annual fee payable to the Securities and Exchange Commission of Pakistan		397,244	(24,657)
Dividend payable		587,613	-
Accrued expenses and other liabilities		43,935,358	(423,461)
		<u>52,073,372</u>	<u>(822,282)</u>
Net cash generated from operating activities		<u>413,641,509</u>	<u>62,632,713</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		14,396,572,786	13,657,449
Amount paid against redemption of units		(6,190,170,094)	(86,866,973)
Dividend paid		(1,214,681,007)	(5,333,409)
Net cash generated from / (used in) financing activities		<u>6,991,721,685</u>	<u>(78,542,933)</u>
Net increase / (decrease) in cash and cash equivalents during the year		<u>7,405,363,194</u>	<u>(15,910,220)</u>
Cash and cash equivalents at beginning of the year		63,978,256	79,888,476
Cash and cash equivalents at end of the year	4	<u><u>7,469,341,450</u></u>	<u><u>63,978,256</u></u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Income Multiplier Fund is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah Asset Management Limited (formerly Alfalah GHP Investment Management Limited), (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee) on March 08, 2007. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on February 14, 2007. The SECP approved the first and second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. NBFC/RS/AGIML/AGIMF/177/2010 and No. SCD/NBFC-II/AGIMF/573/2010 dated February 26, 2010 and July 20, 2010, respectively to modify and restate the previous Trust Deed to effectuate the amendments listed in Annexure A of the Supplemental Trust Deeds.

After promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan, the abovementioned Trust Deeds have been registered under the Sindh Trust Act on September 20, 2021.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) through a certificate issued by the SECP on February 3, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at 2nd Floor, Islamic Chambers of Commerce, Industry and Agriculture Building, Clifton, Karachi, Pakistan.

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

1.4 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in debt and money market securities. The Fund invests in debt instruments, money market securities and interest bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+ (stable outlook) on March 3, 2022) and A+(f) to the Fund in its credit rating report dated April 13, 2023 (2022: A+(f) on April 8, 2022).

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

The following amendments with respect to the accounting and standards reporting standards would be effective from the dates mentioned below against the respective amendment or improvements:

Amendments or Improvements	Effective dates (annual periods beginning on or after)	
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	1-Jan-2023
IAS 8	Definition of Accounting Estimates (Amendments)	1-Jan-2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	1-Jan-2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	1-Jan-2023
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments)	1-Jan-2024
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	1-Jan-2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	1-Jan-2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard or interpretation	IASB Effective dates (annual periods beginning on or after)	
IFRS 1	First-time Adoption of International Financial Reporting Standards	1-Jan-2004
IFRS 17	Insurance Contracts	1-Jan-2003

2.4 Critical accounting estimates and judgments

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

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

- Classification and valuation of financial assets (notes 3.3.1 and 5)
- Provision against Federal Excise Duty (note 8.3)
- Provision for Sindh Worker's Welfare Fund

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.1.2 Equity instruments

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

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

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

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

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

3.3.2 Impairment

3.3.2.1 Impairment other than debt securities

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

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

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

3.3.2.2 Impairment on debt securities

SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue following the requirements of Circular No. 33 of 2012 dated October 24, 2012 for non-performing debt securities.

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and liabilities

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

3.6 Provisions

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

3.7 Taxation

3.7.1 Current

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, Super Tax on High Earning Persons introduced in the Finance Act, 2022 is also not applicable on the Funds (Section 4C of the Income Tax Ordinance, 2001).

3.7.2 Deferred

The Fund does not recognise deferred tax liabilities and assets as its income is exempt from tax as explained above.

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement at the date at which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Income on sukuk certificates, term finance certificates and government securities are recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the income is recorded on receipt basis.
- Unrealised gains / (losses) arising on revaluation of investments classified as at fair value through profit or loss are included in the income statement in the period in which they arise.

3.13 Expenses

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

3.14 (Loss) / earnings per unit

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

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

3.15 Margin Trading System

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

3.16 Foreign currency translation

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

		2023	2022
		----- (Rupees) -----	
4 BANK BALANCES	Note		
Saving accounts	4.1	7,469,332,151	63,978,256
Current accounts		9,299	-
		7,469,341,450	63,978,256
4.1	These carry profit rates ranging from 8.50% to 21.50% (2022: 5.50% to 16.60%) per annum and include Rs. 1.53 million and Rs. 7,577.78 million (2022: Rs. 63.58 million and Rs. nil) placed with Bank Alfalah Limited and U Microfinance Bank Limited (related parties), carrying profit at the rate of 20.50% and 23% (2022: 16.60% and 0.00%) per annum, respectively.		
5 INVESTMENTS - AT FAIRVALUE THROUGH PROFIT AND LOSS		2023	2022
	Note	----- (Rupees) -----	
Term finance certificates	5.1	-	10,035,607
Sukuk certificates	5.2	-	15,039,150
Government Securities	5.3	-	33,859,700
		-	58,934,457

5.1 Term finance certificates

Name of the investee company	Profit payments / principal redemptions	Secured / Unsecured	Maturity	Profit / mark-up rate per annum	As at July 01, 2022	Purchased during the year	Sold / matured / recovered during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Impaired as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	Market value as a percentage of					
													Net assets of the Fund	Total investments	Size of issue			
(Number of certificates)													(Rupees)			%		
PERFORMING																		
COMMERCIAL BANKS																		
Samba Bank Limited [(March 01, 2021) - (AA-, PACRA) - (Face value Rs. 99,940)]																		
[(2022: (March 01, 2021) - (AA-, PACRA) - (Face value Rs. 99,960)]																		
	Semi Annually	Unsecured	1-Mar-31	6 MK +1.35%	100	-	100	-	-	-	-	-	0.00%	0.00%	0.00%			
NON-PERFORMING																		
FERTILIZERS																		
Agritech Limited (Note 5.1.2)																		
	-	Secured	29-Nov-14	6 MK +1.75%	17,950	-	-	17,950	89,666,353	(89,666,353)	-	-	0.00%	0.00%	0.00%			
Agritech Limited-IV (note 5.1.3)																		
	-	Secured	14-Jan-15	6 MK +1.75%	4,094	-	-	4,094	20,470,000	(20,470,000)	-	-	0.00%	0.00%	0.00%			
As at June 30, 2023									110,136,353	(110,136,353)	-	-	0.00%	0.00%				
As at June 30, 2022									120,135,953	(110,136,353)	10,035,607	36,007	9.25%	17.03%				

5.1.1 These term finance certificates defaulted on their payment of principal and mark-up due on July 04, 2012. Consequently, the security was classified as non-performing by MUFAP on October 18, 2012. Accordingly, accrual of mark-up on these TFCs had been suspended and mark-up due amounting Rs 1.437 million had been reversed and full provision has been made in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

5.1.2 In prior years, a restructuring agreement was signed between Agritech Limited and the Investment Agent of the term finance certificates, whereby, certain terms included in the original trust deed dated November 15, 2007 were amended, including the repayment period which was extended from November 29, 2014 to November 29, 2017. Consequently, the security was classified as non-performing by MUFAP on June 14, 2010 and accrual of income on these TFCs was suspended. Accordingly, the security had been fully provided in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

5.1.3 This represents additional certificates of Agritech Limited received by the Fund through restructuring agreement reached between lenders and Agritech Limited. Under such agreement, outstanding mark up due on May 29, 2011 and July 13, 2011 against 1st and 2nd issue respectively amounting to Rs 20.47 million was settled in the form of certificates valuing Rs 20.47 million. This investment has been fully provided since these have been received in lieu of suspended overdue mark-up to be recognised to income upon realisation.

5.2 Sukuk certificates

Name of the investee company	Profit payments / principal redemptions	Secured / Unsecured	Maturity	Profit / mark-up rate per annum	As at July 01, 2022	Purchased during the year	Sold / matured / recovered during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Impaired as at June 30, 2022	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023
PERFORMING												
POWER GENERATION & DISTRIBUTION												
The Hub Power Company Limited - [(August 22, 2019) - (AA+, PACRA) - (Face value Rs. 50,000)] [2022: (August 22, 2019) - (AA+, PACRA) - (Face value Rs. 75,000)]												
	Quarterly	Unsecured	22-Aug-23	3 M KIBOR + 1.9%	70	-	70	-	-	-	-	-
Mughal Iron & Steel Industries Limited [(March 02, 2021) - (A+, PACRA) - (Face value Rs. 875,000)] [2022: (March 02, 2021) - (A+, PACRA) - (Face value Rs. 937,500)]												
	Quarterly	Secured	2-Mar-26	3 M KIBOR + 1.30%	10	-	10	-	-	-	-	-
NON-PERFORMING												
OIL & GAS MARKETING COMPANIES												
Hascol Petroleum Limited (January 7, 2016) - (D, VIS) - (Face value Rs. 1,250)												
	Quarterly	Secured	7-Jan-22	3 M KIBOR + 1.5%	21,114	-	-	21,114	25,995,851	(25,995,851)	-	-
As at June 30, 2023									25,995,851	(25,995,851)	-	-
As at June 30, 2022									40,795,463	(25,995,851)	15,039,150	239,538

5.2.1 On April 1, 2021, sukuk certificates of Hascol Petroleum Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Accordingly, an amount of Rs. 11.87 million (2022: 11.87 million) has been provided against the investment as at June 30, 2023.

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

	Note	2023 ----- (Rupees) -----	2022
Market value of investment at year end	5.1, 5.2 & 5.3	-	58,934,458
Less: Carrying value of investment at year end	5.1, 5.2 & 5.3	-	(58,668,663)
		<u>-</u>	<u>265,795</u>

6 ADVANCE AND DEPOSITS

Advance:

Advance tax	6.1	154,482	151,985
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Deposits:

Central Depository Company of Pakistan Limited - Trustee		100,000	100,000
National Clearing Company of Pakistan Limited		2,750,000	2,750,000
		<u>2,850,000</u>	<u>2,850,000</u>
		<u>3,004,482</u>	<u>3,001,985</u>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under other receivable as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PROFIT / MARK-UP RECEIVABLES

	Note	2023 ----- (Rupees) -----	2022
Profit / mark-up receivable on:			
- Term finance certificates		-	531,298
- Sukuk certificates		-	95,241
- Bank balances		113,057,661	628,240
		<u>113,057,661</u>	<u>1,254,779</u>

8 PAYABLE TO THE ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable	8.1	2,011,622	51,991
Sindh sales tax payable on management remuneration	8.2	261,518	5,805
Sindh sales tax payable on federal excise duty on management remuneration	8.3	1,713,175	1,713,175
Federal excise duty payable on management remuneration	8.3	11,439,981	11,439,981
Payable against allocated expenses	8.4	500,000	181,286
Payable against selling and marketing expenses	8.5	2,914,725	100,000
Sales load payable		2,911,637	1,514,904
		<u>21,752,658</u>	<u>15,007,142</u>

- 8.1** The Management Company has charged remuneration at the rate of 1.25% (2022: 1.25%) of the average annual net assets of the Fund during the year. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2** During the year, an amount of Rs. 0.576 million (2022: Rs. 0.91 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.320 million (2022: Rs. 1.11 million) has been paid to the Management Company which acts as a collecting agent.

- 8.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs. 11.40 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2023 would have been higher by Rs. 0.08 per unit (2022: Rs. 5.69 per unit).

- 8.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense.
- 8.5** The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan. Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense.

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

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2023 ----- (Rupees) -----	2022
Trustee remuneration payable	9.1	368,343	7,601
Sindh sales tax payable on trustee remuneration	9.2	47,885	986
		<u>416,228</u>	<u>8,587</u>

- 9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at a rate of 0.075% (2022: 0.075%) of the daily net asset value of the Fund.
- 9.2** During the year, an amount of Rs. 0.204 million (2022: Rs. 0.011 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.157 million (2022: Rs. 0.011 million) was paid to the Trustee which acts as a collecting agent.

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

	Note	2023 ----- (Rupees) -----	2022
Annual fee payable to the Securities Exchange and Commission of Pakistan	10.1	419,117	21,873

- 10.1** Under the provisions of NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay as annual fee to the Securities and Exchange Commission of Pakistan (SECP), an amount equal to 0.02% (2022: 0.02%) of the average net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

	2023 ----- (Rupees) -----	2022
Withholding tax payable	43,811,228	39,439
Auditors' remuneration payable	299,521	324,054
Settlement charges payable	147,268	52,668
Printing charges payable	1,736	6,896
NCCPL Payable	180,000	122,269
Sales load payable	3,167,767	3,126,836
	<u>47,607,520</u>	<u>3,672,162</u>

12 CONTINGENCIES AND COMMITMENTS

There are no material contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
	----- (Rupees) -----	
13 PROFIT / MARK-UP INCOME		
Profit / mark-up income on:		
- Sukuk certificates and term finance certificates	1,270,723	4,189,589
- Market Treasury Bills	4,659,277	4,675,906
- Commercial paper	-	167,844
- Pakistan Investment Bonds	10,726,880	-
- Bank balances	410,611,452	3,089,257
	<u>427,268,332</u>	<u>12,122,596</u>
14 AUDITORS' REMUNERATION		
Audit fee	250,000	122,886
Review and other certifications	115,149	104,681
Out of pocket expenses	36,515	108,379
Sindh sales tax	32,133	26,876
	<u>433,797</u>	<u>362,822</u>
15 TAXATION		

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. The Fund is exempt from the provisions of the section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income tax Ordinance, 2001. Since the Management Company has paid the required minimum percentage of income earned by the fund during the year 30 June 2023 to the unit holders in the manner explained above, no provision for taxation has been made in these financial statements during the year.

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 0.62% (2022: 2.44%) which includes 0.06% (2022: 0.11%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, Federal excise Duties, Annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% (2022: 2.5%) (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

	2023	2022
	----- (Rupees) -----	
Alfalah GHP Sovereign Fund		
Market Treasury Bills - purchased	-	4,833,155
Market Treasury Bills - sold	-	-
Alfalah GHP Cash Fund		
Market Treasury Bills - purchased	34,596,345	49,170,150
Market Treasury Bills - sold	-	17,751,398
Alfalah GHP Income Fund		
Market Treasury Bills - purchased	-	55,553,421
Market Treasury Bills - sold	-	-
Term Finance Certificate - Sold	-	19,328,266
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository of Pakistan Limited - Trustee	1,571,621	82,118
Sindh sales tax on remuneration of the Trustee	204,311	10,675
Other balances		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	2,011,622	51,991
Sindh sales tax payable on management remuneration	1,974,693	1,718,980
Federal excise duty payable on management remuneration	11,439,981	11,439,981
Payable against allocated expenses	500,000	181,286
Payable against selling and marketing expenses	2,914,725	100,000
Sales load payable	2,911,637	1,514,904
Bank Alfalah Limited		
Bank balance	1,534,311	63,552,533
Mark-up receivable on bank balance	-	628,026
Sales load payable	3,167,767	3,126,836
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	368,343	7,601
Sindh sales tax payable on trustee remuneration	47,885	986
Security deposit	100,000	100,000
U Microfinance Bank Limited		
Bank balance	7,577,775,142	-
Profit Receivable	113,057,661	-

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2023, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2023		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Financial assets			
Bank balances	7,469,341,450	-	7,469,341,450
Investments	-	-	-
Advance and deposits	2,850,000	-	2,850,000
Profit / mark-up receivables	113,057,661	-	113,057,661
	<u>7,585,249,111</u>	<u>-</u>	<u>7,585,249,111</u>
Financial liabilities			
Payable to the Alfalah Asset Management Limited - Management Company	21,752,658	-	21,752,658
Payable to Central Depository Company of Pakistan Limited - Trustee	416,228	-	416,228
Accrued expenses and other liabilities	3,796,292	-	3,796,292
	<u>25,965,178</u>	<u>-</u>	<u>25,965,178</u>

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Financial assets			
Bank balances	63,978,256	-	63,978,256
Investments	-	58,934,457	58,934,457
Advance and deposits	2,850,000	-	2,850,000
Profit / mark-up receivables	1,254,779	-	1,254,779
	<u>68,083,035</u>	<u>58,934,457</u>	<u>127,017,492</u>
Financial liabilities			
Payable to the Alfalah Asset Management Limited - Management Company	15,007,142	-	15,007,142
Payable to Central Depository Company of Pakistan Limited - Trustee	8,587	-	8,587
Accrued expenses and other liabilities	3,632,722	-	3,632,722
	<u>18,648,451</u>	<u>-</u>	<u>18,648,451</u>

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2023, is as follows:

	2023	2022
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Term finance certificates	-	10,035,607
Sukuk certificates	-	15,039,150
Bank balances	<u>7,469,341,450</u>	<u>63,978,256</u>
	<u>7,469,341,450</u>	<u>89,053,013</u>
Fixed rate instrument		
Market Treasury Bills	-	33,859,700
Commercial Papers	-	-
	<u>-</u>	<u>33,859,700</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 75.82 million (2022: Rs. 0.89 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. nil (2022: Rs. 0.34 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

19.1.2 Yield / Interest rate risk.

Particulars	2023					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	8.50% - 21.05%	7,469,341,450	-	-	-	7,469,341,450
Investments		-	-	-	-	-
Advance and deposits		-	-	-	2,850,000	2,850,000
Profit / mark-up receivables		-	-	-	113,057,661	113,057,661
Sub total		<u>7,469,341,450</u>	<u>-</u>	<u>-</u>	<u>115,907,661</u>	<u>7,585,249,111</u>
Financial liabilities						
Payable to the Alfalah Asset Management Limited - Management Company		-	-	-	21,752,658	21,752,658
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	416,228	416,228
Accrued expenses and other liabilities		-	-	-	3,796,292	3,796,292
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>25,965,178</u>	<u>25,965,178</u>
On-balance sheet gap		<u>7,469,341,450</u>	<u>-</u>	<u>-</u>	<u>89,942,483</u>	<u>7,559,283,933</u>
Total interest rate sensitivity gap		<u>7,469,341,450</u>	<u>-</u>	<u>-</u>	<u>89,942,483</u>	<u>7,559,283,933</u>
Cumulative interest rate sensitivity gap		<u>7,469,341,450</u>	<u>7,469,341,450</u>	<u>7,469,341,450</u>		

Particulars	2022					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50% - 8.00%	63,978,256	-	-	-	63,978,256
Investments	6.70% - 14.45%	-	-	-	58,934,457	58,934,457
Advance and deposits		-	-	-	2,850,000	2,850,000
Profit / mark-up receivables		-	-	-	1,254,779	1,254,779
Sub total		63,978,256	-	-	63,039,236	127,017,492
Financial liabilities						
Payable to the Alfalah Asset Management Limited - Management Company		-	-	-	15,007,142	15,007,142
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	8,587	8,587
Accrued expenses and other liabilities		-	-	-	3,632,722	3,632,722
Sub Total		-	-	-	18,648,451	18,648,451
On-balance sheet gap		63,978,256	-	-	44,390,785	108,369,041
Total interest rate sensitivity gap		63,978,256	-	-	44,390,785	108,369,041
Cumulative interest rate sensitivity gap		63,978,256	63,978,256	63,978,256		

19.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2023.

Debt price risk is the risk that the fair value of debt instruments decreases as a result of changes in the spread and market rate of the debt securities. As at June 30, 2023, the Fund is not exposed to any debt price risk as the Fund does not hold any debt securities.

19.2 Credit risk

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

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

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 was as follows:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	7,469,341,450	7,469,341,450	63,978,256	63,978,256
Investments	-	-	58,934,457	25,074,757
Advance and deposits	3,004,482	2,850,000	3,001,985	2,850,000
Profit / mark-up receivables	113,057,661	113,057,661	1,102,794	1,102,794
	7,585,403,593	7,585,249,111	127,017,492	93,005,807

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the investments in the Government securities and advance tax amounting to Rs 0.154 million (2022: Rs 34.01 million) which are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2023 and June 30, 2022, except as specified in note 5 to these financial statements.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2023 with banks having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating agency	Rating (Long term/ Short term)	2023	2022	2023	2022
			Percentage of total bank balances		Percentage of profit receivable on bank balances	
Bank Islami Pakistan Limited	PACRA	A1+/AAA	0.00%	0.18%	0.00%	0.00%
Habib Bank Limited	VIS	A-1+/AAA	0.00%	0.02%	0.00%	0.00%
National Bank of Pakistan	PACRA	A1+/AAA	0.00%	0.03%	0.00%	0.00%
Bank Alfalah Limited	PACRA	A1+/AA+	0.02%	99.37%	0.00%	44.64%
Faysal Bank Limited	PACRA	A1+/AA	0.00%	0.00%	0.00%	0.00%
Allied Bank Limited	PACRA	A1+/AAA	0.02%	0.03%	0.00%	0.00%
Bank AL Habib Limited	PACRA	A1+/AAA	0.02%	0.03%	0.00%	0.00%
JS Bank Limited	PACRA	A1+/AA-	0.00%	0.01%	0.00%	0.02%
NRSP Microfinance Bank Limited	PACRA	A2/A-	0.00%	0.03%	0.00%	0.00%
Telenor Microfinance Bank Limited	PACRA	A1/A	0.00%	0.02%	0.00%	0.00%
Zarai Taraqati Bank Limited	VIS	A-1+/AAA	0.00%	0.03%	0.00%	0.00%
Samba Bank Limited	PACRA	A1/AA	0.00%	0.01%	0.00%	0.00%
Soneri Bank	PACRA	A1+/AA-	0.00%	0.01%	0.00%	0.00%
Silk Bank	VIS	A-2/A-	0.00%	0.01%	0.00%	0.00%
Mobilink Microfinance	PACRA	A1/A	0.00%	0.02%	0.00%	0.00%
Khushali Bank	PACRA	B-	0.00%	0.01%	0.00%	0.00%
Telenor Microfinance Bank Limited	PACRA	A1/A	0.00%	0.02%	0.00%	0.00%
U Microfinance Bank Limited	PACRA	A1/A+	99.94%	0.00%	100.00%	0.00%
Bank of Punjab	PACRA	A1+/AA+	0.00%	0.17%	0.00%	0.00%
			100.00%	100.00%	100.00%	44.66%

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2023.

19.2.3 Concentration of credit risk

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

19.3 Liquidity risk

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

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

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

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

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

19.3 Liquidity risk.

2023	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
----- Rupees -----						
Financial assets						
Bank balances	7,469,341,450	-	-	-	-	7,469,341,450
Investments	-	-	-	-	-	-
Advance and deposits	2,850,000	-	-	-	-	2,850,000
Profit / mark-up receivables	113,057,661	-	-	-	-	113,057,661
	7,585,249,111	-	-	-	-	7,585,249,111
Financial liabilities						
Payable to the Alfalah Asset Management Limited - Management Company	21,752,658	-	-	-	-	21,752,658
Payable to Central Depository Company of Pakistan Limited - Trustee	416,228	-	-	-	-	416,228
Accrued expenses and other liabilities	3,796,292	-	-	-	-	3,796,292
	25,965,178	-	-	-	-	25,965,178
Net assets	7,559,283,933	-	-	-	-	7,559,283,933
2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
----- Rupees -----						
Financial assets						
Bank balances	63,978,256	-	-	-	-	63,978,256
Investments	-	-	-	58,934,457	-	58,934,457
Advance and deposits	2,850,000	-	-	-	-	2,850,000
Profit / mark-up receivables	1,254,779	-	-	-	-	1,254,779
	68,083,035	-	-	58,934,457	-	127,017,492
Financial liabilities						
Payable to the Alfalah Asset Management Limited - Management Company	15,007,142	-	-	-	-	15,007,142
Payable to Central Depository Company of Pakistan Limited - Trustee	8,587	-	-	-	-	8,587
Accrued expenses and other liabilities	3,632,722	-	-	-	-	3,632,722
	18,648,451	-	-	-	-	18,648,451
Net assets	49,434,584	-	-	58,934,457	-	108,369,041

19.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

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

22 **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Management Company.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1208	12,923,200	698,342,458	9%
Associated Co./ Directors	9	11,095,813	599,594,350	8%
Banks/Dfis	26	65,486,944	3,538,776,352	47%
Insurance Co.	19	47,342	2,558,247	0%
Retirement & Other Funds	79	20,349,654	1,099,652,406	15%
Others	114	29,159,107	1,575,696,644	21%
	1455	139,062,060	7,514,620,457	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	284	744,800	40,174,655	1%
Associated Co./ Directors	2	1,560	84,135	-
Banks/Dfis	-	-	-	-
Insurance Co.	-	-	-	-
Retirement & Other Funds	11	153,461	8,277,737	-
Others	25	1,110,918	59,923,185	1%
	322	2,010,739	108,459,712	1%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023
	%
Next Capital Limited	81.40%
Continental Exchange (Pvt.) Limited	16.14%
Summit Capital (Private) Limited	2.46%
	30 June 2022
	%
BIPL Securites Limited	2.36%
Paramount Capital Pvt Limited	2.36%
Optimus Capital Management (Pvt) Limited	2.36%
Continental Exchange (Pvt.) Limited	2.36%
Next Capital Limited	90.58%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
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PERFORMANCE TABLE - AGIMF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Net Assets (Rupees in '000)	7,514,620	108,460	181,343	217,938	364,994
NAV per unit	54.0379	53.9402	53.0835	53.2461	53.2667
Selling price per unit	55.8698	55.7688	54.8830	55.0511	55.0724
Redemption price per unit	54.0379	53.9402	53.0835	53.2461	53.2667
Highest selling price per unit	66.4721	58.4665	57.7842	63.5022	58.3182
Highest redemption price per unit	64.2926	56.5495	55.8895	61.4201	56.4060
Lowest selling price per unit	55.7921	53.7301	54.6905	55.0424	54.8429
Lowest redemption price per unit	53.9628	51.9684	52.8973	53.2376	53.0447
Total interim distribution per unit	10.3524	N/A	N/A	N/A	3.3186
Interim distribution date	27-Jun-23	N/A	N/A	N/A	30-Jun-19
Final distribution per unit	N/A	2.7655	N/A	8.1534	N/A
Final distribution date	N/A	24-Jun-22	N/A	27-Jun-20	N/A
Annualized returns	19.41%	6.84%	-0.31%	15.26%	6.26%
Income distribution	19.19%	5.21%	N/A	6.23%	6.23%
Weighted avg. portfolio duration	0.00%	1.20 Yrs	1.99 Yrs	1.99 Yrs	2.755 Yrs

Return since inception is **6.99%**

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

Alfalah

GHP Alpha Fund

FUND INFORMATION

Management Company:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Alpha Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

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

Accomplishment of Objective

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

Equity Market Review

During FY23, the benchmark index largely remained flat and posted a slight negative return of 0.21% on account of worsening economic indicators. The index remained range bound during the year as it peaked at 43,676 level in Aug'22, however closed at a lower level of 41,453 points.

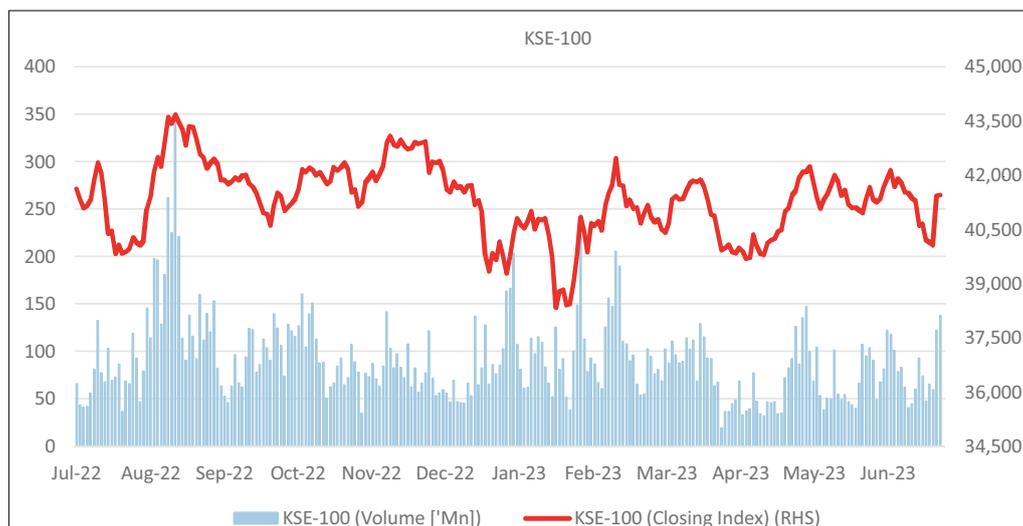
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment and resulted in investors shifting allocation to low risk money market investments.

Despite record profitability posted by companies in the benchmark index in 9MFY23, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 21%YoY to 90.65 million shares. Power Generation and Fertilizer sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Power sector, while Pharmaceuticals contributed most negatively to the index due to massive devaluation of PKR against the greenback.

Foreigners remained net buyers in FY23, as the net foreign inflow amounted to USD 4mn compared to net outflow of USD 295mn during FY22.

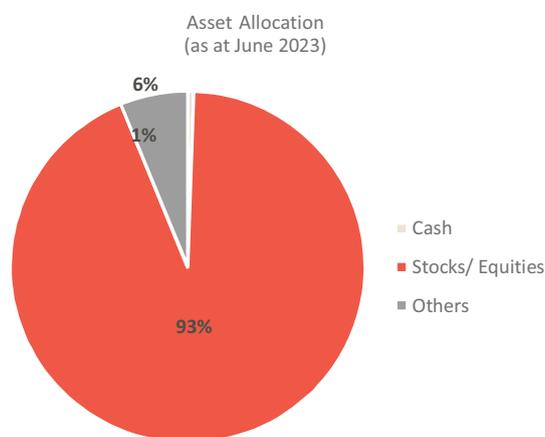
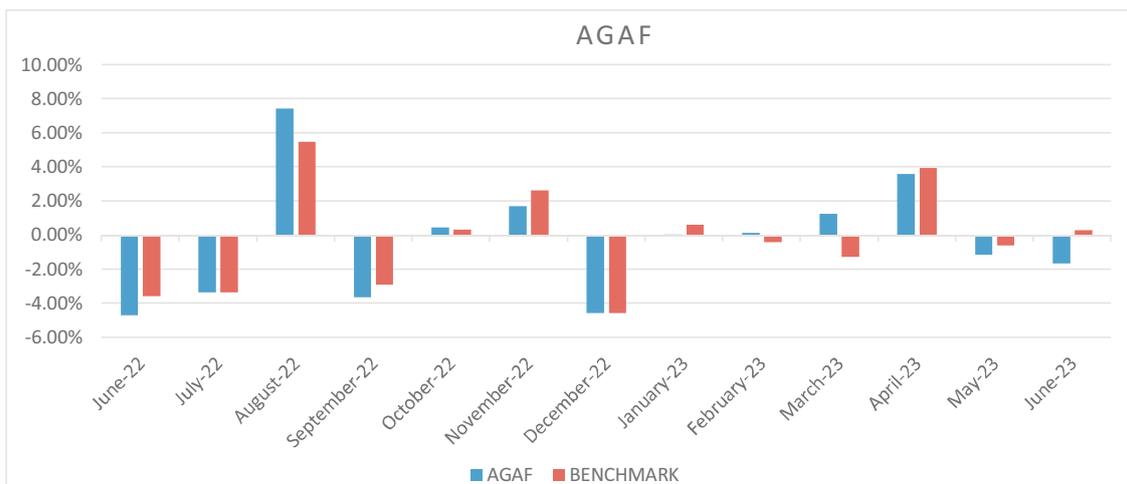
Going forward, we believe that the resumption of the stalled IMF program and with a caretaker government, the focus will likely be on preserving macroeconomic stability ensuring prudent monetary policy, avoiding fiscal slippages and maintaining market based exchange rate. This will provide much-needed clarity and assurance for the economic plan.

A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double digits' growth in earnings expected in 2024, we expect the local stock market to deliver a strong performance in FY24.



Fund Performance

During FY23, AGAF earned a return of -1.67% versus the benchmark (KSE-100) has a benchmark return of 0.30% during the same period.



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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ALPHA FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2023





EY Ford Rhodes
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfalah GHP Alpha Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Alpha Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
<p>The bank balances and investments (comprised of listed equity securities) represent 97.5% of the Total Assets of the Fund at the year end.</p> <p>In view of the significance of existence and valuation of bank balances and investments in relation to determination of the Net Asset Value of the Fund, we have considered these to be a key audit matter.</p> <p>Refer to Notes 4 and 5 of the financial statements of the Fund for the year ended 30</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over receipts and payments, and bank reconciliations as well as acquisition, disposals, and periodic valuation of investments portfolio. - We obtained independent confirmations for verifying the existence of the bank balances and investments as on 30 June 2023. Where such confirmations were not available, we

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Key audit matter	How our audit addressed the key audit matter
<p>June 2023 in relation to the above referred bank balances and investments.</p>	<p>reviewed bank statements and custodian statements.</p> <ul style="list-style-type: none"> - We re-performed valuations on investments in accordance with the accounting policy of the Fund. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9. - We obtained bank reconciliations and tested reconciling items on a sample basis. - We assessed the Fund's compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits. - We also evaluated the adequacy of the disclosures in the financial statements regarding the bank balances and investments in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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



The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine



that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Chartered Accountants
Date: 28 September 2023
Karachi
UDIN Number: AR202310120XIEm68wz9

ALFALAH GHP ALPHA FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2023

	2023	2022
Note	----- (Rupees) -----	
Assets		
Bank balances	4 23,304,390	66,575,816
Investments	5 505,947,626	591,212,323
Advance and deposits	6 2,839,347	2,792,989
Profit / mark-up and other receivables	7 123,937	2
Receivable against sale of investments	8 10,578,789	1,570,331
Total assets	542,794,089	662,151,461
Liabilities		
Payable to Alfalah Asset Management Limited - Management Company	9 16,993,236	17,767,020
Payable to Central Depository Company of Pakistan Limited - Trustee	10 97,782	106,244
Annual fee payable to the Securities and Exchange Commission of Pakistan	11 114,205	162,395
Accrued and other liabilities	12 4,777,369	4,075,746
Total liabilities	21,982,592	22,111,405
Net assets attributable to the unit holders	520,811,497	640,040,056
Unit holders' fund (as per the statement attached)	520,811,497	640,040,056
Contingencies and commitments		
	13	----- Number of units -----
Number of units in issue	10,644,671	13,039,463
	----- (Rupees) -----	
Net asset value per unit	48.9270	49.0848

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	(Rupees)	
Income		
Profit on saving accounts	9,152,174	3,765,604
Dividend income	55,265,102	55,607,531
Gain / (loss) on sale of investments - net	349,383	(73,001,321)
Unrealised loss on revaluation of remeasurement of investments classified as 'fair value through profit or loss' - net	5.1 (34,446,583)	(116,350,936)
Other income	-	8,701
Total income / (loss)	30,320,076	(129,970,421)
Expenses		
Remuneration of Alfalah Asset Management Limited - Management Company	9.1 9,992,636	14,215,069
Sindh sales tax on remuneration of the Management Company	9.2 1,299,030	1,847,967
Performance fee of Alfalah Asset Management Limited - Management Company	1,478,731	2,023,802
Sindh sales tax on performance fee of the Management Company	9.2 192,239	263,098
Allocated expenses	9.4 3,514,994	4,399,679
Selling and marketing expenses	9.5 6,718,603	9,038,568
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 1,142,016	1,620,803
Sindh sales tax on remuneration of the Trustee	10.2 148,458	210,697
Annual fee to the Securities and Exchange Commission of Pakistan	11 114,203	162,419
Brokerage expenses	1,146,972	2,787,626
Bank and settlement charges	432,102	504,086
Auditors' remuneration	14 791,578	839,500
Central depository system charges	156,599	216,080
Printing charges	29,808	31,332
Fees and subscriptions	244,122	27,500
Total expenses	27,402,091	38,188,226
Operational income / (loss) for the year	2,917,985	(168,158,647)
Reversal against Sindh Worker's Welfare Fund	-	17,199,970
Net income / (loss) for the year before taxation	2,917,985	(150,958,677)
Taxation	15 -	-
Net income / (loss) for the year after taxation	2,917,985	(150,958,677)
Allocation of net income for the year after taxation		
Net income for the year after taxation	2,917,985	(150,958,677)
Income already paid on units redeemed	(129,420)	-
	2,788,565	(150,958,677)
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	2,788,565	-
	2,788,565	-

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income / (loss) for the year after taxation	2,917,985	(150,958,677)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>2,917,985</u>	<u>(150,958,677)</u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	Rupees			Rupees		
Net assets at the beginning of the year	1,000,730,061	(360,690,005)	640,040,056	1,196,891,720	(209,731,328)	987,160,392
Issuance of 831,946 units (2022: 3,504,991 units)						
- Capital value (at net asset value per unit at the beginning of the year)	40,835,903	-	40,835,903	209,755,840	-	209,755,840
- Element of income / (loss)	25,982	-	25,982	(6,571,615)	-	(6,571,615)
Total proceeds on issuance of units	40,861,885	-	40,861,885	203,184,225	-	203,184,225
Redemption of 3,226,738 units (2022: 6,960,854 units)						
- Capital value (at net asset value per unit at the beginning of the year)	158,383,798	-	158,383,798	416,571,640	-	416,571,640
- Element of income / (loss)	795,656	129,420	925,076	(17,225,756)	-	(17,225,756)
Total payments on redemption of units	(159,179,454)	(129,420)	(159,308,874)	(399,345,884)	-	(399,345,884)
Total comprehensive income / (loss) for the year	-	2,917,985	2,917,985	-	(150,958,677)	(150,958,677)
Interim cash distribution for the year ended June 30, 2023 @ Rs 0.35 per unit declared on June 27, 2023	(125,825)	(3,573,730)	(3,699,555)	-	-	-
Net assets at the end of the year	882,286,667	(361,475,170)	520,811,497	1,000,730,061	(360,690,005)	640,040,056
	(Rupees)			(Rupees)		
Accumulated loss brought forward						
- Realised loss		(244,339,069)			(284,630,385)	
- Unrealised (loss) / gain		(116,350,936)			74,899,057	
		(360,690,005)			(209,731,328)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		2,788,565			-	
		2,788,565			-	
Total comprehensive loss for the year		-			(150,958,677)	
Distribution during the year		(3,573,730)			-	
Accumulated loss carried forward		(361,475,170)			(360,690,005)	
Accumulated loss carried forward						
- Realised loss		(327,028,587)			(244,339,069)	
- Unrealised loss		(34,446,583)			(116,350,936)	
		(361,475,170)			(360,690,005)	
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year	49.0848			59.8449		
Net asset value per unit at the end of the year	48.9270			49.0848		

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year before taxation	2,917,985	(150,958,677)
Adjustments for:		
Unrealised loss on revaluation of remeasurement of investments classified as 'fair value through profit or loss' - net	5.1 34,446,583	116,350,936
Reversal against Sindh Worker's Welfare Fund	-	(17,199,970)
	<u>37,364,568</u>	<u>(51,807,711)</u>
Decrease / (increase) in assets		
Investments - net	50,818,114	276,169,608
Advance and deposits	(46,359)	3,519,087
Profit / mark-up and other receivables	(123,935)	-
Receivable against sale of investments	(9,008,458)	3,615,199
	<u>41,639,362</u>	<u>283,303,894</u>
(Decrease) / increase in liabilities		
Payable to Alfalah Asset Management Limited - Management Company	(773,784)	408,680
Payable to Central Depository Company of Pakistan Limited - Trustee	(8,462)	(76,568)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(48,190)	(40,885)
Accrued and other liabilities	701,623	(3,548,179)
	<u>(128,813)</u>	<u>(3,256,952)</u>
Net cash generated from operating activities	<u>78,875,117</u>	<u>228,239,231</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units - net of refund of capital	40,736,061	203,184,225
Payments made against redemption of units	(159,308,874)	(399,345,884)
Dividend paid	(3,573,730)	-
Net cash used in financing activities	<u>(122,146,543)</u>	<u>(196,161,659)</u>
Net (decrease) / increase in cash and cash equivalents during the year	<u>(43,271,426)</u>	<u>32,077,572</u>
Cash and cash equivalents at the beginning of the year	66,575,816	34,498,244
Cash and cash equivalents at end of the year	4 <u>23,304,390</u>	<u>66,575,816</u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Alpha Fund is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah Asset Management Limited [formerly Alfalah GHP Asset Management Limited], (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee) on December 27, 2007. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on May 13, 2005. The SECP approved the first Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. NBFC/RS/AGIML/AGIML/AGAF/176/2010 dated February 26, 2010 to modify and restate the previous Trust Deed to effectuate the amendments listed in Annexure A of the first Supplemental Trust Deed.

After promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan, the abovementioned Trust Deeds have been registered under the Sindh Trust Act on 13 September, 2021.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) through a certificate issued by the SECP on February 3, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at 2nd Floor, Islamic Chambers of Commerce, Industry and Agriculture Building, Clifton, Karachi, Pakistan.

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

1.4 According to the Trust Deed, the objective of the Fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities. The Fund invests in equity securities and profit bearing accounts. The investment policy is explained in the Fund's offering document.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+ (stable outlook) on March 3, 2022).

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

1.7 During the year, the Fund has made a distribution of Rs. 3.57 million (including income already paid on units redeemed of Rs. 0.35 million). However, the maximum amount of income available for distribution for the current year as per the criteria given in the constitutive documents of the Fund was Rs. 2.92 million. The Fund intends to adjust the same in the future years through subsequent available profits.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

The following amendments with respect to the accounting and standards reporting standards would be effective from the dates mentioned below against the respective amendment or improvements:

Amendments or Improvements		Effective dates (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	1-Jan-2023
IAS 8	Definition of Accounting Estimates (Amendments)	1-Jan-2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	1-Jan-2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	1-Jan-2023
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments)	1-Jan-2024
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	1-Jan-2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	1-Jan-2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard or interpretation	IASB Effective dates (annual periods beginning on or after)
IFRS 1 First-time Adoption of International Financial Reporting Standards	1-Jan-2004
IFRS 17 Insurance Contracts	1-Jan-2003

2.4 Critical accounting estimates and judgments

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

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

- Classification and valuation of investments (notes 3.3.1 and 5)
- Provision for Sindh Workers' Welfare Fund
- Provision against Federal Excise Duty (note 9.2)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.1.2 Equity instruments

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

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

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement.

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

3.3.2 Impairment

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

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

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

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, Super Tax on High Earning Persons introduced in the Finance Act, 2022 is also not applicable on the Funds (Section 4C of the Income Tax Ordinance, 2001).

Deferred

The Fund does not recognise deferred tax liabilities and assets as its income is exempt from tax as explained above.

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gain or losses in the value of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on bank balances is recognised on an accrual basis.

- Income on Government securities is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.13 Expenses

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

3.14 Earnings / (loss) per unit

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

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

3.15 Foreign currency translation

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

4	BANK BALANCES	Note	2023	2022
			(Rupees)	
	Savings accounts	4.1	23,295,091	66,384,197
	Current accounts	4.1	9,299	191,618
			<u>23,304,390</u>	<u>66,575,816</u>

4.1 These carry profit rates ranging between 8.50% to 20.50% (2022: 7.70% to 16.60%) per annum and include bank balance of Rs. 19.64 million (2022: Rs. 66.36 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 20.50% (2022: 16.60%) per annum.

4.2 This includes Rs. 19.6 million bank balance (2022: nil) maintained with Bank Alfalah Limited, a related party.

5 INVESTMENTS

at fairvalue through profit and loss

5	Listed equity securities	Note	2023	2022
			(Rupees)	
	Listed equity securities	5.1	<u>505,947,626</u>	<u>591,212,323</u>

5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	Note	As at July 01, 2022	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market Value as a percentage of		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total invest-ments	
						Number of shares			(Rupees)		(%)	
COMMERCIAL BANKS												
Askari Bank Limited		433,500	37,500	39,019	222,867	287,152	4,376,146	3,721,490	(654,656)	0.71%	0.74%	0.02%
Bank Al-Falah Limited		666,581	102,079	-	214,938	553,722	17,651,311	16,855,298	(796,013)	3.24%	3.33%	0.04%
Bank Al-Habb Limited		297,246	30,000	-	89,887	237,359	13,506,419	10,258,656	(3,247,763)	1.97%	2.03%	0.02%
The Bank of Punjab		1,658,875	40,000	149,726	1,119,607	728,994	3,590,790	2,529,609	(1,061,181)	0.49%	0.50%	0.02%
Faysal Bank Limited	5.1.1	530,750	127,901	-	345,797	312,854	7,364,237	6,313,394	(1,050,843)	1.21%	1.25%	0.02%
Habb Bank Limited		347,800	85,000	-	174,493	258,307	22,209,692	18,915,822	(3,293,870)	3.63%	3.74%	0.02%
Habb Metropolitan Bank Limited		65,800	-	-	65,409	391	15,269	11,816	(3,453)	0.00%	0.00%	0.00%
MCB Bank Limited		127,804	3,000	-	40,439	90,365	11,091,995	10,344,082	(747,913)	1.99%	2.04%	0.01%
Meezan Bank Limited		166,250	61,500	17,875	32,638	212,987	22,203,294	18,395,687	(3,807,607)	3.53%	3.64%	0.01%
Allied Bank Limited		-	78,500	-	39,979	38,521	2,491,642	2,580,907	89,265	0.50%	0.51%	0.00%
United Bank Limited		275,384	55,000	-	121,061	209,323	23,725,855	24,603,825	877,970	4.72%	4.86%	0.02%
							128,226,650	114,530,586	(13,696,064)	21.99%	22.64%	
INSURANCE												
Adamjee Insurance Company Limited		71,500	-	-	71,500	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	0.00%	0.00%	
TEXTILE COMPOSITE												
Gul Ahmed Textile Mills Limited	5.1.1	375,011	55,000	51,350	173,261	308,100	8,091,398	5,487,261	(2,604,137)	1.05%	1.08%	0.05%
Interloop Limited		166,175	28,000	52,789	101,818	145,146	5,591,028	5,117,848	(473,180)	0.98%	1.01%	0.02%
Kohinoor Textile Mills Limited		135,000	55,000	-	42,708	147,292	7,308,941	7,498,636	189,695	1.44%	1.48%	0.05%
Nishat Mills Limited		154,900	10,000	-	91,381	73,519	5,392,092	4,173,674	(1,218,418)	0.80%	0.82%	0.02%
							26,383,459	22,277,419	(4,106,040)	4.28%	4.40%	

Name of the investee company	Note	As at July 01, 2022	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market Value as a percentage of		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total invest-mets	
						Number of shares	(Rupees)	(%)				
CEMENT												
Cherat Cement Company Limited		130,253	98,008	-	126,331	101,930	10,808,009	12,260,140	1,452,131	2.35%	2.42%	0.05%
D. G. Khan Cement Limited		56,627	239,500	-	178,203	117,924	5,785,547	6,049,501	263,954	1.16%	1.20%	0.03%
Fauji Cement Limited		126,500	683,500	-	206,474	603,526	7,767,021	7,097,466	(669,555)	1.36%	1.40%	0.02%
Flying Cement Company Limited		24,000	-	-	1,078	22,922	164,580	126,988	(37,592)	0.02%	0.03%	0.02%
Kohat Cement Limited		75,600	88,883	-	76,220	88,263	12,713,794	15,310,983	2,597,189	2.94%	3.03%	0.04%
Lucky Cement Limited		52,110	41,000	-	47,651	45,459	21,459,425	23,733,689	2,274,264	4.56%	4.69%	0.01%
Maple Leaf Cement Factory Limited		394,028	467,500	-	351,393	510,135	13,558,419	14,452,125	893,706	2.77%	2.86%	0.05%
Pioneer Cement Limited		59,500	203,500	-	170,337	92,663	6,287,331	8,027,396	1,740,065	1.54%	1.59%	0.04%
							78,544,126	87,058,288	8,514,162	16.72%	17.21%	
REFINERY												
Attock Refinery Limited		13,500	89,400	-	65,475	37,425	6,405,194	6,423,253	18,059	1.23%	1.27%	0.04%
Cnergyco PK Limited		822,500	-	-	822,500	-	-	-	-	0.00%	0.00%	0.00%
National Refinery Limited		10,300	18,500	-	19,513	9,287	1,534,000	1,393,050	(140,950)	0.27%	0.28%	0.01%
							7,939,194	7,816,303	(122,891)	1.50%	1.54%	
POWER GENERATION AND DISTRIBUTION												
Hub Power Company Limited	5.1.2	343,371	35,000	-	122,968	255,403	17,278,193	17,770,941	492,748	3.41%	3.51%	0.02%
Kot Addu Power Limited		68,500	120,000	-	188,500	-	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited		161,000	102,000	-	11,049	251,951	4,820,756	4,270,569	(550,187)	0.82%	0.84%	0.07%
							22,098,949	22,041,510	(57,439)	4.23%	4.36%	
OIL AND GAS MARKETING COMPANIES												
Hascol Petroleum Limited	5.1.1	3,891	-	-	175	3,716	15,682	20,624	4,942	0.00%	0.00%	0.00%
Hi-Tech Lubricants Limited		127,400	-	-	127,018	382	15,146	8,110	(7,036)	0.00%	0.00%	0.00%
Pakistan State Oil Limited	5.1.1	60,576	76,938	-	67,638	69,876	9,743,682	7,756,935	(1,986,747)	1.49%	1.53%	0.01%
Attock Petroleum Limited		-	11,028	-	-	11,028	3,320,397	3,311,157	(9,240)	0.64%	0.65%	0.01%
Shell Pakistan Limited		-	51,500	-	39,400	12,100	1,054,340	1,399,365	345,025	0.27%	0.28%	0.01%
Sui Northern Gas Pipelines Limited		96,500	302,500	-	128,296	270,704	11,115,842	10,657,616	(458,226)	2.05%	2.11%	0.04%
							25,265,089	23,153,807	(2,111,282)	4.85%	4.58%	
OIL AND GAS EXPLORATION COMPANIES												
Mari Petroleum Company Limited		21,992	6,400	-	5,293	23,099	39,013,182	34,986,669	(4,026,513)	6.72%	6.92%	0.02%
Oil & Gas Development Company Limited	5.1.2	252,700	129,500	-	127,463	254,737	20,752,733	19,869,486	(883,247)	3.82%	3.93%	0.01%
Pakistan Oilfields Limited		69,317	18,500	-	44,641	43,176	17,573,294	17,346,822	(226,472)	3.33%	3.43%	0.01%
Pakistan Petroleum Limited		256,046	169,100	-	152,927	272,219	18,212,492	16,099,032	(2,113,460)	3.09%	3.18%	0.01%
							95,551,701	88,302,009	(7,249,692)	16.95%	17.45%	
ENGINEERING												
Agha Steel Industries Limited		191,100	-	-	13,356	177,744	2,787,026	1,727,672	(1,059,354)	0.33%	0.34%	0.03%
Amreli Steel Limited		87,500	-	-	36,402	51,098	1,197,737	784,354	(413,383)	0.15%	0.16%	0.02%
International Industries Limited		50,900	-	-	50,823	77	7,987	5,639	(2,348)	0.00%	0.00%	0.00%
International Steels Limited		84,000	32,000	-	52,772	63,228	3,230,263	2,562,631	(667,632)	0.49%	0.51%	0.01%
Mughal Iron & Steel Industries Limited		165,488	28,500	-	156,713	37,275	1,927,267	1,805,601	(121,666)	0.35%	0.36%	0.01%
							9,150,280	6,885,897	(2,264,383)	1.32%	1.36%	
AUTOMOBILE ASSEMBLER												
Sazgar Engineering Works Limited		-	102,000	-	-	102,000	5,364,040	5,186,700	(177,340)	1.00%	1.03%	0.17%
							5,364,040	5,186,700	(177,340)	1.00%	1.03%	
BALANCES CARRIED FORWARD							398,523,488	377,252,519	(21,270,969)	72.44%	74.56%	
BALANCES BROUGHT FORWARD							398,523,488	377,252,519	(21,270,969)	72.44%	74.56%	
AUTOMOBILE PARTS & ACCESSORIES												
Thal Limited		9,800	-	-	440	9,360	2,523,643	1,516,320	(1,007,323)	0.29%	0.30%	0.02%
							2,523,643	1,516,320	(1,007,323)	0.29%	0.30%	
TECHNOLOGY & COMMUNICATION												
Air Link Communication Limited		274	-	-	12	262	10,582	5,195	(5,387)	0.00%	0.00%	0.00%
Avancon Limited		90,875	123,000	14,644	116,242	112,277	7,477,976	4,944,679	(2,533,297)	0.95%	0.98%	0.03%
Octopus Digital Limited		870	-	124	39	955	59,259	35,707	(23,552)	0.01%	0.01%	0.00%
Systems Limited		48,060	38,450	-	23,686	62,824	24,918,988	25,338,804	419,816	4.87%	5.01%	0.02%
TRG Pakistan Limited		66,400	175,000	-	143,200	98,200	10,724,191	9,047,166	(1,677,025)	1.74%	1.79%	0.02%
							43,190,996	39,371,552	(3,819,444)	7.56%	7.78%	
FERTILIZER												
Engro Corporation Limited		125,167	19,200	-	65,283	79,084	20,465,470	20,553,141	87,671	3.95%	4.06%	0.01%
Engro Fertilizer Limited		148,500	133,000	-	139,637	141,863	12,018,952	11,707,953	(310,999)	2.25%	2.31%	0.01%
Fauji Fertilizer Bin Qasim Limited		123,000	-	-	123,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited		160,308	43,192	-	46,810	156,690	17,095,430	15,424,564	(1,670,866)	2.96%	3.05%	0.01%
							49,579,852	47,685,658	(1,894,194)	9.16%	9.43%	
PHARMACY												
AGP Limited		-	84,072	-	4,639	79,433	5,196,202	4,486,376	(709,826)	0.86%	0.89%	0.03%
Citi Pharma Limited		169,222	55,000	-	66,574	157,648	5,072,145	3,364,208	(1,707,937)	0.65%	0.66%	0.07%
Highnoon Laboratories Limited		7,726	2,000	1,830	3,337	8,219	3,459,771	2,762,981	(696,790)	0.53%	0.55%	0.02%
The Searle Company Limited	5.1.1	45,643	38,500	6,360	22,032	68,471	5,177,778	2,623,809	(2,553,969)	0.50%	0.52%	0.02%
							18,905,896	13,237,374	(5,668,522)	2.54%	2.62%	
CHEMICAL												
Descon Oxychem Limited		-	203,000	-	203,000	-	-	-	-	0.00%	0.00%	0.00%
Engro Polymer & Chemicals Limited		37,000	106,500	-	57,000	86,500	3,862,401	3,654,625	(207,776)	0.70%	0.72%	0.01%
Lotte Chemical Pakistan Limited		-	126,878	-	126,878	-	-	-	-	0.00%	0.00%	0.00%
							3,862,401	3,654,625	(207,776)	0.70%	0.72%	

Name of the investee company	Note	As at July 01, 2022	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market Value as a percentage of		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total invest-ments	
						Number of shares			(Rupees)		(%)	
FOOD & PERSONAL CARE PRODUCTS												
National Foods Limited		-	126,600	-	56,100	70,500	6,084,423	6,937,200	852,777	1.33%	1.37%	0.06%
							6,084,423	6,937,200	852,777	1.33%	1.37%	
GLASS & CERAMICS												
Tariq Glass Limited	5.1.1	47,700	77,053	6,675	27,498	103,930	7,371,157	7,077,633	(293,524)	1.36%	1.40%	0.06%
							7,371,157	7,077,633	(293,524)	1.36%	1.40%	
MISCELLANEOUS												
Pakistan Aluminium Beverage Cans Limited		-	228,500	-	188,767	39,733	1,672,090	1,796,726	124,636	0.34%	0.36%	0.01%
Synthetic Products Limited	5.1.1	4,348	-	-	195	4,153	58,516	43,191	(15,325)	0.01%	0.01%	0.00%
Image Pakistan Limited		-	223,000	33,450	-	256,450	2,552,580	2,477,307	(75,273)	0.98%	0.99%	0.22%
The Organic Meat Company Limited		-	-	50,000	50,000	-	-	-	-	0.00%	0.00%	0.00%
							4,283,186	4,317,224	34,038	0.83%	0.85%	
EXCHANGE TRADED FUNDS												
Alfalah Consumer Index ETF		801,500	8,500	-	36,300	773,700	6,069,166	4,897,521	(1,171,645)	0.94%	0.97%	12.13%
							6,069,166	4,897,521	(1,171,645)	0.94%	0.97%	
As at June 30, 2023							540,394,208	505,947,626	(34,446,583)	92.37%	100.00%	
As at June 30, 2022							707,563,259	591,212,323	(116,350,936)	92.37%	100.00%	

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

The following is the detail of bonus shares of the Fund withheld by issuing companies:

Name of the investee company	Number of shares		Market Value (Rupees)	
	2023	2022	2023	2022
Hascol Petroleum Limited	3,716	3,716	21,595	15,682
The Searle Company Limited	7,465	5,972	286,059	651,067
Synthetic Products Enterprises Limited	2,278	2,278	23,691	32,097
Gul Ahmed Textiles Mills Limited	648	540	11,541	18,257
Pakistan State Oil Company limited	2,032	2,032	225,572	349,179
Faysal Bank Limited	4,463	4,463	90,063	102,917
			658,521	1,169,199

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 31.44 million (2022: Rs 38.36 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of the investee company	Number of shares		Market Value (Rupees)	
	2023	2022	2023	2022
The Hub Power Company Limited	250,000	280,000	17,395,000	19,087,600
Oil and Gas Development Company Limited	180,000	245,000	14,040,000	19,274,150
			<u>31,435,000</u>	<u>38,361,750</u>

6 ADVANCE AND DEPOSITS

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Advance:			
Advance tax	6.1	139,347	92,989
Deposits:			
Central Depository Company of Pakistan Limited - Trustee		200,000	200,000
National Clearing Company of Pakistan Limited		2,500,000	2,500,000
		<u>2,700,000</u>	<u>2,700,000</u>
		<u>2,839,347</u>	<u>2,792,989</u>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under other receivable as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PROFIT / MARK-UP AND OTHER RECEIVABLES

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Mark-up receivable on bank balances	7.1	119,474	2
Dividend receivable		4,463	-
		<u>123,937</u>	<u>2</u>

- 7.1 This includes Rs. 0.075 million accrued markup (2022: nil) receivable from Bank Alfalah Limited (a related party).

8 RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents net receivable from sale of investments which requires delivery and settlement of securities within two days after transaction date as required by Pakistan Stock Exchange Regulations. These amounts have been received subsequent to the year end.

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
9 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	9.1	792,524	947,598
Performance fee payable to the Management Company		4,470,599	4,684,377
Sindh sales tax payable on management remuneration	9.2	783,771	787,780
Sindh sales tax payable on performance fee	9.2	678,111	708,801
Federal excise duty payable on management remuneration	9.3	4,879,884	4,879,884
Federal excise duty payable on performance fee	9.3	297,850	297,850
Payable against allocated expenses	9.4	137,969	1,197,909
Payable against marketing and selling expenses	9.5	4,472,560	3,782,852
Sales load payable		479,968	479,968
		<u>16,993,236</u>	<u>17,767,020</u>

- 9.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. The Management Company has charged remuneration at a rate of 1.75% (2022: 1.75%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 9.2** During the year, an amount of Rs. 1.67 million (2022: Rs. 2.651 million) was charged on account of sales tax on management fee and performance fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.92 million (2022: Rs. 2.597 million) has been paid to the Management Company which acts as a collecting agent.
- 9.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 9.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 5.18 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2023 would have been higher by Rs 0.49 per unit (2022: Rs 0.40 per unit).

- 9.4** In accordance with regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense.
- 9.5** The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

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

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2023 ----- Rupees -----	2022
Trustee remuneration payable	10.1	86,796	104,519
Sindh sales tax payable on trustee remuneration	10.2	10,986	1,725
		97,782	106,244

- 10.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration is payable to the trustee at the rate of 0.019% (2022: 0.017%) per annum of the net assets of the Fund.
- 10.2** During the year, an amount of Rs 0.148 million (2022: Rs. 0.21 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.139 million (2022: Rs. 0.26 million) was paid to the Trustee which acts as a collecting agent.

11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

- 11.1** Under the provisions of NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay as annual fee to the Securities and Exchange Commission of Pakistan (SECP), an amount equal to 0.02% (2022: 0.02%) of the average net assets of the Fund.

12 ACCRUED AND OTHER LIABILITIES	Note	2023	2022
		----- Rupees -----	
Auditors' remuneration payable		528,994	634,152
Withholding tax payable		2,081,103	1,710,459
Brokerage payable		499,983	387,644
Settlement charges payable		400,358	278,306
Annual fee payable		1,151,448	945,475
Printing charges payable		13,714	17,939
Other payable		101,689	101,690
Sales load payable		80	81
		<u>4,777,369</u>	<u>4,075,746</u>

13 CONTINGENCIES AND COMMITMENTS

There are no material contingencies and commitments outstanding as at June 30, 2023 and 30 June 2022.

14 AUDITORS' REMUNERATION	2023	2022
	----- (Rupees) -----	
Audit fee	440,000	400,000
Review and other certifications	249,700	227,000
Out of pocket expenses	43,243	130,990
	<u>732,943</u>	<u>757,990</u>
Sindh sales tax	58,635	81,510
	<u>791,578</u>	<u>839,500</u>

15 TAXATION

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

Since the Management Company has paid the required minimum percentage of income earned by the fund during the year 30 June 2023 to the unit holders in the manner explained above, no provision for taxation has been made in these financial statements during the year.

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 4.81% (2022: 4.70%) which includes 0.32% (2022: 0.35%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. The ratio is within the maximum limit of 4.5% (2022: 4.5%) (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

2023										
As at July 01, 2022	Issued for cash during the year	Bonus / dividend reinvested during the year	Redeemed during the year	As at June 30, 2023	As at July 01, 2022	Issued for cash during the year	Bonus / dividend reinvested during the year	Redeemed during the year	As at June 30, 2023	
Units					Rupees					
Associated companies / undertakings										
Alfalah GHP Prosperity Planning Fund	1,387,996	135,854	-	1,523,850	-	68,129,524	6,900,000	-	75,889,937	-
Key Management Personnel (Employees)										
Chief Financial Officer	-	-	-	-	-	-	-	-	-	-
Unit Holders Holding 10% or more units	8,876,070	-	-	8,876,070	435,680,132	-	3,106,624	-	434,279,488	-
10,264,067	135,854	-	1,523,850	8,876,070	503,809,656	6,900,000	3,106,624	75,889,937	434,279,488	-
2022										
As at July 01, 2021	Issued for cash during the year	Bonus / dividend reinvested during the year	Redeemed during the year	As at June 30, 2022	As at July 01, 2021	Issued for cash during the year	Bonus / dividend reinvested during the year	Redeemed during the year	As at June 30, 2022	
Units					Rupees					
Associated companies / undertakings										
Alfalah GHP Prosperity Planning Fund	2,561,837	1,291,696	-	2,465,536	1,387,996	153,312,819	61,033,494	30,670,226	47,250,000	68,129,524
Unit Holders Holding 10% or more units	8,876,070	-	-	8,876,070	531,187,522	-	106,264,014	-	435,680,132	-
11,437,907	1,291,696	-	2,465,536	10,264,067	684,500,341	61,033,494	136,934,240	47,250,000	503,809,656	-

17.2 Other transactions

	2023	2022
	----- Rupees -----	
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Remuneration of the Management Company	9,992,636	14,215,069
Performance fee of the Management Company	1,478,731	2,023,802
Sindh sales tax on remuneration of the Management Company	1,299,030	1,847,967
Sindh sales tax on performance fee of the Management Company	192,239	263,098
Allocated expenses	3,514,994	4,399,679
Selling and marketing expenses	6,718,603	9,038,568
Sales load	-	890,243
Bank Alfalah Limited		
Profit on bank balances	5,359,075	3,764,555
Bank charges	2,703	848
Sales load	-	115,895
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,142,016	1,620,803
Sindh sales tax on remuneration of the Trustee	148,458	210,697
Central depository system charges	156,599	216,080

17.3 Other balances

Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	792,524	947,598
Performance fee payable to the management company	4,470,599	4,684,377
Sindh sales tax payable on management remuneration	783,771	787,780
Sindh sales tax payable on performance fee	678,111	708,801
Federal excise duty payable on management remuneration	4,879,884	4,879,884
Federal excise duty payable on performance fee	297,850	297,850
Payable against allocated expenses	137,969	1,197,909
Payable against marketing and selling expenses	4,472,560	3,782,852
Sales load payable	479,968	479,968

	2023	2022
	----- Rupees -----	
Bank Alfalah Limited		
Bank balance	19,645,597	66,358,003
Sales load payable	80	81
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	86,796	104,519
Sindh sales tax payable on trustee remuneration	10,986	1,725
Security deposit	200,000	200,000

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	23,304,390	-	23,304,390
Investments	-	505,947,626	505,947,626
Advance and deposits	2,700,000	-	2,700,000
Profit / mark-up and other receivables	123,937	-	123,937
Receivable against sale of investments	10,578,789	-	10,578,789
	<u>36,707,116</u>	<u>505,947,626</u>	<u>542,654,742</u>
Financial liabilities			
Payable to Alfalah Asset Management	16,993,236	-	16,993,236
Payable to Central Depository Company of Pakistan	97,782	-	97,782
Accrued and other liabilities	2,696,266	-	2,696,266
	<u>19,787,284</u>	<u>-</u>	<u>19,787,284</u>
	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	66,575,816	-	66,575,816
Investments	-	591,212,323	591,212,323
Advance and deposits	2,700,000	-	2,700,000
Profit / mark-up and other receivables	2	-	2
Receivable against sale of investments	1,570,331	-	1,570,331
	<u>70,846,149</u>	<u>591,212,323</u>	<u>662,058,472</u>
Financial liabilities			
Payable to Alfalah Asset Management	17,767,020	-	17,767,020
Payable to Central Depository Company of Pakistan	106,244	-	106,244
Accrued and other liabilities	2,365,287	-	2,365,287
	<u>20,238,551</u>	<u>-</u>	<u>20,238,551</u>

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2023, is as follows:

	Note	2023 ----- (Rupees) -----	2022 -----
Variable rate instrument (financial asset)			
Bank balances	4	<u>23,304,390</u>	<u>66,575,816</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement by Rs 0.23 million (2022: Rs 0.65 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

Presently, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

19.1.2 Yield / Interest rate risk

Particulars	2023					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
						----- (Rupees) -----
On-balance sheet financial instruments						
Financial assets						
Bank balances	8.50% - 20.50%	23,295,091	-	-	9,299	23,304,390
Investments		-	-	-	505,947,626	505,947,626
Advance and deposits		-	-	-	2,700,000	2,700,000
Profit / mark-up and other receivables		-	-	-	123,937	123,937
Receivable against sale of investments		-	-	-	10,578,789	10,578,789
Sub total		<u>23,295,091</u>	<u>-</u>	<u>-</u>	<u>519,359,651</u>	<u>542,654,742</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	16,993,236	16,993,236
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	97,782	97,782
Accrued and other liabilities		-	-	-	2,696,266	2,696,266
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>19,787,284</u>	<u>19,787,284</u>
On-balance sheet gap		<u>23,295,091</u>	<u>-</u>	<u>-</u>	<u>499,572,367</u>	<u>522,867,458</u>
Total interest rate sensitivity gap		<u>23,295,091</u>	<u>-</u>	<u>-</u>	<u>499,572,367</u>	<u>522,867,458</u>
Cumulative interest rate sensitivity gap		<u>23,295,091</u>	<u>23,295,091</u>	<u>23,295,091</u>		

Particulars	2022					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.70% - 16.60%	66,384,197	-	-	191,618	66,575,816
Investments		-	-	-	591,212,323	591,212,323
Advance and deposits		-	-	-	2,700,000	2,700,000
Profit / mark-up and other receivables		-	-	-	2	2
Receivable against sale of investments		-	-	-	1,570,331	1,570,331
Sub total		<u>66,384,197</u>	<u>-</u>	<u>-</u>	<u>595,674,274</u>	<u>662,058,472</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	17,767,020	17,767,020
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	106,244	106,244
Accrued and other liabilities		-	-	-	2,365,287	2,365,287
Sub Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>20,238,551</u>	<u>20,238,551</u>
On-balance sheet gap		<u>66,384,197</u>	<u>-</u>	<u>-</u>	<u>575,435,723</u>	<u>641,819,921</u>
Total interest rate sensitivity gap		<u>66,384,197</u>	<u>-</u>	<u>-</u>	<u>575,435,723</u>	<u>641,819,921</u>
Cumulative interest rate sensitivity gap		<u>66,384,197</u>	<u>66,384,197</u>	<u>66,384,197</u>		

19.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The Fund has exposure to equity price risk arising from the Fund's investment in equity securities classified as 'at fair value through profit or loss'. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Trust Deed. The NBFC Regulations also limit:

- a) Investment in individual equity securities to the lower of:
 - 10% of net assets of the Fund or the index weight of the security subject to the limit of 15% percent, whichever is higher; and
 - 10% of the issued capital of the investee company
- b) Exposure to any one sector upto 30% of the net assets of the Fund or index weight of the security whichever is higher, subject to a maximum of 35%.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that the KSE index had increased or decreased by 1%, with all other variables held constant.

At June 30, 2023, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	2023	2022
	-----Rupees-----	
Effect due to increase / decrease in KSE 100 index		
Investment, income statement and net assets	<u>5,059,476</u>	<u>5,912,123</u>

19.2 Credit risk

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

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent control established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 was as follows:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
(Rupees)				
Bank balances	23,304,390	23,304,390	66,575,816	66,575,816
Investments	505,947,626	-	591,212,323	-
Advance and deposits	2,839,347	2,700,000	2,792,989	2,792,989
Profit / mark-up and other receivables	123,937	123,937	2	2
Receivable against sale of investments	10,578,789	10,578,789	1,570,331	1,570,331
	542,794,089	36,707,116	662,151,461	70,939,138

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs. 505.948 million (2022: Rs. 591.21 million) and advance tax of Rs. 0.139 (2022: Rs. 0.0830) are not exposed to credit risk.

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

No financial assets were considered to be either past due or impaired as at June 30, 2023 and June 30, 2022.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2023 with banks having following credit ratings:

Name of bank	Rating (Short Term / Long Term)	Rating Agency	2023	2022	2023	2022
			Percentage of total bank balances		Percentage of profit receivable on saving accounts	
Bank Alfalah Limited	A1+ / AA+	PACRA	84.30%	95.57%	2.53%	0.00%
Allied Bank Limited	A1+ / AAA	PACRA	14.78%	0.13%	1.65%	0.00%
JS Bank Limited	A1+ / AA-	PACRA	0.00%	0.07%	0.00%	0.00%
Zarai Taraqiat Bank Limited	A-1+ / AAA	VIS	0.00%	0.03%	0.00%	0.00%
MCB Bank Limited	A1+ / AAA	PACRA	0.40%	1.43%	0.00%	0.00%
Silk Bank Limited	A-2 / A-	VIS	0.00%	0.03%	0.00%	0.00%
Central Depository Company of Pakistan Limited	N/A	N/A	0.00%	0.00%	0.00%	0.00%
National Bank of Pakistan	A1+ / AAA	PACRA	0.45%	2.72%	0.00%	0.00%
Soneri Bank Limited	A1+ / AA-	PACRA	0.08%	0.02%	0.00%	0.00%
			100.00%	100.00%	4.18%	0.00%

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2023.

19.2.3 Concentration of credit risk

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

19.3 Liquidity risk

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

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

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

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

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

19.3 Liquidity risk

2023					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					
Financial assets					
Bank balances	23,304,390	-	-	-	23,304,390
Investments	-	-	-	505,947,626	505,947,626
Advance and deposits	-	-	-	2,700,000	2,700,000
Profit / mark-up and other receivables	123,937	-	-	-	123,937
Receivable against sale of investments	10,578,789	-	-	-	10,578,789
	34,007,116	-	-	508,647,626	542,654,742
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company	16,993,236	-	-	-	16,993,236
Payable to Central Depository Company of Pakistan Limited - Trustee	97,782	-	-	-	97,782
Payable against purchase of investments	-	-	-	-	-
Accrued and other liabilities	2,696,266	-	-	-	2,696,266
	19,787,284	-	-	-	19,787,284
Net financial assets	14,219,832	-	-	508,647,626	522,867,458
2022					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					
Financial assets					
Bank balances	66,575,816	-	-	-	66,575,816
Investments	-	-	-	591,212,323	591,212,323
Advance and deposits	-	-	-	2,700,000	2,700,000
Profit / mark-up and other receivables	2	-	-	-	2
Receivable against sale of investments	1,570,331	-	-	-	1,570,331
	68,146,149	-	-	593,912,323	662,058,472
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company	17,767,020	-	-	-	17,767,020
Payable to Central Depository Company of Pakistan Limited - Trustee	106,244	-	-	-	106,244
Payable against purchase of investments	-	-	-	-	-
Accrued and other liabilities	2,365,287	-	-	-	2,365,287
	20,238,551	-	-	-	20,238,551
Net financial assets	47,907,598	-	-	593,912,323	641,819,921

19.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

As at June 30, 2023, the Fund held the following assets measured at fair values:

2023			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
505,947,626	-	-	505,947,626

Financial assets 'at fair value through profit or loss'

Listed equity securities

2022			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
591,212,323	-	-	591,212,323

Financial assets 'at fair value through profit or loss'

Listed equity securities

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit holders' fund risk management

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

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

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

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

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

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

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21 GENERAL

21.1 Figures are rounded off to the nearest rupee.

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

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	409	340,205	16,645,176	3%
Other Corporate	14	525,482	25,710,236	5%
Banks/Dfis	-	-	-	0%
Insurance Co.	6	362,067	17,714,838	3%
Retirement & Other Funds	35	9,414,129	460,604,810	88%
Others	3	2,789	136,437	0%
	467	10,644,671	520,811,497	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	145	713,586	35,026,259	5%
Associated Co./ Directors	-	-	-	0%
Insurance Co.	-	-	-	0%
Banks/ DFIs	1	359,500	17,645,983	3%
Retirement & Other Funds	10	9,951,784	488,481,787	76%
Others	12	2,014,594	98,886,027	15%
	168	13,039,463	640,040,056	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023
	%
Next Capital Limited	20%
MRA Securities Limited	8%
Chase Securities Pakistan (Pvt) Limited	7%
Al Habib Capital Markets Limited	7%
Topline Securities (Pvt) Limited	6%
Khadim Ali Shah Bukhari Securities (Pvt.) Ltd	5%
Alfalah Securities (Private) Limited	5%
Shajar Capital Pakistan Private Limited	5%
Foundation Securities Limited	4%
Inter Market Securities Limited	4%
	30 June 2022
	%
Alfa Adhi Securities (Pvt) Ltd	24%
Shajar Capital Pakistan Private Limited	18%
Arif Habib Limited	11%
Insight Securities (Private) Limited	5%
Inter Market Securities Limited	5%
BMA Capital Management Limited	4%
Alfalah Securities (Private) Limited	4%
MULTILINE SECURITIES LIMITED	3%
AKIK CAPITAL (PRIVATE) LIMITED	3%
Optimus Capital Management (Pvt) Limited	3%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGAF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
					(Rupees in '000)
Net Assets	520,811	640,040	987,160	874,683	1,028,642
NAV per unit	48.93	49.08	59.84	53.55	55.42
Selling price per unit	50.59	50.74	61.87	55.37	57.30
Redemption price per unit	48.93	49.08	59.84	53.55	55.42
Highest selling price per unit	53.90	64.97	80.07	73.02	72.68
Highest redemption price per unit	51.89	62.84	77.44	70.63	70.30
Lowest selling price per unit	46.29	49.93	56.44	43.73	56.47
Lowest redemption price per unit	44.77	48.29	54.59	42.30	54.62
Total interim distribution per unit	Nil	Nil	Nil	Nil	Nil
Interim distribution date	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	Nil	Nil	14.92	Nil	Nil
Final distribution date	Nil	Nil	29-Jul-21	N/A	N/A
Annualized returns	12.15%	-17.98%	39.27%	-17.50%	-17.48%
Income distribution	Nil	Nil	27.86%	N/A	N/A
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is %

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

**Summary of Actual Proxy voted by
Alfalsh GHP Alpha Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
The Hub Power Company Limited							
EOGM	30-Aug-21	Announcement of Financial Results for the year ended June 2021	458,371	0.04%	✓		
Kot Addu Power Company Limited							
EOGM	17-Aug-21	Announcement of Financial Results for the year ended June 2021	232,500	0.03%	✓		
Fauji Cement Company Limited							
EOGM	28-Oct-21	Approved financial results of the first quarter ended on September 30, 2021	403,000	0.03%	✓		
		Considered the amalgamation of Askari cement limited with and into FCCL through a scheme arrangement					
Fauji Cement Company Limited							
EOGM	26-Feb-22	Approved, adopted and agreed the scheme of arrangement of amalgamation of Askri cement limited and Fauji Cement Company Limited Special resulation to increase authorized share capiatl by 25 billion rupees by the creation of 1 billion ordinary shares	443,500	0.03%	✓		
Bank Alfalah Limited							
AGM	29-Mar-22	Received, adopted & considered audited annual accounts for the year ended December 31, 2021	624,581	0.04%	✓		
		Approved payment of final cash dividend at the rate of Rs. 2 per share i.e. 20% for the year ended December 31, 2021					
		Appointed auditors of the bank for the year 2022 & fix their remuneration					
Habib Metropolitan Bank Limited							
AGM	28-Mar-22	Received, adopted & considered audited annual accounts for the year ended December 31, 2021	81,500	0.01%	✓		
		Approved payment of final cash dividend at the rate of Rs. 3 per share i.e. 30% for the year ended December 31, 2021					
		Appointed auditors of the bank for the year 2022 & fix their remuneration					
Mari Petroleum Company Limited							
EOGM	25-Apr-22	Approved financial results of the nine months period ended March 31, 2022	17,392	0.01%	✓		
Mari Petroleum Company Limited							
EOGM	22-Jun-22	Election of Directors	21,992	0.02%	✓		
		Considered matters other than financial results					



**Alfalah
GHP Stock Fund**

FUND INFORMATION

Management Company:	Alfalalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Stock Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

The investment objective of Alfalah GHP Stock Fund is to seek long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments, management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

Accomplishment of Objective

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

Equity Market Review

During FY23, the benchmark index largely remained flat and posted a slight negative return of 0.21% on account of worsening economic indicators. The index remained range bound during the year as it peaked at 43,676 level in Aug'22, however closed at a lower level of 41,453 points.

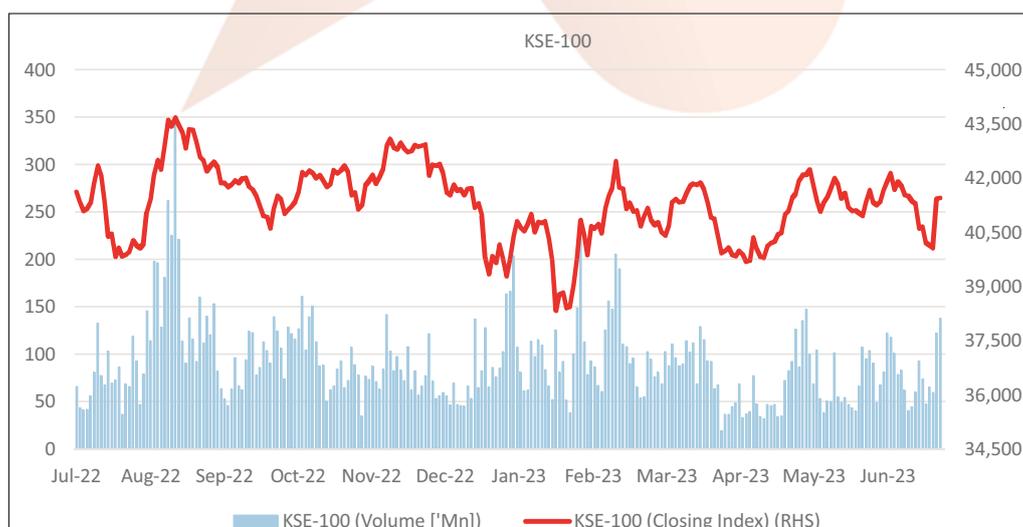
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment and resulted in investors shifting allocation to low risk money market investments.

Despite record profitability posted by companies in the benchmark index in 9MFY23, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 21%YoY to 90.65 million shares. Power Generation and Fertilizer sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Power sector, while Pharmaceuticals contributed most negatively to the index due to massive devaluation of PKR against the greenback.

Foreigners remained net buyers in FY23, as the net foreign inflow amounted to USD 4mn compared to net outflow of USD 295mn during FY22.

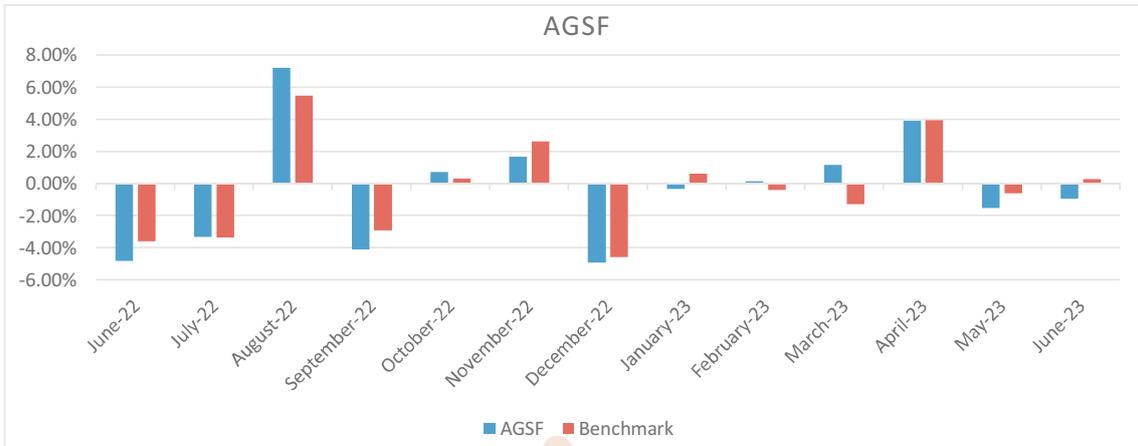
Going forward, we believe that the resumption of the stalled IMF program and with a caretaker government, the focus will likely be on preserving macroeconomic stability ensuring prudent monetary policy, avoiding fiscal slippages and maintaining market based exchange rate. This will provide much-needed clarity and assurance for the economic plan.

A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double digits' growth in earnings expected in 2024, we expect the local stock market to deliver a strong performance in FY24.

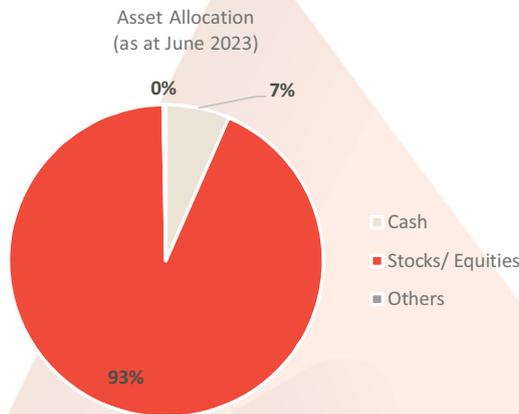


Fund Performance

During FY23, AGSF earned a negative return of -0.95% versus the benchmark (KSE-100) return of 0.30% during the same period.



Asset Allocation



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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP STOCK FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited being the Trustee of Alfalah GHP Stock Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2023



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>Investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 1,077.417 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; andRe-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR202310611qEpw2SJFM

ALFALAH GHP STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Assets			
Bank balances	4	76,235,711	125,305,592
Investments	5	1,077,417,330	1,234,899,775
Security deposits	6	2,600,000	2,600,000
Receivable against sale of investments		-	8,565,437
Advance tax and profit receivables	7	334,463	2,065,951
Total assets		<u>1,156,587,504</u>	<u>1,373,436,755</u>
Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	8	27,207,263	36,914,664
Payable to Central Depository Company of Pakistan Limited - Trustee	9	180,592	202,736
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	240,719	393,866
Payable against purchase of investments		3,380,590	348,000
Accrued expenses and other liabilities	11	3,207,902	3,037,190
Total liabilities		<u>34,217,066</u>	<u>40,896,456</u>
Net assets attributable to unit holders		<u>1,122,370,438</u>	<u>1,332,540,299</u>
Unit holders' fund (as per the statement attached)		<u>1,122,370,438</u>	<u>1,332,540,299</u>
Contingencies and commitments	12	----- (Number of units) -----	
Number of units in issue		<u>12,497,571</u>	<u>14,711,813</u>
Net asset value per unit		<u>89.8071</u>	<u>90.5762</u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	(Rupees)	
Income		
Profit on bank balances	14,592,251	7,003,543
Income from market treasury bill	2,400	-
Net realised loss on sale of investments	(12,680,629)	(191,508,996)
Net unrealised diminution on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	5.4 (75,889,724)	(254,544,593)
Dividend income	120,290,564	128,000,955
Total income / (loss)	46,314,862	(311,049,091)
Expenses		
Remuneration of Alfalah Asset Management Limited - Management Company	8.1 24,071,587	39,389,302
Sindh sales tax on remuneration of the Management Company	8.2 3,129,306	5,120,609
Allocated expenses	8.3 5,567,319	11,590,400
Selling and marketing expenses	8.4 18,109,867	28,506,592
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 2,203,496	2,969,465
Sindh sales tax on remuneration of the Trustee	9.2 286,454	386,030
Annual fee to the Securities and Exchange Commission of Pakistan	10.1 240,719	393,891
Brokerage expense	2,390,781	4,636,355
Auditors' remuneration	13 1,010,966	852,195
Fees and subscriptions	55,712	27,500
Clearing charges	315,460	722,744
Printing charges	29,930	30,000
Bank and settlement charges	9,111	17,004
Reversal of provision for Sindh Workers' Welfare Fund	11.1 -	(28,478,664)
Total expenses	57,420,708	66,163,423
Net loss for the year before taxation	(11,105,846)	(377,212,514)
Taxation	14 -	-
Net loss for the year after taxation	(11,105,846)	(377,212,514)
Allocation of net income for the year		
Net income for the year after taxation	-	-
Income already paid on units redeemed	-	-
	-	-
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	-	-
	-	-

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

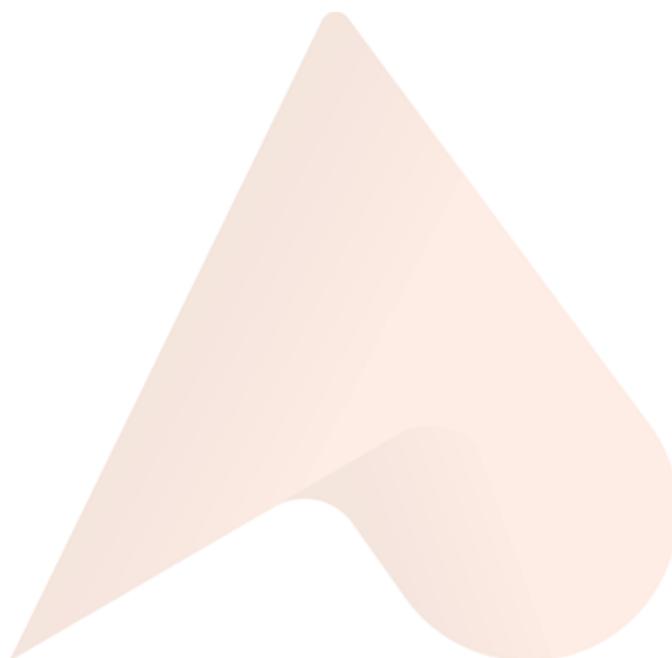
Director

ALFALAH GHP STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net loss for the year after taxation	(11,105,846)	(377,212,514)
Other comprehensive income for the year	-	-
Net unrealised diminution on re-measurement of investment	<u>(11,105,846)</u>	<u>(377,212,514)</u>

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



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	1,912,159,031	(579,618,732)	1,332,540,299	2,390,056,471	(202,406,218)	2,187,650,253
Net unrealised diminution on re-measurement of investment						
- Capital value (at net asset value per unit at the beginning of the year)	180,490,922	-	180,490,922	585,784,219	-	585,784,219
- Element of loss / (income)	253,458	-	253,458	(26,870,151)	-	(26,870,151)
	180,744,380	-	180,744,380	558,914,068	-	558,914,068
Redemption of 4,206,940 units (2022: 9,826,935 units)						
- Capital value (at net asset value per unit at the beginning of the year)	381,048,639	-	381,048,639	1,110,666,293	-	1,110,666,293
- Element of income	(1,240,244)	-	(1,240,244)	(73,854,785)	-	(73,854,785)
	379,808,395	-	379,808,395	1,036,811,508	-	1,036,811,508
Total comprehensive loss for the year	-	(11,105,846)	(11,105,846)	-	(377,212,514)	(377,212,514)
Net assets at the end of the year	1,713,095,016	(590,724,578)	1,122,370,438	1,912,159,031	(579,618,732)	1,332,540,299
	(Rupees)			(Rupees)		
Accumulated loss brought forward						
- Realised loss		(325,074,139)			(456,013,593)	
- Unrealised (loss) / income		(254,544,593)			253,607,375	
		(579,618,732)			(202,406,218)	
Net loss for the year after taxation		(11,105,846)			(377,212,514)	
Accumulated loss carried forward		(590,724,578)			(579,618,732)	
Accumulated loss carried forward						
- Realised loss		(514,834,854)			(325,074,139)	
- Unrealised loss		(75,889,724)			(254,544,593)	
		(590,724,578)			(579,618,732)	
Net asset value per unit at the beginning of the year		90.5762			113.0227	
Net asset value per unit at the end of the year		89.8071			90.5762	

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	(11,105,846)	(377,212,514)
Adjustments for:		
Net unrealised diminution on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	5.4 75,889,724	254,544,593
Reversal of provision for Sindh Workers' Welfare Fund	11.1 -	(28,478,664)
	<u>64,783,878</u>	<u>(151,146,585)</u>
Decrease in assets		
Investments - net	81,592,721	605,392,161
Receivable against sale of investments - net	8,565,437	(8,565,437)
Net unrealised diminution on re-measurement of investment	1,731,488	3,419,978
	<u>91,889,646</u>	<u>600,246,702</u>
Decrease in liabilities		
Payable to Alfalah Asset Management Limited - Management Company	(9,707,401)	1,578,489
Payable to Central Depository Company of Pakistan Limited - Trustee	(22,144)	(68,668)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(153,147)	22,075
Payable against purchase of investments	3,032,590	(60,063,329)
Accrued expenses and other liabilities	170,712	(14,171,017)
	<u>(6,679,390)</u>	<u>(72,702,450)</u>
Net cash generated from operating activities	<u>149,994,134</u>	<u>376,397,667</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units net of refund of capital	180,744,380	558,914,068
Amounts paid against redemption of units	(379,808,395)	(1,036,811,508)
Dividend paid	-	(11,901,768)
Net cash used in financing activities	<u>(199,064,015)</u>	<u>(489,799,208)</u>
Net decrease in cash and cash equivalents during the year	<u>(49,069,881)</u>	<u>(113,401,541)</u>
Cash and cash equivalents at the beginning of the year	125,305,592	238,707,133
Cash and cash equivalents at the end of the year	<u>4 76,235,711</u>	<u>125,305,592</u>

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

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Stock Fund (the Fund) is an open-ended Fund constituted under a trust deed executed under the Trust Act, 1882 entered into on June 10, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah Asset Management (formerly Alfalah GHP Investment Management Limited) [the Management Company] by means of the Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved second supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Stock Fund.

The Trust Act, 1882 had been repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Consequently, the fund was required to be registered under the Sindh Trust Act and on September 9, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd Floor, ST-2/A, Block 9, KDA Scheme 5, Clifton, Karachi.

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

1.4 The objective of the Fund is to provide good total return through a long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its assets in debt and money market securities in order to meet liquidity requirements from time to time. The investment objectives and policy are explained in the Fund's offering document.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements is classification and valuation of investments (notes 3.3.2 and 5)

2.5 Accounting Convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Initial recognition and measurement

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

3.3.2 Classification and subsequent measurement

3.3.2.1 Equity instruments

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

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

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

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

3.3.2.2 Debt instruments

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

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

Based on the business model of the entity

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

3.3.3 Impairment

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

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

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

3.3.4 Impairment loss on debt securities

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

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

3.3.5 Regular way contracts

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

3.3.6 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

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

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

- Profit on saving accounts with banks is recognised on an accrual basis.

3.13 Expenses

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

3.14 Earnings / (loss) per unit

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

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

3.15 Foreign currency translation

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

4	BANK BALANCES	Note	2023	2022
			(Rupees)	
	Savings accounts	4.1	76,235,711	125,305,592
4.1	These accounts carry mark-up rates ranging between 16.60% to 22.95% (2022: 5.50% to 16.60%) per annum. These includes bank balance of Rs. 74.201 million (2022: Rs. 124.97 million) maintained with Bank Alfalah Limited (a related party), carrying mark-up at the rate of 22.95% (2022: 16.60%) per annum.			
5	INVESTMENTS	Note	2023	2022
			(Rupees)	
	At fair value through profit or loss			
	Listed equity securities	5.1	1,065,738,410	1,218,663,135
	Units of exchange traded funds	5.2	11,678,920	16,236,640
	Market Treasury Bills	5.3	-	-
			<u>1,077,417,330</u>	<u>1,234,899,775</u>

5.1 Listed equity securities - at fair value through profit and loss'

Fully Paid up ordinary share with face value rs. 10 each unless states otherwise:

Name of the investee company	Note	As at July 01, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of:		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealized gain / (loss)	net assets of the Fund	total market value of investments	
						(Rupees)			(%)			
Commercial banks												
Bank Al Habib Limited		602,847	127,000	-	189,828	540,019	31,021,296	23,339,621	(7,681,675)	2.08	2.17	0.05
The Bank of Punjab		3,294,562	347,000	231,419	2,111,872	1,761,109	8,492,390	6,111,048	(2,381,342)	0.54	0.57	0.05
Bank Al Falah Limited (Related Party)		1,163,619	495,000	-	519,993	1,138,626	36,839,276	34,659,775	(2,179,501)	3.09	3.22	0.07
Faysal Bank Limited	5.1.1	1,173,200	158,000	-	654,185	677,015	15,847,287	13,662,163	(2,185,124)	1.22	1.27	0.04
Habib Bank Limited		730,793	142,000	-	310,243	562,550	49,120,537	41,195,537	(7,925,000)	3.67	3.82	0.04
MCB Bank Limited		261,762	10,000	-	28,256	243,506	29,859,024	27,874,132	(1,984,892)	2.48	2.59	0.02
Meezan Bank Limited		371,674	165,000	41,167	111,857	465,984	47,142,793	40,247,038	(6,895,755)	3.59	3.74	0.03
United Bank Limited		580,031	166,000	-	276,833	469,198	52,438,804	55,149,533	2,710,729	4.91	5.12	0.04
							270,761,407	242,238,847	(28,522,560)	21.58	22.50	0.34
Power generation and distribution												
The Hub Power Company Limited	5.1.2	746,032	58,000	-	286,461	517,571	35,383,473	36,012,590	629,117	3.21	3.34	0.40
Kot Addu Power Company Limited*		-	435,000	-	434,699	301	9,317	6,261	(3,056)	-	-	-
							35,392,790	36,018,851	626,061	3.21	3.34	0.40
Oil & Gas Marketing Companies												
Hasecol Petroleum Limited*	5.1.1	6,789	-	-	-	6,789	28,649	37,679	9,030	-	-	-
Sui Northern Gas Pipelines Limited		19	647,061	-	55,019	592,061	25,387,631	23,309,442	(2,078,189)	2.08	2.16	0.93
Shell Pakistan Limited*		-	107,900	-	107,200	700	62,892	80,955	18,063	0.01	0.01	0.00
Attock Petroleum Limited		-	24,000	-	-	24,000	7,225,717	7,206,000	(19,717)	0.64	0.67	0.02
Pakistan State Oil Company Limited	5.1.1	167,408	25,000	-	47,885	144,523	23,519,656	16,043,498	(7,476,158)	1.43	1.49	0.31
							56,224,545	46,677,574	(9,546,971)	4.16	4.33	1.26
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited		45,479	12,200	-	6,211	51,468	87,137,558	77,955,492	(9,182,066)	6.95	7.24	0.39
Oil & Gas Development Company Limited	5.1.2	546,400	120,500	-	170,587	496,313	40,451,051	38,712,414	(1,738,637)	3.45	3.59	0.12
Hi-Tech Lubricants Limited		209,100	-	-	209,100	-	-	-	-	-	-	-
Pakistan Oilfields Limited		151,350	18,500	-	66,297	103,553	41,742,916	41,604,489	(138,427)	3.71	3.86	0.36
Pakistan Petroleum Limited		510,258	275,000	-	272,047	513,211	34,840,022	30,351,299	(4,488,723)	2.70	2.82	0.19
							204,171,547	188,623,694	(15,547,853)	16.81	17.51	1.06

Name of the investee company	Note	As at July 01, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of:		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the Fund	total market value of investments	
						----- (Rupees) -----			----- (%) -----			
Insurance												
Adamjee Life Assurance Company Limited*		45,077	-	-	853	44,224	1,008,749	609,849	(398,900)	0.05	0.06	0.13
							1,008,749	609,849	(398,900)	0.05	0.06	0.13
Refinery												
Energyco PK Limited (Formerly Byco petroleum Limited)		2,095,000	1,300,000	-	3,395,000	-	-	-	-	-	-	-
National Refinery Limited*		-	20,000	-	-	20,000	3,206,847	3,000,000	(206,847)	0.27	0.28	0.03
Attock Refinery Limited		58,000	162,500	-	131,920	88,580	14,930,217	15,202,985	272,768	1.35	1.41	0.08
							18,137,064	18,202,985	65,921	1.62	1.69	0.11
Glass and Ceramics												
Tariq Glass Industries Limited		115,000	230,952	8,000	113,914	240,038	17,026,265	16,346,588	(679,677)	1.46	1.52	0.14
							17,026,265	16,346,588	(679,677)	1.46	1.52	0.14
Chemical												
Biafo Industries Limited*	5.1.1	502	-	-	193	309	21,105	20,394	(711)	-	-	-
Descon Oxychem Limited		-	259,000	-	259,000	-	-	-	-	-	-	-
Lotte Chemicals Pakistan		-	215,737	-	215,737	-	-	-	-	-	-	-
Engro Polymer & Chemicals Limited		185,650	189,400	-	185,650	189,400	8,701,932	8,002,150	(699,782)	0.71	0.74	0.21
							8,723,037	8,022,544	(700,493)	0.71	0.74	0.21
							611,445,404	556,740,932	(54,704,472)			
Balance carried forward												
* Nil figures due to rounding off												
** Face value of Rs. 5 each												
Cement												
Cherat Cement Company Limited*		168,532	244,325	-	233,413	179,444	18,645,231	21,583,524	2,938,293	1.92	2.00	0.92
Fauji Cement Company Limited*		-	988,500	-	-	988,500	11,746,460	11,624,760	(121,700)	1.04	1.08	0.04
Kohat Cement Company Limited*		137,900	81,106	-	27,421	191,585	26,296,466	33,234,250	6,937,784	2.96	3.08	0.95
Lucky Cement Limited*		108,700	26,000	-	41,517	93,183	42,394,903	48,649,912	6,255,009	4.33	4.52	0.03
Maple Leaf Cement Factory Limited*		566,055	855,000	-	385,071	1,035,984	27,199,297	29,349,427	2,150,130	2.61	2.72	0.10
Pioneer Cement Limited*		83,500	417,000	-	304,194	196,306	13,470,815	17,005,989	3,535,174	1.52	1.58	0.86
Flying Cement Company Limited		54,000	-	-	54,000	-	-	-	-	-	-	-
							139,753,172	161,447,862	21,694,690	14.38	14.98	2.90
Fertilizer												
Engro Corporation Limited*		271,260	12,500	-	96,635	187,125	48,372,107	48,631,916	259,809	4.33	4.51	0.32
Engro Fertilizer Limited*		310,000	382,000	-	247,939	444,061	37,344,201	36,648,354	(695,847)	3.27	3.40	0.33
Fauji Fertilizer Company Limited*		312,599	190,500	-	98,578	404,521	43,518,801	39,821,047	(3,697,754)	3.55	3.70	0.32
							129,235,109	125,101,317	(4,133,792)	11.15	11.61	0.97
Engineering												
Agha Steel Industries Limited*		738,350	19,500	-	190,978	566,872	8,810,237	5,509,996	(3,300,241)	0.49	0.51	0.94
International Steels Limited*		213,348	106,500	-	187,039	132,809	6,663,986	5,382,749	(1,281,237)	0.48	0.50	0.31
International Industries Limited*		168,002	15,763	-	134,520	49,245	5,093,982	3,606,704	(1,487,278)	0.32	0.33	0.37
Anreli Steel Limited		-	361,514	-	361,514	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited*		398,370	-	-	358,082	40,288	2,322,200	1,951,551	(370,649)	0.17	0.18	0.12
							22,890,405	16,451,000	(6,439,405)	1.46	1.52	1.74
Textile composite												
Gul Ahmed Textile Mills Limited*&**	5.1.1	785,576	70,000	106,830	321,423	640,983	17,110,488	11,415,907	(5,694,581)	1.02	1.06	0.09
Nishat Mills Limited*&***	5.1.2	360,033	65,000	-	314,950	110,083	7,957,537	6,249,412	(1,708,125)	0.56	0.58	0.31
Kohinoor Textile Mills Limited*		279,000	50,000	-	54,282	274,718	13,686,064	13,985,893	299,829	1.25	1.30	0.92
Interloop Limited*		399,633	26,001	89,816	272,027	243,423	9,392,833	8,583,095	(809,738)	0.76	0.80	0.02
							48,146,922	40,234,307	(7,912,615)	3.59	3.74	1.34
Pharmaceuticals												
AGP Limited*		-	221,522	-	1,477	220,045	14,078,211	12,428,142	(1,650,069)	1.11	1.15	0.79
Citi Pharma Limited*		524,021	70,000	-	185,299	408,722	13,221,376	8,722,127	(4,499,249)	0.78	0.81	1.79
Highnoon Laboratories Limited*		15,679	7,000	4,173	6,929	19,923	8,419,150	6,697,515	(1,721,635)	0.60	0.62	0.04
The Searle Company Limited*&**	5.1.1	158,985	143,212	31,746	108,217	225,726	16,132,041	8,649,820	(7,482,221)	0.77	0.80	0.06
							51,850,778	36,497,604	(15,353,174)	3.26	3.38	2.68
Automobile parts & accessories												
Panther Tyres Limited		1,290	-	-	1,290	-	-	-	-	-	-	-
Thal Limited *&**		22,500	17,100	-	9,693	29,907	7,797,079	4,844,934	(2,952,145)	0.43	0.45	0.07
							7,797,079	4,844,934	(2,952,145)	0.43	0.45	0.07
Food & Personal Care Products												
Unity Foods Limited		765,312	-	-	765,312	-	-	-	-	-	-	-
National Foods Limited		-	263,500	-	123,000	140,500	12,273,926	13,825,200	1,551,274	1.23	1.28	0.12
The Organic Meat Company Limited		-	22,500	-	22,500	-	-	-	-	-	-	-
							12,273,926	13,825,200	1,551,274	1.23	1.28	0.12

Name of the investee company	Note	As at July 01, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of:		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the Fund	total market value of investments	
						----- (Rupees) -----			----- (%) -----			
Technology & Communication												
Avanceon Limited		261,866	272,000	32,165	319,428	246,603	15,930,577	10,860,396	(5,070,181)	0.97	1.01	0.07
Octopus Digital Limited		6	-	-	6	-	-	-	-	-	-	-
Systems Limited*		151,949	40,600	-	56,413	136,136	50,495,573	54,907,733	4,412,160	4.89	5.10	0.05
TRG Pakistan Limited*		171,168	353,050	-	301,168	223,050	24,613,345	20,549,597	(4,063,748)	1.83	1.91	0.41
							91,039,495	86,317,726	(4,721,769)	7.69	8.02	0.53
Miscellaneous												
Synthetic Products Enterprises Limited *&**	5.1.1	4,646	-	-	88	4,558	64,222	47,403	(16,819)	-	-	-
Pakistan Aluminium Beverage Cans Limited		-	570,500	-	403,204	167,296	6,966,406	7,565,125	598,719	0.67	0.70	0.05
							7,030,628	7,612,528	581,900	0.67	0.70	0.05
Synthetic and Rayon												
Image Pakistan Limited*		-	516,000	77,400	-	593,400	5,883,125	5,732,244	(150,881)	0.51	0.53	0.45
							5,883,125	5,732,244	(150,881)	0.51	0.53	0.45
							515,900,639	498,064,722	(17,835,917)			
Automobile Assembler												
Sazgar Engineering Works Ltd.*		-	215,000	-	-	215,000	11,497,589	10,932,756	(564,833)	0.97	1.01	0.36
							11,497,589	10,932,756	(564,833)	0.97	1.01	0.36
As at June 30, 2023		20,492,832	12,333,943	622,716	16,148,447	17,301,044	1,138,843,632	1,065,738,410	(73,105,223)			
As at June 30, 2022							1,468,721,820	1,218,663,135	(250,058,685)			

* Nil figures due to rounding off

** Face value of Rs. 5 each

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2023, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares:

Name of investee Company	2023		2022	
	Bonus Shares			
	Number	Market value (Rupees)	Number	Market value (Rupees)
Hascol Petroleum Limited	6,789	37,679	6,789	28,650
Gul Ahmed Textile Mills Limited	2,700	48,087	2,250	76,073
The Searle Company Limited	13,403	513,603	10,722	1,168,912
Synthetic Products Enterprises Limited	4,282	44,533	4,282	60,333
Biafo Industries Limited	309	20,394	309	20,703
Pakistan State Oil Company Limited	3,039	337,359	3,039	522,222
Faysal Bank Limited	6,360	128,345	6,360	146,662
		1,130,000		2,023,555

5.1.2 The below investments include shares having a market value (in aggregate) amounting to Rs. 43.0596 million (June 30, 2022: Rs. 44.1511 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee company	2023		2022	
	Number of shares	Market value (Rupees)	Number of shares	Market value (Rupees)
Oil & Gas Development Company Limited	60,000	4,680,000	60,000	4,720,200
Nishat Mills Limited	100,000	5,677,000	100,000	7,391,000
The Hub Power Company Limited	470,000	32,702,600	470,000	32,039,900
		<u>43,059,600</u>		<u>44,151,100</u>

5.2 Units of exchange traded funds - 'at fair value through profit or loss'

Particulars	As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
					Carrying value	Market value	Unrealised diminution	net assets of the Fund	total market value of investments	
					(Rupees)			%		
Alfalah GHP Consumer Exchange Traded Fund	2,071,000	1,000	226,989	1,845,011	14,463,422	11,678,920	(2,784,502)	1.04	1.08	44.08
Total as at June 30, 2023					<u>14,463,422</u>	<u>11,678,920</u>	<u>(2,784,502)</u>			
Total as at June 30, 2022					<u>20,722,548</u>	<u>16,236,640</u>	<u>(4,485,908)</u>			

5.3 Market treasury bills - 'at fair value through profit or loss'

Tenor	Issue Date	Face value			As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
		As at July 01, 2022	Purchased during the year	Sold / matured during the year		Carrying value	Market value	Unrealised gain	Net assets of the Fund	Total investments of the Fund
					(Rupees)			%		
Market Treasury Bills										
- 3 months	January 26, 2023	-	120,000,000	120,000,000	-	-	-	-	-	-
Total June 30, 2023					<u>-</u>	<u>-</u>	<u>-</u>			
Total June 30, 2022					<u>-</u>	<u>-</u>	<u>-</u>			

5.4 Net unrealised diminution on re-measurement of investment 'classified as 'financial assets at fair value through profit or loss'

	Note	2023	2022
		(Rupees)	
Market value of investments	5.1, 5.2 & 5.3	1,077,417,330	1,234,899,775
Less: Carrying value of investments	5.1, 5.2 & 5.3	(1,153,307,054)	(1,489,444,368)
		<u>(75,889,724)</u>	<u>(254,544,593)</u>
6 SECURITY DEPOSITS			
National Clearing Company Pakistan Limited (NCCPL)		2,500,000	2,500,000
Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
		<u>2,600,000</u>	<u>2,600,000</u>
7 ADVANCE TAX AND PROFIT RECEIVABLES			
Profit receivable on bank balances		-	1,731,651
Advance tax	7.1	334,463	334,300
		<u>334,463</u>	<u>2,065,951</u>

- 7.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2023, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on debt amounts to Rs. 0.334 million (2022: Rs. 0.344 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2023 as in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2023	2022
		----- (Rupees) -----	
Management remuneration payable	8.1	1,786,950	2,178,891
Sindh sales tax payable on management remuneration	8.2	1,449,212	1,500,165
Payable against allocated expenses	8.3	428,244	3,567,954
Payable against selling and marketing expenses	8.4	10,020,001	16,254,257
Federal excise duty payable on management remuneration	8.5	10,130,264	10,130,264
Front end load payable		<u>3,392,592</u>	<u>3,283,133</u>
		<u>27,207,263</u>	<u>36,914,664</u>

- 8.1 'As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management remuneration as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 2% (2022: 2%) of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

- 8.2 During the year, an amount of Rs. 3.129 million (2022: Rs. 5.121 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 3.1803 million (2022: Rs. 5.280 million) has been paid to the Management Company which acts as a collecting agent.

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

Accordingly, the Management Company has charged allocated expenses to the fund based on its discretion subject to not being higher than actual expense incurred.

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

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

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 10.130 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2023 would have been higher by Re 0.81 per unit (June 30, 2022: Re 0.69 per unit).

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		(Rupees)	
Trustee remuneration payable	9.1	150,120	169,715
Sindh sales tax payable on Trustee remuneration	9.2	30,472	33,021
		<u>180,592</u>	<u>202,736</u>

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

Net Assets (Rs.)	Tariff for the year ended June 30, 2023
up to Rs. 1 billion	0.20% p.a. of net assets
over Rs.1 billion	Rs. 2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

9.2 During the year, an amount of Rs. 0.28 million (2022: Rs. 0.39 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.289 million (2022: Rs 0.39 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023	2022
		(Rupees)	
Annual fee payable	10.1	240,719	393,866

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% of average annual net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	2023	2022
	(Rupees)	
Brokerage expense payable	1,214,465	1,168,487
Auditors' remuneration payable	1,039,619	807,491
Clearing charges payable	442,024	502,047
Printing charges payable	39,274	44,467
Capital gain tax payable	37,187	82,371
Sales load payable	435,333	432,327
	<u>3,207,902</u>	<u>3,037,190</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2023 and June 30, 2022.

13 AUDITORS' REMUNERATION	2023	2022
	(Rupees)	
Audit fee	443,828	381,024
Review and other certifications	407,154	301,000
Out of pocket expenses	85,098	107,045
	936,080	789,069
Sindh sales tax	74,886	63,126
	<u>1,010,966</u>	<u>852,195</u>

14 TAXATION

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

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 4.77% (June 30, 2022: 4.81%) which includes 0.33% (June 30, 2022: 0.33%) representing government levies on the Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

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

16.1 Unit Holders' Fund

June 30, 2023									
As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed/ conversion out / transfer out	Net asset value as at June 30, 2023
Units					(Rupees)				
Associated companies / undertakings									
Alfalah GHP Prosperity Planning Fund									
Conservative Allocation Plan									
56,745	41,782	-	98,527	-	5,139,746	3,900,000	-	9,017,995	-
Alfalah GHP Prosperity Planning Fund									
Moderate Allocation Plan									
158,709	3,315	-	162,024	-	14,375,258	300,000	-	14,782,054	-
Alfalah GHP Prosperity Planning Fund Active									
Allocation Plan									
247,120	32,140	-	279,260	-	22,383,191	3,000,000	-	25,657,998	-
Key management personnel (Employees)									
Head of Corporate Sales									
12	1	-	-	13	1,087	52	-	-	1,128
Chief operating officer									
17,527	-	-	-	17,527	1,587,529	-	-	-	1,574,049
Unit holder holding 10% or more units									
6,739,365	-	-	649,151	6,090,214	609,976,072	-	-	60,000,000	546,944,446
June 30, 2022									
As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023
Units					(Rupees)				
Associated companies / undertakings									
Alfalah GHP Prosperity Planning Fund									
Conservative Allocation Plan									
129,408	111,499	-	184,162	56,745	14,626,036	11,700,000	-	18,950,000	5,139,746
Alfalah GHP Prosperity Planning Fund									
Moderate Allocation Plan									
215,243	165,007	-	221,541	158,709	24,327,223	16,950,000	-	23,250,000	14,375,258
Alfalah GHP Prosperity Planning Fund Active									
Allocation Plan									
606,180	249,166	-	608,226	247,120	68,512,187	25,793,063	-	63,550,000	22,383,191
Key management personnel (Employees)									
Head of Corporate Sales									
13,298	12	-	13,298	12	1,502,975	1,254	-	1,467,909	1,087
Fund Manager -VP									
31	43	-	74	-	3,504	4,964	-	5,836	-
Chief operating officer									
-	17,527	-	-	17,527	-	1,809,719	-	-	1,587,529
Unit holder holding 10% or more units									
4,659,578	2,079,787	-	-	6,739,365	526,638,200	235,910,000	-	-	609,976,072

16.2 Other transactions	2023	2022
	----- (Rupees) -----	
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Remuneration of the Management Company	24,071,587	39,389,302
Sindh sales tax on remuneration of the Management Company	3,129,306	5,120,609
Allocated expenses	5,567,319	11,590,400
Selling and marketing expenses	18,109,867	28,506,592
Sales load	110,192	28,821
Bank Alfalah Limited		
Profit on bank balances	10,380,074	6,911,976
Bank charges	9,111	13,148
Sales load	-	742,677
Alfalah Consumer Exchange Traded Fund Units		
Purchase of 1,000 units (2022: 2,091,000 units)	6,360	20,922,670
Sale of 226,989 units (2022: 20,000 units)	1,768,562	161,100
Alfalah Securities (Private) Limited		
Brokerage expense	53,875	-
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,203,496	2,969,465
Sindh sales tax on remuneration of the Trustee	286,454	386,030
16.3 Other balances		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	1,786,950	2,178,891
Sindh sales tax payable on management remuneration	1,449,212	1,500,165
Payable against allocated expenses	428,244	3,567,954
Payable against selling and marketing expenses	10,020,001	16,254,257
Federal excise duty payable on management remuneration	10,130,264	10,130,264
Sales load payable	3,392,592	3,283,133
Bank Alfalah Limited		
Bank balance	74,201,801	124,967,085
Profit receivable	-	1,309,941
Alfalah Consumer Exchange Traded Fund Units		
Investment	11,678,920	16,236,640
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	150,120	169,715
Sindh sales tax payable on trustee remuneration	30,472	33,021
Security deposit	100,000	100,000

17 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	76,235,711	-	76,235,711
Investments	-	1,077,417,330	1,077,417,330
Security deposits	2,600,000	-	2,600,000
	<u>78,835,711</u>	<u>1,077,417,330</u>	<u>1,156,253,041</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	27,207,263	-	27,207,263
Payable to Central Depository Company of Pakistan Limited - Trustee	180,592	-	180,592
Payable against purchase of investments	3,380,590	-	3,380,590
Accrued expenses and other liabilities	2,735,382	-	2,735,382
	<u>33,503,827</u>	<u>-</u>	<u>33,503,827</u>

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	125,305,592	-	125,305,592
Investments	-	1,234,899,775	1,234,899,775
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments	8,565,437	-	8,565,437
Dividend and other receivables	1,731,651	-	1,731,651
	<u>138,202,680</u>	<u>1,234,899,775</u>	<u>1,373,102,455</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	36,914,664	-	36,914,664
Payable to Central Depository Company of Pakistan Limited - Trustee	202,736	-	202,736
Payable against purchase of investments - net	348,000	-	348,000
Accrued expenses and other liabilities	2,954,819	-	2,954,819
	<u>40,420,219</u>	<u>-</u>	<u>40,420,219</u>

18 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

18.1 Market risk

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

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

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

18.1.1 Currency risk

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

18.1.2 Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2022, is as follows:

Variable rate instrument (financial asset)	Note	2023 ----- (Rupees) -----	2022 -----
Bank balance	4	<u>76,235,711</u>	<u>125,305,592</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.0762 million (2022: Rs 1.2531 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

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

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

Particulars	2023					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	16.60% to 22.25%	76,235,711	-	-	-	76,235,711
Investments		-	-	-	1,077,417,330	1,077,417,330
Security deposits		-	-	-	2,600,000	2,600,000
Sub total		<u>76,235,711</u>	<u>-</u>	<u>-</u>	<u>1,080,017,330</u>	<u>1,156,253,041</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	27,207,263	27,207,263
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	180,592	180,592
Payable against purchase of investment		-	-	-	3,380,590	3,380,590
Accrued expenses and other liabilities		-	-	-	2,735,382	2,735,382
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>33,503,827</u>	<u>33,503,827</u>
On-balance sheet gap		<u>76,235,711</u>	<u>-</u>	<u>-</u>	<u>1,046,513,503</u>	<u>1,122,749,214</u>
Total interest rate sensitivity gap		<u>76,235,711</u>	<u>-</u>	<u>-</u>	<u>1,046,513,503</u>	<u>1,122,749,214</u>
Cumulative interest rate sensitivity gap		<u>76,235,711</u>	<u>76,235,711</u>	<u>76,235,711</u>		
Particulars	2022					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5% to 16.60%	125,305,592	-	-	-	125,305,592
Investments		-	-	-	1,234,899,775	1,234,899,775
Security deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	-	8,565,437	8,565,437
Dividend and other receivables		-	-	-	1,731,651	1,731,651
Sub total		<u>125,305,592</u>	<u>-</u>	<u>-</u>	<u>1,247,796,863</u>	<u>1,373,102,455</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	36,914,664	36,914,664
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	202,736	202,736
Payable against purchase of investments-net		-	-	-	348,000	348,000
Accrued expenses and other liabilities		-	-	-	2,954,819	2,954,819
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>40,420,219</u>	<u>40,420,219</u>
On-balance sheet gap		<u>125,305,592</u>	<u>-</u>	<u>-</u>	<u>1,207,376,644</u>	<u>1,332,682,236</u>
Total interest rate sensitivity gap		<u>125,305,592</u>	<u>-</u>	<u>-</u>	<u>1,207,376,644</u>	<u>1,332,682,236</u>
Cumulative interest rate sensitivity gap		<u>125,305,592</u>	<u>125,305,592</u>	<u>125,305,592</u>		

18.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund investments in equity securities and investments in open end mutual funds. The Fund manages its price risk by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that the investments will increase and decrease by 1%, with all other variables held constant and that the fair value of the Fund's portfolio move according to their historical correlation with index and this represents managements' best estimate of a reasonable possible shift, having regards to the historical volatility.

At June 30, 2023, the fair value of investments exposed to price risk was disclosed in note 5..

	2023	2022
	----- (Rupees) -----	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investment and net assets	10,774,162	12,352,893
Income statement	<u>10,774,162</u>	<u>12,352,893</u>

18.2 Credit risk

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

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

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 is as follows:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	76,235,711	76,235,711	125,305,592	125,305,592
Investments	1,077,417,330	-	1,234,899,775	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Profit receivable	-	-	1,731,651	1,731,651
Receivable against sale of investments	-	-	8,565,437	8,565,437
	<u>1,156,253,041</u>	<u>78,835,711</u>	<u>1,373,102,455</u>	<u>138,202,680</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 1,077.417 million (2022: Rs 1,235.289 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2023 and June 30, 2022.

18.2.2 Bank balances

The Fund held bank balances at June 30, 2023 with banks having following credit ratings:

Name of bank	Rating (Short Term / Long Term)	Rating Agency	2023	2022
			% of bank balances exposed to credit risk	
Bank Alfalah Limited	A1+ / AA+	PACRA	97.33%	99.73%
Bank Al-Habib Limited	A1+ / AAA	PACRA	0.01%	0.01%
MCB Bank Limited	A1+ / AAA	PACRA	0.02%	0.21%
Allied Bank Limited	A1+ / AAA	PACRA	2.55%	0.01%
Soneri Bank Limited	A1+ / AA-	PACRA	0.09%	0.04%
			<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA as of June 30, 2023.

18.2.3 Concentration of credit risk

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

18.3 Liquidity risk

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

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

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

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

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

	Within one month	More than one month and up to three months	More than three months and up to one year	More than one year	Financial Instruments with no fixed maturity	Total
2023	(Rupees)					
Financial assets						
Bank balances	76,235,711	-	-	-	-	76,235,711
Investments	-	-	-	-	1,077,417,330	1,077,417,330
Security deposits	-	-	-	-	2,600,000	2,600,000
	76,235,711	-	-	-	1,080,017,330	1,156,253,041
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	27,207,263	-	-	-	-	27,207,263
Payable to Central Depository Company of Pakistan Limited - Trustee	180,592	-	-	-	-	180,592
Payable against purchase of investment	3,380,590	-	-	-	-	3,380,590
Accrued and other liabilities	2,735,382	-	-	-	-	2,735,382
	33,503,827	-	-	-	-	33,503,827
Net financial assets	42,731,884	-	-	-	1,080,017,330	1,122,749,214
2022	(Rupees)					
Financial assets						
Bank balances	125,305,592	-	-	-	-	125,305,592
Investments	-	-	-	-	1,234,899,775	1,234,899,775
Security deposits	-	-	-	-	2,600,000	2,600,000
Receivable against sale of investments	8,565,437	-	-	-	-	8,565,437
Profit receivables	1,731,651	-	-	-	-	1,731,651
	135,602,680	-	-	-	1,237,499,775	1,373,102,455
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	36,914,664	-	-	-	-	36,914,664
Payable to Central Depository Company of Pakistan Limited - Trustee	202,736	-	-	-	-	202,736
Payable against purchase of investment	348,000	-	-	-	-	348,000
Accrued and other liabilities	2,954,819	-	-	-	-	2,954,819
	40,420,219	-	-	-	-	40,420,219
Net financial assets	95,182,461	-	-	-	1,237,499,775	1,332,682,236

18.4 Fair value measurement

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

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

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

Fair value hierarchy

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

- Level 1: quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following assets measured at fair values:

----- As at June 30, 2023 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets 'at fair value through profit or loss'				
Investments				
- Listed equity securities	1,065,738,410	-	-	1,065,738,410
- Units of exchange traded funds	11,678,920	-	-	11,678,920
	<u>1,077,417,330</u>	<u>-</u>	<u>-</u>	<u>1,077,417,330</u>
----- As at June 30, 2022 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets 'at fair value through profit or loss'				
Investments				
- Listed equity securities	1,218,663,135	-	-	1,218,663,135
- Units of exchange traded funds	16,236,640	-	-	16,236,640
	<u>1,234,899,775</u>	<u>-</u>	<u>-</u>	<u>1,234,899,775</u>

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

18.5 Unit Holders' Fund risk management

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

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

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

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

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The fund has maintained minimum size of one hundred million at all times during the year.

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure to the financial statements.

20 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

21 GENERAL

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 31, 2023 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1067	1,641,995	147,462,820	14%
Associated Co./ Directors	1	108	9,725	0%
Insurance Co.	-	-	-	0%
Banks/ DFIs	18	478220.3509	42,947,577	7%
Retirement & Other Funds	64	7757263.835	696,657,272	50%
Others	55	2,619,983	235,293,044	29%
	1205	12,497,571	1,122,370,438	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	368	2,318,815	210,029,515	14%
Associated Co./ Directors	-	-	-	0%
Insurance Co.	-	-	-	0%
Banks/ DFIs	5	478,220	43,315,387	7%
Retirement & Other Funds	21	7,757,264	702,623,556	50%
Others	29	4,157,514	376,571,842	29%
	423	14,711,813	1,332,540,299	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023 %
Al Habib Capital Markets Limited	8.43%
Inter Market Securities Limited	7.22%
EFG Hermes Pakistan Limited	6.83%
Topline Securities (Pvt) Limited	6.59%
BMA Capital Management Limited	5.97%
Ismail Iqbal Securities (Pvt.) Limited	5.84%
Foundation Securities Limited	5.84%
Shajar Capital Pakistan Private Limited	5.83%
JS Global Capital Limited	5.75%
MULTILINE SECURITIES LIMITED	5.38%

	30 June 2022 %
Inter Market Securities Limited	8.55%
Foundation Securities Limited	6.70%
Al Habib Capital Markets Limited	6.27%
BMA Capital Management Limited	6.22%
EFG Hermes Pakistan Limited	6.12%
Ismail Iqbal Securities (Pvt.) Limited	6.05%
Taurus Securities Limited	6.04%
Shajar Capital Pakistan Private Limited	6.03%
Next Capital Limited	5.60%
Alfalalah Securities (Private) Limited	5.00%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

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PERFORMANCE TABLE - AGSTF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Net Assets	1,122,370	1,332,540	2,187,650	1,313,618,347	1,522,313
NAV per unit	89.8071	90.5762	113.0227	94.6522	98.3279
Selling price per unit	92.3442	93.1350	116.2156	97.3261	101.1057
Redemption price per unit	89.8071	90.5762	113.0227	94.6522	98.3279
Highest selling price per unit	98.5861	121.4734	139.8574	128.4717	127.7442
Highest redemption price per unit	95.8776	118.1361	136.0150	124.9421	124.2346
Lowest selling price per unit	84.2163	91.6193	97.3261	76.9215	99.3889
Lowest redemption price per unit	81.9026	89.1022	94.6522	74.8082	96.6583
Interim 1st distribution date	Nil	Nil	Nil	Nil	Nil
Interim 2nd distribution date	Nil	Nil	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil	Nil	Nil
Final distribution per unit	Nil	Nil	18.6001	Nil	Nil
Final distribution date	Nil	Nil	28-Jun-21	N/A	N/A
Annualized returns	-0.85%	-19.86%	38.89%	-3.74%	-17.35%
Income distribution	Nil	Nil	Nil	Nil	Nil

Return since inception is 14.17%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
TRG Pakistan Limited							
AGM	25-Oct-22	To appoint the Auditors for the ensuing year ending June 30, 2023 and fix their remuneration	19,668	0.00%			
		Appointment of Shares Registrar					
Thal Limited							
EOGM	13-Dec-22	To Transact Special Business by approving investment under section 199 of the companies Act 2017 in its associated compaony	39,600	0.01%			
Bank Alfalah Limited							
EOGM	6-Dec-22	To confirm the Minutes of the 30th AGM held on 29th	1,534,017	0.01%			
		Special Resolution regarding Buy-Back of Shares of the Bank					
		Special Resolution in the matter of Issuance of ADTI instrument					
Bank Alfalah Limited							
AGM	20-Mar-23	Approval of audited annual accounts for the year ended December 31, 2022	1,420,626	0.01%			
		Approval of payment of final Cash Dividend					
		Appointment of auditors for the year 2023					
Faysal Bank Limited							
AGM	11-May-23	To confirm the Minutes of the 28th AGM held on 29th March 2023	1,015,955	0.01%			
		To elect 11 Directors for the pperiod of 3 years					
Engro Polymer & Chemical Limited							
AGM	27-Apr-23	Approval of audited annual accounts for the year ended December 31, 2022	100,000	0.01%			
		Approval of payment of final Cash Dividend					
		Appointment of auditors for the year 2023					
		Election of Directors					



**Alfalah
GHP Value Fund**

FUND INFORMATION

Management Company:	Alfalalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Value Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

The investment objective of Alfalah GHP Value Fund (AGVF) is to generate stable and consistent returns from a well-diversified portfolio consisting of high quality equity and debt securities.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review

During FY23, the benchmark index largely remained flat and posted a slight negative return of 0.21% on account of worsening economic indicators. The index remained range bound during the year as it peaked at 43,676 level in Aug'22, however closed at a lower level of 41,453 points.

Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment and resulted in investors shifting allocation to low risk money market investments.

Despite record profitability posted by companies in the benchmark index in 9MFY23, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 21%YoY to 90.65 million shares. Power Generation and Fertilizer sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Power sector, while Pharmaceuticals contributed most negatively to the index due to massive devaluation of PKR against the greenback.

Foreigners remained net buyers in FY23, as the net foreign inflow amounted to USD 4mn compared to net outflow of USD 295mn during FY22.

Going forward, we believe that the resumption of the stalled IMF program and with a caretaker government, the focus will likely be on preserving macroeconomic stability ensuring prudent monetary policy, avoiding fiscal slippages and maintaining market based exchange rate. This will provide much-needed clarity and assurance for the economic plan.

A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double digits' growth in earnings expected in 2024, we expect the local stock market to deliver a strong performance in FY24.



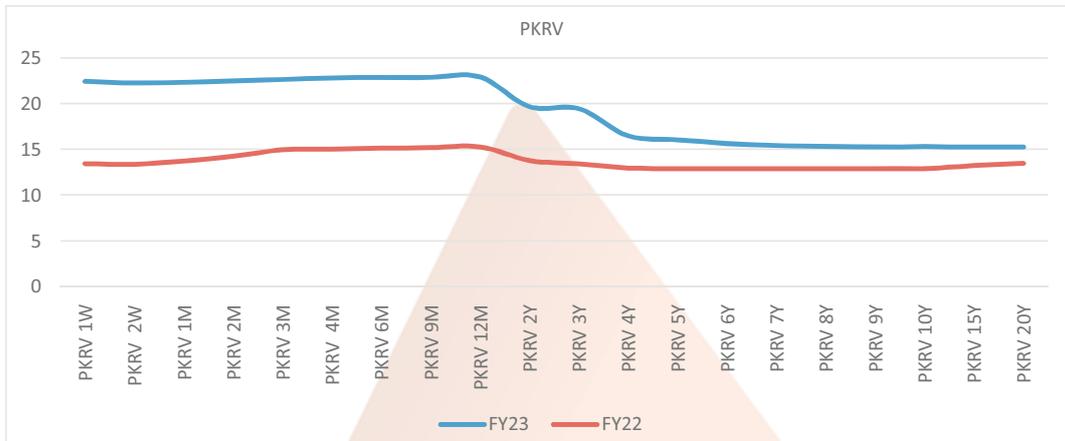
Money Market Review

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.

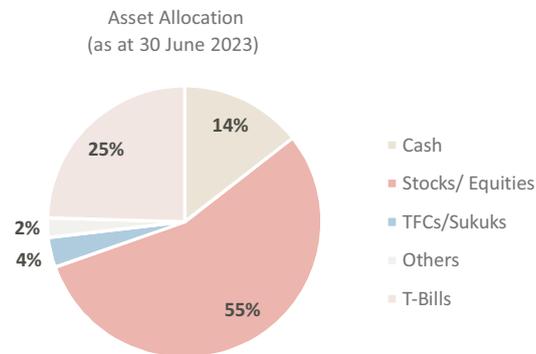


Fund Performance

During FY23, AGVF underperformed its benchmark with a return of 4.27% versus the benchmark return of 7.08%.



Assets Allocation



➤ **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

➤ **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

➤ **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP VALUE FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited being the Trustee of Alfalah GHP Value Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2023





EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfalah GHP Value Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Value Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of bank balances and investments</p> <p>The bank balances and investments (comprised of debt and listed equity securities) represent 97.69% of the Total Assets of the Fund at the year end.</p> <p>In view of the significance of existence and valuation of bank balances and investments in relation to determination of the Net Asset Value of the Fund, we have considered these to be a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over receipts and payments, and bank reconciliations as well as acquisition, disposals, and periodic valuation of investments portfolio. - We obtained independent confirmations for verifying the existence of the bank balances

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Key audit matter	How our audit addressed the key audit matter
<p>Refer to Notes 4 and 5 of the financial statements of the Fund for the year ended 30 June 2023 in relation to the above referred bank balances and investments.</p>	<p>and investments as on 30 June 2023. Where such confirmations were not available, we reviewed bank statements and custodian statements.</p> <ul style="list-style-type: none"> - We re-performed valuations on investments in accordance with the accounting policy of the Fund. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9. - We obtained bank reconciliations and tested reconciling items on a sample basis. - We assessed the Fund's compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits. - We also evaluated the adequacy of the disclosures in the financial statements regarding the bank balances and investments in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other



matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Chartered Accountants

Date: 28 September 2023

Karachi

UDIN Number: AR202310120NVuYS4eq3

ALFALAH GHP VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	2023	2022
Note	----- (Rupees) -----	
Assets		
Bank balances	4 38,200,127	103,301,116
Investments	5 234,063,349	304,028,412
Advance and deposits	6 5,609,993	5,609,992
Receivable against sale of investments	-	545,810
Mark-up / profit receivable	7 820,861	648,478
Total assets	278,694,330	414,133,807
Liabilities		
Payable to Alfalah Asset Management Limited - Management Company	8 9,687,991	11,203,549
Payable to Central Depository Company of Pakistan Limited - Trustee	9 49,263	75,105
Annual fee payable to the Securities and Exchange Commission of Pakistan	10 71,046	106,355
Accrued expenses and other liabilities	11 3,528,818	2,176,181
Dividend payable	103,995	99,524
Total liabilities	13,441,113	13,660,715
Net assets attributable to unit holders	265,253,217	400,473,092
Unit holders' fund (as per the statement attached)	265,253,217	400,473,092
Contingencies and commitments	12	
	----- Number of units -----	
Number of units in issue	5,439,995	8,225,007
	----- Rupees -----	
Net asset value per unit	48.7598	48.6897

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Income			
Profit / mark up income	13	19,100,745	9,918,084
Dividend income		27,152,186	30,881,842
Loss on sale of investments - net		(2,089,654)	(39,910,436)
Unrealised loss on revaluation of remeasurement of investments classified as 'fair value through profit or loss' - net	5.1 & 5.3	(13,816,930)	(61,469,965)
Total income / (loss)		30,346,347	(60,580,475)
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	8.1	7,106,154	10,637,422
Sindh sales tax on remuneration of the Management Company	8.2	923,810	1,382,863
Allocated expenses	8.4	1,331,334	3,298,764
Selling and marketing expenses	8.5	4,928,972	6,267,214
Remuneration of the Trustee	9.1	710,582	1,063,749
Sindh sales tax on remuneration of the Trustee	9.2	92,374	138,291
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	71,071	106,380
Brokerage expenses		322,257	762,694
Bank and settlement charges		253,183	522,320
Auditors' remuneration	14	819,364	839,512
Printing charges		29,981	29,981
Fees and subscription		27,500	27,499
Total expenses		16,616,582	25,076,689
Operating income / (loss) for the period		13,729,765	(85,657,164)
Reversal against Sindh Worker's Welfare Fund		-	16,647,762
Net income / (loss) for the period before taxation		13,729,765	(69,009,402)
Taxation	15	-	-
Net income / (loss) for the period after taxation		13,729,765	(69,009,402)
Allocation of net income for the period after taxation			
Net income for the period after taxation		13,729,765	(69,009,402)
Income already paid on units redeemed		(3,335,109)	-
Accounting income available for distribution		10,394,656	(69,009,402)
- Relating to capital gains		-	-
- Excluding capital gains		10,394,656	(69,009,402)
		10,394,656	(69,009,402)

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

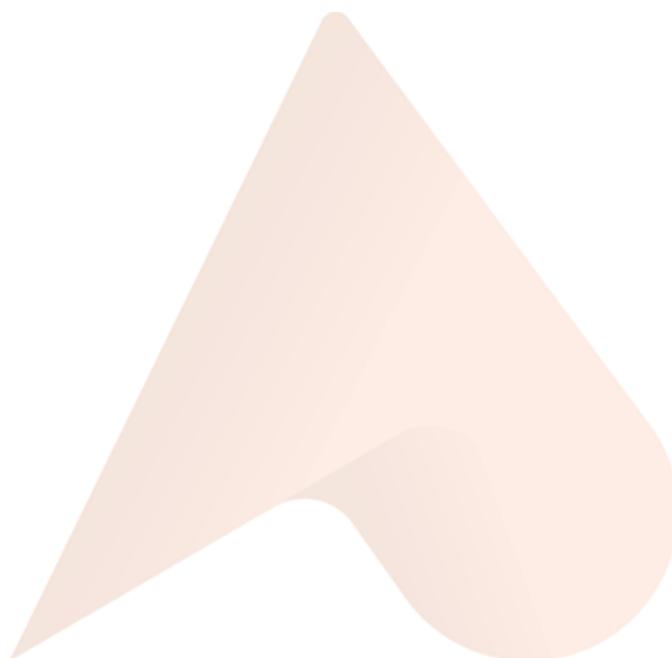
Director

ALFALAH GHP VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income / (loss) for the period before taxation	13,729,765	(69,009,402)
Other comprehensive income for the period	-	-
Net income / (loss) for the period after taxation	<u>13,729,765</u>	<u>(69,009,402)</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	461,675,341	(61,202,249)	400,473,092	595,588,626	7,807,153	603,395,779
Issue of units 586,349 (2022: 455,490 units)						
- Capital value (at net asset value per unit at the beginning of the year)	28,537,564	-	28,537,564	25,755,362	-	25,755,362
- Element of income / (loss)	483,303	-	483,303	(669,695)	-	(669,695)
Total proceeds on issuance of units	29,020,867	-	29,020,867	25,085,667	-	25,085,667
Redemption of 3,371,122 units (2022: 2,901,687 units)						
- Capital value (at net asset value per unit at the beginning of the year)	164,138,912	-	164,138,912	164,073,860	-	164,073,860
- Element of income / (loss)	232,292	3,335,109	3,567,401	(5,074,908)	-	(5,074,908)
Total payments on redemption of units	(164,371,204)	(3,335,109)	(167,706,313)	(158,998,952)	-	(158,998,952)
Total comprehensive income / (loss) for the year	-	13,729,765	13,729,765	-	(69,009,402)	(69,009,402)
Interim cash distribution for the year ended June 30, 2023 @ Rs. 0.9835 per unit on June 24, 2023	-	(10,264,194)	(10,264,194)	-	-	-
Net assets at the end of the year	326,325,004	(61,071,787)	265,253,217	461,675,341	(61,202,249)	400,473,092
		(Rupees)			(Rupees)	
Accumulated loss brought forward						
- Realised gain / (loss)		267,716			(88,681,326)	
- Unrealised (loss) / gain		(61,469,965)			96,488,479	
		(61,202,249)			7,807,153	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gain / (loss)		10,394,656			(69,009,402)	
		10,394,656			(69,009,402)	
Distribution during the year		(10,264,194)			-	
Undistributed loss carried forward		(61,071,787)			(61,202,249)	
Undistributed income carried forward						
- Realised (loss) / gain		(47,254,857)			267,716	
- Unrealised loss		(13,816,930)			(61,469,965)	
		(61,071,787)			(61,202,249)	
Net asset value per unit at the beginning of the year		48.6897			56.5443	
Net asset value per unit at the end of the year		48.7598			48.6897	

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	----- (Rupees) -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	13,729,765	(69,009,402)
Adjustments for:		
Unrealised loss on revaluation of investments classified as 'fair value through profit or loss' - net	13,816,930	61,469,965
Reversal of provision of Sindh Worker's Welfare Fund	-	(16,647,762)
	<u>27,546,695</u>	<u>(24,187,199)</u>
Decrease / (increase) in assets		
Investments - net	56,148,133	176,850,565
Advance and deposits	(1)	-
Receivable against sale of investments	545,810	(545,810)
Mark-up / profit receivable	(172,383)	(1,563,350)
	<u>56,521,559</u>	<u>174,741,405</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	(1,515,558)	(2,618,439)
Payable to the Trustee	(25,842)	(42,562)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(35,309)	(51,204)
Accrued expenses and other liabilities	1,352,637	(11,877,079)
	<u>(224,073)</u>	<u>(14,589,284)</u>
Net cash generated from operating activities	<u>83,844,181</u>	<u>135,964,922</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	29,020,867	25,085,667
Amount paid against redemption of units	(167,706,313)	(158,998,952)
Dividend paid	(10,259,724)	(3,929,846)
Net cash used in financing activities	<u>(148,945,170)</u>	<u>(137,843,131)</u>
Net decrease in cash and cash equivalents during the year	<u>(65,100,989)</u>	<u>(1,878,209)</u>
Cash and cash equivalents at the beginning of the year	103,301,116	105,179,325
Cash and cash equivalents at the end of the year	4 <u><u>38,200,127</u></u>	<u><u>103,301,116</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Value Fund is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee) on May 19, 2005. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on May 13, 2005. The SECP approved the first Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. NBFC/RS/AGIML/AGVF/200/2010 dated March 18, 2010 to modify and restate the previous Trust Deed to effectuate the amendments listed in Annexure A of the first Supplemental Trust Deed.

After promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan, the abovementioned Trust Deeds have been registered under the Sindh Trust Act on 13 September, 2021.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) through a certificate issued by the SECP on February 3, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at 2nd Floor, Islamic Chambers of Commerce, Industry and Agriculture Building, Clifton, Karachi, Pakistan.

1.3 The Fund is categorised as an 'asset allocation scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

1.4 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in equity, debt and money market securities. The investment policy and objectives are explained in the Fund's offering document.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+ (stable outlook) on March 3, 2022).

1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and \ Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments with respect to the accounting and standards reporting standards would be effective from the dates mentioned below against the respective amendment or improvements:

Amendments or Improvements		Effective dates (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	1-Jan-2023
IAS 8	Definition of Accounting Estimates (Amendments)	1-Jan-2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	1-Jan-2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	1-Jan-2023
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments)	1-Jan-2024
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	1-Jan-2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	1-Jan-2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

The above standards, amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard or interpretation		IASB Effective dates (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	1-Jan-2004
IFRS 17	Insurance Contracts	1-Jan-2003

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow:

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund
- iii. Provision against Federal Excise Duty (note 8.3)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets at fair value through profit or loss' which are measured at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI) or;
- at fair value through profit or loss (FVPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as fair value through profit or loss (FVPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2 Impairment

3.2.2.1 Impairment - other than debt securities

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

3.2.2.2 Impairment loss on debt securities

SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue following the requirements of Circular No. 33 of 2012 dated October 24, 2012 for non-performing debt securities.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.2.6 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, Super Tax on High Earning Persons introduced in the Finance Act, 2022 is also not applicable on funds (Section 4C of the Income Tax Ordinance, 2001).

Deferred

The Fund does not recognize deferred tax liabilities and assets as its income is exempt from tax as explained above.

3.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Revenue recognition

- Gain or loss on sale of investments are recorded in the Income Statement on the date on which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Income on sukuk certificates, term finance certificates and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as non-performing asset under Circular No. 33 of 2012 issued by the SECP for which the profits / income are recorded on receipt basis.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4. BANK BALANCES	Note	2023	2022
		(Rupees)	
In savings accounts	4.1	<u>38,200,127</u>	<u>103,301,116</u>
4.1		These carry profit rates ranging between 8.50% to 21.50% (2022: 5.55% to 11.10%) per annum and include bank balance of Rs. 35.13 million (2022: Rs 102.93 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 20.50% (2022: 16.60%) per annum.	
5. INVESTMENTS at fair value through profit or loss	Note	2023	2022
		(Rupees)	
Listed equity securities	5.1	<u>155,182,125</u>	300,421,964
Treasury Bills	5.2	<u>68,889,224</u>	-
Term finance certificates	5.3	<u>9,992,000</u>	3,606,448
		<u>234,063,349</u>	<u>304,028,412</u>

5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2022	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying Value	Market value	Unrealised (loss) / gain	net assets of the Fund	total investments of the Fund	
						Number of shares			(Rupees)		
Automobile parts and accessories											
Thal Limited	6,750	-	-	-	6,750	1,819,935	1,093,500	(726,435)	0.41%	0.47%	0.02%
						1,819,935	1,093,500	(726,435)	0.41%	0.47%	
Cement											
Cherat Cement Company Limited	48,000	-	-	25,000	23,000	2,139,920	2,766,440	626,520	1.04%	1.18%	0.01%
D. G. Khan Cement Limited	33,910	-	-	33,910	-	-	-	-	0.00%	0.00%	0.00%
Kohat Cement Limited	30,200	-	-	4,100	26,100	3,396,393	4,527,567	1,131,174	1.71%	1.93%	0.01%
Lucky Cement Limited	23,054	-	-	5,100	17,954	8,241,604	9,373,604	1,132,000	3.53%	4.00%	0.01%
Maple Leaf Cement Factory Limited	155,309	-	-	27,500	127,809	3,495,576	3,620,829	125,253	1.37%	1.55%	0.01%
Pioneer Cement Limited	36,000	-	-	36,000	-	-	-	-	0.00%	0.00%	0.00%
						17,273,493	20,288,440	3,014,947	7.65%	8.67%	

Name of the investee company	As at July 01, 2022	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying Value	Market value	Unrealised (loss) / gain	net assets of the Fund	total investments of the Fund	
Chemicals											
Engro Polymer & Chemicals Limited	49,500	-	-	49,500	-	-	-	-	0.00%	0.00%	0.00%
Commercial banks											
Allied Bank Limited	-	-	-	-	-	-	-	-	-	-	-
Bank Al-Falah Limited	277,000	-	-	102,700	174,300	5,577,600	5,305,692	(271,908)	2.00%	2.27%	0.01%
Bank Al-Habib Limited	128,801	20,000	-	51,000	97,801	5,654,533	4,226,959	(1,427,574)	1.59%	1.81%	0.01%
The Bank of Punjab Limited	817,875	-	46,487	864,362	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	368,000	-	-	198,000	170,000	3,920,200	3,430,600	(489,600)	1.29%	1.47%	0.01%
Habib Bank Limited	159,000	-	-	54,200	104,800	9,572,432	7,674,504	(1,897,928)	2.89%	3.28%	0.01%
MCB Bank Limited	64,023	-	-	22,912	41,111	5,055,831	4,705,976	(349,855)	1.77%	2.01%	0.00%
Meezan Bank Limited	89,612	-	8,961	23,000	75,573	7,762,050	6,527,240	(1,234,810)	2.46%	2.79%	0.00%
United Bank Limited	127,900	-	-	43,500	84,400	9,548,172	9,920,376	372,204	3.74%	4.24%	0.01%
						47,090,818	41,791,347	(5,299,471)	15.76%	17.85%	
Engineering											
Agha Steel Industries Limited	137,350	-	-	21,000	116,350	1,824,368	1,130,922	(693,446)	0.43%	0.48%	0.02%
International Industries Limited	32,000	-	-	32,000	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	45,000	-	-	45,000	-	-	-	-	0.00%	0.00%	0.00%
Mughal Iron and Steel Industries Limited	99,962	-	-	99,962	-	-	-	-	0.00%	0.00%	0.00%
						1,824,368	1,130,922	(693,446)	0.43%	0.48%	
Exchange Traded Funds											
Alfalah Consumer Index Exchange Traded Fund	560,000	-	-	-	560,000	4,390,400	3,544,800	(845,600)	1.34%	1.51%	8.11%
						4,390,400	3,544,800	(845,600)	1.34%	1.51%	
Fertilizer											
Engro Corporation Limited	74,380	-	-	48,900	25,480	6,550,653	6,621,997	71,344	2.50%	2.83%	0.00%
Engro Fertilizer Limited	89,500	35,000	-	54,900	69,600	5,995,752	5,744,088	(251,664)	2.17%	2.45%	0.01%
Fauji Fertilizer Company Limited	81,400	-	-	35,000	46,400	5,114,208	4,567,616	(546,592)	1.72%	1.95%	0.00%
						17,660,613	16,933,701	(726,912)	6.38%	7.23%	
Food and personal care products											
National Foods Limited	-	69,000	-	40,200	28,800	2,448,000	2,833,920	385,920	1.07%	1.21%	0.02%
						2,448,000	2,833,920	385,920	1.07%	1.21%	
Glass & Ceramic											
Tariq Glass Limited	-	47,500	-	-	47,500	3,321,210	3,234,750	(86,460)	1.22%	1.38%	0.03%
						3,321,210	3,234,750	(86,460)	1.22%	1.38%	
Miscellaneous											
Synthetic Products Limited	3,052	-	-	-	3,052	43,003	31,741	(11,262)	0.01%	0.01%	0.00%
						43,003	31,741	(11,262)	0.01%	0.01%	
Oil and gas exploration companies											
Mari Petroleum Company Limited	9,479	-	-	2,570	6,909	12,019,864	10,464,648	(1,555,216)	3.95%	4.47%	0.01%
Oil & Gas Development Company Limited	133,700	-	-	43,800	89,900	7,072,433	7,012,200	(60,233)	2.64%	3.00%	0.00%
Pakistan Oilfields Limited	35,390	1,500	-	16,900	19,990	8,129,596	8,031,382	(98,214)	3.03%	3.43%	0.01%
Pakistan Petroleum Limited	126,056	-	-	30,300	95,756	6,464,488	5,663,010	(801,478)	2.13%	2.42%	0.00%
						33,686,381	31,171,240	(2,515,141)	11.75%	13.32%	
Oil and gas marketing companies											
Hascol Petroleum Limited	3,826	-	-	-	3,826	16,146	21,234	5,088	0.01%	0.01%	0.00%
Pakistan State Oil Limited	47,420	-	-	35,500	11,920	2,048,333	1,323,239	(725,094)	0.50%	0.57%	0.00%
Attock Petroleum Limited	-	10,500	2,500	2,600	10,400	3,269,981	3,122,600	(147,381)	1.18%	1.33%	0.01%
Hi-Tech Lubricants Limited	50,700	-	-	50,700	-	-	-	-	0.00%	0.00%	0.00%
						5,334,460	4,467,073	(867,387)	1.68%	1.91%	
Pharmaceuticals											
Hignnoon Laboratories Limited	7,606	-	1,429	2,990	6,045	2,532,512	2,032,148	(500,364)	0.77%	0.87%	0.01%
The Searle Company Limited	29,466	-	7,366	10,700	26,132	2,279,159	1,001,378	(1,277,781)	0.38%	0.43%	0.01%
Citi Pharma Limited	123,015	-	-	15,000	108,015	3,525,610	2,305,040	(1,220,570)	0.87%	0.98%	0.05%
						8,337,281	5,338,566	(2,998,715)	2.01%	2.28%	
Power generation and distribution											
Hub Power Company Limited	214,591	-	-	138,000	76,591	5,221,208	5,329,202	107,994	2.01%	2.28%	0.01%
						5,221,208	5,329,202	107,994	2.01%	2.28%	
Refinery											
Energyco PK Limited	385,000	-	-	385,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	

Name of the investee company	As at July 01, 2022	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying Value	Market value	Unrealised (loss) / gain	net assets of the Fund	total investments of the Fund	
						Number of shares			(Rupees)		
Technology & Communication											
Systems Limited	39,550	-	-	17,800	21,750	7,174,455	8,772,428	1,597,973	3.31%	3.75%	0.01%
Avanceon Limited	58,500	-	-	58,500	-	-	-	-	0.00%	0.00%	0.00%
TRG Pakistan	52,500	-	-	52,500	-	-	-	-	0.00%	0.00%	0.00%
						7,174,455	8,772,428	1,597,973	3.31%	3.75%	
Textile composite											
Gul Ahmed Textile	233,472	-	25,094	108,000	150,566	4,242,208	2,681,580	(1,560,628)	1.01%	1.15%	0.02%
Interloop Limited	121,374	-	22,708	83,440	60,642	2,371,293	2,138,237	(233,056)	0.81%	0.91%	0.01%
Kohinoor Textile	57,802	-	-	26,000	31,802	1,590,100	1,619,040	28,940	0.61%	0.69%	0.01%
Nishat Mills Limited	104,000	-	-	55,000	49,000	3,621,590	2,781,638	(839,952)	1.05%	1.19%	0.01%
						11,825,191	9,220,495	(2,604,696)	3.48%	3.94%	
Vanaspati & allied											
Unity Foods Limited	49,253	-	-	49,253	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	
As at June 30, 2023						167,450,816	155,182,125	(12,268,691)	24.24%	27.47%	
As at June 30, 2022						361,870,362	300,421,964	(61,448,398)	75.02%	98.81%	

5.1.1 The above investments include shares having a market value (in aggregate) amounting to Rs. 12.08 million (2022: 16.26 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee Company	2023	2022	2023	2022
	Number of shares		Market value	
----- (Rupees) -----				
Oil and Gas Development Company Limited	88,000	120,000	6,864,000	9,440,400
Hub Power Company Limited	75,000	100,000	5,218,500	6,817,000
			12,082,500	16,257,400

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

On June 27, 2018, the Supreme Court of Pakistan passed a judgement whereby the suits which were already pending or were to be filed in future could only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities was deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Furthermore, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 have not been withheld by the investee companies.

The following is the detail of bonus shares of the Fund withheld by issuing companies:

dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee Company	2023	2022	2023	2022
	Number		Market value ----- (Rupees) -----	
Hascol Petroleum Limited	3,826	3,826	21,234	16,261
Kohinoor Textile Mills Limited	1,260	1,260	64,147	63,000
Mari Petroleum Company Limited	64	64	96,937	111,343
The Searle Company Limited	5,167	4,133	197,999	450,580
Synthetic Products Enterprises Limited	2,797	2,797	29,099	39,410
Pakistan State Oil Company Limited	2,304	2,304	255,767	395,919
Faysal Bank Limited	5,100	5,100	102,918	117,606
			768,101	1,194,119

5.2 Market Treasury Bills

Particulars	Issue Date	Face Value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investment of the Fund
		----- (Rupees) -----						----- % -----		
Market Treasury Bills - 3 months	6-Apr-23	-	28,000,000	28,000,000	-	-	-	0.00%	0.00%	
Market Treasury Bills - 12 months	6-Oct-22	-	100,000,000	27,000,000	73,000,000	70,395,488	68,889,224	(1,506,264)	25.97%	29.43%
Total as at June 30, 2023						70,395,488	68,889,224	(1,506,264)		
Total as at June 30, 2022						-	-	-		

5.3 Term finance certificates

Name of the investee company	Note	Secured / Unsecured	Maturity	Profit Rate	(Number of certificates)			(Rupees)			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments of the Fund	Face value as a percentage of issue size	
					As at July 01, 2022	Purchased during the period	Matured / sold during the period	As at June 30, 2023	Carrying amount as at June 30, 2023	Market value as at June 30, 2023				Unrealised gain / (loss)
The Bank of Punjab (AA, PACRA) (Face value Rs. 99,760) [2022: (AA, PACRA) (Face value Rs. 99,780)]*		Unsecured	December 23, 2026	6 Months KIBOR +1.00%	36	-	36	-	-	-	-	0.00%	0.00%	0.00%
Samba Bank Limited (AA-, PACRA) (Face value Rs. 99,920) [2022: (AA-, PACRA) (Face value Rs. 99,960)]		Unsecured	March 01, 2031	6 Months KIBOR + 1.35%	-	100	-	100	10,033,975	9,992,000	(41,975)	3.77%	0.00%	0.10%
Agritech Limited (refer note 5.3.1)	5.3.1		Non - performing		1,141	-	-	1,141	-	-	-	-	-	-
Agritech Limited (IV issue)	5.3.2		Non - performing		-	-	-	-	-	-	-	-	-	-
Total as at June 30, 2023									10,033,975	9,992,000	(41,975)			
Total as at June 30, 2022									3,628,015	3,606,448	(21,566)			

* face value Rs. 99,800 per certificate.

5.3.1 This represents additional TFCs of Agritech Limited (Formerly Pak American Fertilizer Limited) received by the Fund through restructuring agreement reached between lender and Agritech Limited. Under such agreement, outstanding mark-up due on May 29, 2011 amounting to Rs. 7.61 million was settled in the form of zero coupon TFCs valuing Rs. 7.61 million. This investment has been recorded as 100% impaired since these securities have been received in lieu of suspended overdue mark-up to be recognised in income upon realisation.

5.3.2 At the time of purchase / investment, the Term Finance Certificates were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules. However, subsequently they were defaulted or downgraded upon default to non investment grade and became non-compliant with the investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules and with the requirements of the Constitutive Documents. Disclosure of the non-compliance is made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

6 ADVANCE AND DEPOSITS	Note	2023 ----- (Rupees) -----	2022 -----
Advance			
Advance tax	7.1	3,009,993	3,009,992
Deposits			
Central Depository Company of Pakistan Limited		100,000	100,000
National Clearing Company of Pakistan Limited		2,500,000	2,500,000
		2,600,000	2,600,000
		5,609,993	5,609,992

- 6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, several withholding agents deduct tax at source based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under other receivables as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 MARK-UP / PROFIT RECEIVABLE	Note	2023 ----- (Rupees) -----	2022 -----
Mark-up / profit receivable on:			
- Bank balances		111,459	633,781
- Term finance certificates		704,824	12,478
- Term Deposit Receipts		4,578	2,219
		820,861	648,478
8 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	8.1	429,311	665,442
Sindh sales tax payable on management remuneration	8.2	56,793	78,680
Sindh sales tax payable on federal excise duty on management remuneration	8.3	624,893	624,893
Federal excise duty payable on management remuneration	8.3	5,888,310	5,888,310
Payable against allocated expenses	8.4	22,126	864,590
Payable against selling and marketing expenses	8.5	2,460,488	2,875,564
Sales load payable		206,070	206,070
		9,687,991	11,203,549

- 8.1 The Management Company has charged remuneration at the rate of 2% (2022: 2%) of the average net assets of the Fund during the year. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2 During the year, an amount of Rs. 0.924 million (2022: Rs. 1.383 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.953 million (2022: Rs. 2.839 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by Non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 5.89 million (2021: Rs 5.89 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2022 would have been higher by Rs 1.08 per unit (2022: Rs 0.72 per unit).

- 8.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company has charged allocated expenses to the fund based on its discretion subject to not being higher than actual expense incurred.
- 8.5** The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		----- (Rupees) -----	
Payable to Central Depository Company of Pakistan Limited - Trustee	9.1	43,583	66,452
Sindh sales tax payable on Trustee remuneration	9.2	5,680	8,653
		<u>49,263</u>	<u>75,105</u>
9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration is payable to the trustee at the rate of 0.20% (2022: 0.20%) per annum of the net assets of the Fund.			
9.2 During the year, an amount of Rs. 0.092 million (2022: Rs. 0.138 million) was charged at 13% (2022: 13%) on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.095 million (2022: Rs. 0.14 million) was paid to the Trustee which acts as a collecting agent.			
10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2023	2022
		----- (Rupees) -----	
Annual fee payable to the SECP	10.1	71,046	106,355
10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.			
11 ACCRUED EXPENSES AND OTHER LIABILITIES		2023	2022
		----- (Rupees) -----	
Auditors' remuneration payable		524,901	655,359
Withholding tax payable		2,067,858	659,896
Brokerage and listing charges payable		8,281	50,103
Sales load payable		147,700	147,700
Printing charges payable		104,306	106,112
Settlement charges payable		276,642	180,613
Others		399,130	376,398
		<u>3,528,818</u>	<u>2,176,181</u>
12 CONTINGENCIES AND COMMITMENTS			
There are no contingencies and commitments as at June 30, 2023 and June 30, 2022.			
13 PROFIT / MARK-UP INCOME			
Profit / mark-up on:			
- Market Treasury Bills		8,741,640	1,228,091
- Term Finance certificates		1,713,112	380,601
- Bank balances		8,645,993	7,161,546
- Other income		-	1,147,846
		<u>19,100,745</u>	<u>9,918,084</u>
14 AUDITORS' REMUNERATION			
Audit fee		440,000	400,000
Review and other certifications		249,700	227,000
Out of pocket expenses		68,970	150,326
Sindh sales tax		60,694	62,186
		<u>819,364</u>	<u>839,512</u>

15 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. The Fund is also exempt from the provisions of the section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income tax Ordinance, 2001. Since the management has paid the required minimum percentage of income earned by the the Fund during the year ended 30 June 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

16 TOTAL EXPENSE RATIO (TER)

The annualised total expense ratio (TER) of the Fund as at 30 June 2023 results is 4.68% (2022: 4.72%) which includes 0.31% (2022: 0.32%) representing Government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (2022: 4.5%) (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "asset allocation scheme".

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include the Management Company, Funds under management of the Management Company, Bank Alfalah Limited and MAB Investment Incorporation being the associated company and holding company respectively, of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, the Management Company - Staff Provident Fund, directors and their close family members and key management personnel of Alfalah Asset Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, and other associated companies and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remunerations to the Management Company and the Trustee of the Fund are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of transactions and balances at period / year end with related parties / connected persons, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

17.1 Unit holders' fund

	2023									
	As at July 1, 2022	Issued for cash during the year	Bonus / Dividend reinvested during the year	Redeemed during the year	As at June 30, 2023	As at July 1, 2022	Issued for cash during the year	Bonus / Dividend reinvested during the year	Redeemed during the year	As at June 30, 2023
	-----Units-----					----- (Rupees) -----				
Associated companies / undertakings										
MAB Investment Incorporation	2,602	11,379	476	-	14,457	126,674	554,034	23,190	-	704,920
MAB Investment Incorporation	-	-	-	-	-	-	-	-	-	-
Key management personnel										
Head of Corporate Sales	96	1	3	-	100	4,675	26	160	-	4,876
Unit holder holding 10% or more units	1,978,235	63,543	-	-	2,041,778	96,319,632	3,096,134	-	-	99,556,687
	1,980,933	74,923	479	-	2,056,335	96,450,981	3,650,194	23,350	-	100,266,483
	-----Units-----									
	----- (Rupees) -----									
Associated companies / undertakings										
MAB Investment Incorporation	13,981	-	-	-	13,981	790,519	-	-	-	680,707
Key management personnel										
Head of Corporate Sales	5,235	-	-	5,139	96	296,009	-	-	300,000	4,674
Unit holder holding 10% or more units	2,633,794	-	-	-	2,633,794	148,926,047	-	-	-	128,238,648
	2,653,010	-	-	5,139	2,647,871	150,012,575	-	-	300,000	128,924,029

	2023	2022
	----- (Rupees) -----	
17.2 Other transactions		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Remuneration of the Management Company	7,106,154	10,637,422
Sindh sales tax on remuneration of the Management Company	923,810	1,382,863
Allocated expenses	1,331,334	3,298,764
Selling and marketing expenses	4,928,972	6,267,214
Sales load	-	73
Bank Alfalah Limited		
Profit on bank balances	6,356,053	6,495,306
Bank charges	1,538	10,350
Sales load	670,613	670,613
Purchase of shares	11,259,901	11,259,901
Sale of shares	2,399,053	2,399,053
Alfalah GHP Income Fund		
Market Treasury Bills - sold	-	14,938,455
Alfalah GHP Cash Fund		
Market Treasury Bills - Purchase	27,643,112	-
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	710,582	1,063,749
Sindh sales tax on remuneration of the Trustee fee	92,374	138,291
Settlement charges	60,896	60,899
17.3 Other balances		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	229,311	665,442
Sindh sales tax payable on management remuneration	881,686	703,573
Federal excise duty payable on remuneration of the Management Company	5,888,310	5,888,310
Payable against allocated expenses	22,126	864,590
Payable against selling and marketing expenses	2,460,488	2,875,564
Sales load payable	206,070	206,070
Bank Alfalah Limited		
Bank balance	35,130,601	103,451,478
Sales load payable	147,700	147,700
Profit receivable	92,116	109,948
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	43,583	66,452
Sindh sales tax payable on Trustee remuneration	5,680	8,653
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2023 all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2023		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	38,200,127	-	38,200,127
Investments	-	234,063,349	234,063,349
Advance and deposits	2,600,000	-	2,600,000
Mark-up / profit receivable	820,861	-	820,861
	<u>41,620,988</u>	<u>234,063,349</u>	<u>275,684,337</u>
Financial liabilities			
Payable to the Alfalah Asset Management Limited - Management Company	9,687,991	-	9,687,991
Payable to Central Depository Company of Pakistan Limited - Trustee	49,263	-	49,263
Accrued expenses and other liabilities	1,460,960	-	1,460,960
Dividend payable	103,995	-	103,995
	<u>11,302,209</u>	<u>-</u>	<u>11,302,209</u>
Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	103,301,116	-	103,301,116
Investments	-	304,028,412	304,028,412
Advance and deposits	2,600,000	-	2,600,000
Receivable against sale of investments	545,810	-	545,810
Mark-up / profit receivable	648,478	-	648,478
	<u>107,095,403</u>	<u>304,028,412</u>	<u>411,123,815</u>
Financial liabilities			
Payable to the Alfalah Asset Management Limited - Management Company	11,203,549	-	11,203,549
Payable to Central Depository Company of Pakistan Limited - Trustee	75,105	-	75,105
Accrued expenses and other liabilities	1,516,285	-	1,516,285
Dividend payable	99,524	-	99,524
	<u>12,894,464</u>	<u>-</u>	<u>12,894,464</u>

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Funds's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal risk management policies and investment guidelines established by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments as at June 30, 2023 is as follows:

	2023	2022
	-----Rupees-----	
Variable rate instruments (financial asset)		
Bank balances	38,200,127	103,301,116
Term finance certificates	9,992,000	3,606,448
	<u>48,192,127</u>	<u>106,907,564</u>
Fixed rate instruments (financial assets)		
	-	-

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 0.48 million (2022: Rs. 1.07 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs nil (2022: Rs nil) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for the financial instruments recognised in the statement of assets and liabilities is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

20.1.3 Interest rate risk (Continued)

	2023					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
(%)	-----Rupees-----					
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.70% to 16.60%	38,200,127	-	-	-	38,200,127
Investments	12.17%-16.44%	-	-	9,992,000	155,182,125	165,174,125
Advance and deposits		-	-	-	2,600,000	2,600,000
Mark-up / profit receivable		-	-	-	820,861	820,861
		<u>38,200,127</u>	-	<u>9,992,000</u>	<u>158,602,986</u>	<u>206,795,113</u>
Financial liabilities						
Payable to the Alfalah Asset Management Management Limited - Management Company		-	-	-	9,687,991	9,687,991
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	49,263	49,263
Accrued expenses and other liabilities		-	-	-	1,460,960	1,460,960
Dividend payable		-	-	-	103,995	103,995
		-	-	-	<u>11,302,209</u>	<u>11,302,209</u>
On-balance sheet gap (a)		<u>38,200,127</u>	-	<u>9,992,000</u>	<u>147,300,777</u>	<u>195,492,904</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		<u>38,200,127</u>	-	<u>9,992,000</u>	<u>147,300,777</u>	<u>195,492,904</u>
Cumulative interest rate sensitivity gap		<u>38,200,127</u>	<u>38,200,127</u>	<u>48,192,127</u>		

Effective yield / interest rate	2022				Total	
	Exposed to yield / interest risk			Not exposed to yield / interest rate risk		
	Upto three months	More than three months and upto one year	More than one year			
(%)	(Rupees)					
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.70% to 16.60%	103,301,116	-	-	-	103,301,116
Investments	12.17%-16.44%	-	-	3,606,448	300,421,964	304,028,412
Advance and deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	-	545,810	545,810
Mark-up / profit receivable		-	-	-	648,478	648,478
		103,301,116	-	3,606,448	304,216,252	411,123,816
Financial liabilities						
Payable to the Alfalah Asset Management Limited - Management Company		-	-	-	11,203,549	11,203,549
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	75,105	75,105
Accrued expenses and other liabilities		-	-	-	1,516,285	1,516,285
Dividend payable		-	-	-	99,524	99,524
		-	-	-	12,894,463	12,894,463
On-balance sheet gap (a)		103,301,116	-	3,606,448	291,321,789	398,229,353
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		103,301,116	-	3,606,448	291,321,789	398,229,353
Cumulative interest rate sensitivity gap		103,301,116	103,301,116	106,907,564		

20.1.4 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investment in equity securities classified as 'at fair value through profit or loss'. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Trust Deed. The NBFC Regulations also limit:

- Investment in individual equity securities to the lower of:
 - 10% of net assets of the Fund or the index weight of the security subject to the limit of 15% percent, whichever is higher; and
 - 10% of the issued capital of the investee company
- Exposure to any one sector upto 30% of the net assets of the Fund or index weight of the security whichever is higher, subject to a maximum of 35%.

In case of 1% increase / decrease in KSE 100 index on June 30, 2023, with all other variables held constant, the net income / loss and the net assets of the Fund would increase / decrease by Rs 1.551 million (2022: Rs 3.004 million) as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

Debt price risk is the risk that the fair value of debt instruments decreases as a result of changes in the spread and market rate of the debt securities. As at June 30, 2023, the Fund is not exposed to any debt price risk as the Fund holds the Government securities and the debt risk pertaining to non Government securities is not material.

20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 was as follows:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	Rupees			
Bank balances	38,200,127	38,200,127	103,301,116	103,301,116
Investments	234,063,349	9,992,000	304,028,412	3,606,448
Advance and deposits	2,600,000	2,600,000	2,600,000	2,600,000
Mark-up / profit receivable	820,861	820,861	648,478	648,478
	<u>275,684,337</u>	<u>51,612,988</u>	<u>410,578,005</u>	<u>110,156,041</u>

The difference in the balance as per the Statement of Assets and Liabilities and maximum exposure is due to the fact that investments in listed equity securities, listed real estate investment trust units and Government securities of Rs. 1.551 million (2022: Rs. 3.004 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2023 and June 30, 2022.

20.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of dividends receivable on equity securities and investment in term finance certificates and sukuk certificates. Credit risk on dividend receivable is minimal due to statutory protection.

20.2.2.1 Bank balances

The Fund held bank balances at June 30, 2023 with banks having following credit ratings:

Name of Bank	Rating agency	Rating	2023	2022	2023	2022
			Percentage of total balance		Percentage of profit receivable on saving accounts	
Habib Bank Limited	VIS	A-1+/AAA	0.02%	0.01%	0.00%	0.00%
Bank Alfalah Limited	PACRA	A1+/AA+	91.10%	99.64%	11.22%	96.71%
Allied Bank Limited	PACRA	A1+/AAA	7.32%	0.07%	0.00%	0.03%
Bank Al Habib Limited	PACRA	A1+/AA+	0.86%	0.01%	0.00%	0.00%
JS Bank Limited	PACRA	A1+/AA-	0.05%	0.02%	0.00%	0.00%
Habib Metropolitan Bank Limited	PACRA	A1+/AA+	0.12%	0.02%	0.00%	0.00%
Soneri Bank Limited	PACRA	A1+/AA-	0.17%	0.06%	0.00%	0.00%
The Bank of Punjab	PACRA	A1+/AA+	0.29%	0.11%	2.36%	1.00%
Central Depository Company	N/A	N/A	0.01%	0.00%	0.00%	0.00%
Faysal Bank Limited	PACRA	A1+/AA	0.05%	0.06%	0.00%	0.00%
			<u>100.00%</u>	<u>100.00%</u>	<u>13.58%</u>	<u>97.73%</u>

20.2.2.2 Investment in debt instruments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2023 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	2023	2022	2023	2022
			Percentage of total balance		Percentage of profit receivable on investments	
The Bank of Punjab	PACRA	A1+ / AA+	0.00%	100.00%	0.00%	1.92%
Samba Bank Limited	PACRA	AA- / AA	100.00%	0.00%	85.86%	0.00%
			<u>100.00%</u>	<u>100.00%</u>	<u>85.86%</u>	<u>1.92%</u>

Above ratings are on the basis of available rating assigned by PACRA as of June 30, 2023.

20.2.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2023	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	With no fixed maturity	Total
Rupees							
Financial assets							
Bank balances	38,200,127	-	-	-	-	-	38,200,127
Investments	-	-	-	78,881,224	-	155,182,125	234,063,349
Advance and deposits	-	-	-	-	-	2,600,000	2,600,000
Mark-up / profit receivable	820,861	-	-	-	-	-	820,861
	<u>39,020,988</u>	<u>-</u>	<u>-</u>	<u>78,881,224</u>	<u>-</u>	<u>157,782,125</u>	<u>275,684,337</u>
Financial liabilities							
Payable to the Alfalah Asset Management Limited - Management Company	9,687,991	-	-	-	-	-	9,687,991
Payable to Central Depository Company of Pakistan Limited - Trustee	49,263	-	-	-	-	-	49,263
Accrued expenses and other liabilities	1,460,960	-	-	-	-	-	1,460,960
Dividend payable	103,995	-	-	-	-	-	103,995
	<u>11,302,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,302,209</u>
Net financial assets	<u>27,718,779</u>	<u>-</u>	<u>-</u>	<u>78,881,224</u>	<u>-</u>	<u>157,782,125</u>	<u>264,382,128</u>
Rupees							
2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	With no fixed maturity	Total
Rupees							
Financial assets							
Bank balances	103,301,116	-	-	-	-	-	103,301,116
Investments	-	-	-	3,606,448	-	300,421,964	304,028,412
Advance and deposits	-	-	-	-	-	2,600,000	2,600,000
Receivable against sale of investment	545,810	-	-	-	-	-	545,810
Mark-up / profit receivable	648,478	-	-	-	-	-	648,478
	<u>104,495,404</u>	<u>-</u>	<u>-</u>	<u>3,606,448</u>	<u>-</u>	<u>303,021,964</u>	<u>411,123,816</u>
Financial liabilities							
Payable to the Alfalah Asset Management Limited - Management Company	11,203,549	-	-	-	-	-	11,203,549
Payable to Central Depository Company of Pakistan Limited - Trustee	75,105	-	-	-	-	-	75,105
Accrued expenses and other liabilities	1,516,285	-	-	-	-	-	1,516,285
Dividend payable	99,524	-	-	-	-	-	99,524
	<u>12,894,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,894,464</u>
Net financial assets	<u>91,600,940</u>	<u>-</u>	<u>-</u>	<u>3,606,448</u>	<u>-</u>	<u>303,021,964</u>	<u>398,229,352</u>

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

	2023			
	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Investments				
Listed equity securities	155,182,125	-	-	155,182,125
Term finance certificates	-	9,992,000	-	9,992,000
Treasury Bills	-	68,889,224	-	68,889,224
	<u>155,182,125</u>	<u>78,881,224</u>	<u>-</u>	<u>234,063,349</u>
	2022			
	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Investments				
Listed equity securities	300,421,964	-	-	300,421,964
Term finance certificates	-	3,606,448	-	3,606,448
	<u>300,421,964</u>	<u>3,606,448</u>	<u>-</u>	<u>304,028,412</u>

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

24 GENERAL

24.1 Figures have been rounded off to the nearest rupee.

24.2 Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on August 25, 2023.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1937	2,872,310	140,436,004	53%
Associated Co./ Directors	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	91	1,728,835	84,527,996	32%
Others	58	838,449	41,013,904	15%
	2086	5,439,594	265,977,905	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	419	3,663,723	178,385,556	45%
Associated Co./ Directors	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	17	3,732,461	181,732,368	45%
Others	10	828,824	40,355,168	10%
	446	8,225,007	400,473,092	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023 %
Multiline Securities Limited	15
JS Global Capital Limited	11
Nael Capital Private Limited	10
Arif Habib Limited	10
Topline Securities Pvt Ltd	9
EFG Hermes Pakistan Limited	8
Insight Securities Pvt Ltd	6
BMA Capital Management Limited	5
Optimus Capital Management Pvt Ltd	4
AL Habib Capital Market Limited	3
	30 June 2022
	%
Arif Habib Limited	11
Al Habib Capital Markets Limited	10
Ismail Iqbal Securities (Pvt.) Limited	8
Cedar Capital (Private) Limited	8
MULTILINE SECURITIES LIMITED	7
Foundation Securities Limited	6
EFG Hermes Pakistan Limited	6
BMA Capital Management Limited	6
Inter Market Securities Limited	5
JS Global Capital Limited	4

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenure also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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 tenure 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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGVF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
	(Rupees in '000)				
Net Assets	265,978	400,473	603,396	832,075	1,276,525
NAV per unit	49.7121	48.6897	56.5443	49.9683	50.5829
Selling price per unit	51.3973	50.3403	58.4612	51.6622	52.2977
Redemption price per unit	49.7121	48.6897	56.5443	49.9683	50.5829
Highest selling price per unit	53.0943	56.7807	68.4639	98.8316	66.4491
Highest redemption price per unit	51.3534	54.9189	66.2191	60.0667	64.2703
Lowest selling price per unit	48.1931	49.4530	51.6622	44.5942	51.4357
Lowest redemption price per unit	46.6129	47.8315	49.9683	43.1320	49.7492
Total interim 1st distribution per unit	0.98	Nil	7.71	0.83	Nil
Total interim 2nd distribution per unit	Nil	Nil	Nil	0.26	Nil
Interim 1st distribution date	Nil	Nil	25-Jun-21	44,008.00	Nil
Interim 2nd distribution date	Nil	Nil	Nil	44,012.00	Nil
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	Nil	Nil	Nil	Nil	Nil
Annualized returns	4.27%	-13.89%	28.45%	0.94%	-8.80%
Income distribution	2.02%	Nil	15.44%	0.02	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **7.79%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Value Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
The Hub Power Company Limited							
EOGM	30-Aug-21	Announcement of Financial Results for the year ended June 2021	297,091	0.02%	✓		
Kot Addu Power Company Limited							
EOGM	17-Aug-21	Announcement of Financial Results for the year ended June 2021	90,000	0.01%	✓		
Fauji Cement Company Limited							
EOGM	28-Oct-21	Approved financial results of the first quarter ended on September 30, 2021	366,000	0.03%	✓		
		Considered the amalgamation of Askari cement limited with and into FCCL through a scheme arrangement					
Fauji Cement Company Limited							
EOGM	26-Feb-22	Approved, adopted and agreed the scheme of arrangement of amalgamation of Askari cement limited and Fauji Cement Company Limited	258,000	0.02%	✓		
		Special resolution to increase authorized share capital by 25 billion rupees by the creation of 1 billion ordinary shares					
Bank Alfalah Limited							
AGM	29-Mar-22	Received, adopted & considered audited annual accounts for the year ended December 31, 2021	311,000	0.02%	✓		
		Approved payment of final cash dividend at the rate of Rs. 2 per share i.e. 20% for the year ended December 31, 2021					
		Appointed auditors of the bank for the year 2022 & fix their remuneration					
Habib Metropolitan Bank Limited							
AGM	28-Mar-22	Received, adopted & considered audited annual accounts for the year ended December 31, 2021	1,000	0.00%	✓		
		Approved payment of final cash dividend at the rate of Rs. 3 per share i.e. 30% for the year ended December 31, 2021					
		Appointed auditors of the bank for the year 2022 & fix their remuneration					
Mari Petroleum Company Limited							
EOGM	25-Apr-22	Approved financial results of the nine months period ended March 31, 2022	9,479	0.01%	✓		
Mari Petroleum Company Limited							
EOGM	22-Jun-22	Election of Directors	9,415	0.01%	✓		
		Considered matters other than financial results					



**Alfalah GHP
Prosperity Planning Fund**

FUND INFORMATION

Management Company:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Prosperity Planning Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Fund of Funds Scheme

Investment Objective

Alfalah GHP Prosperity Planning Fund is an Open-ended Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Collective Investment Scheme in line with the risk tolerance of the investor.

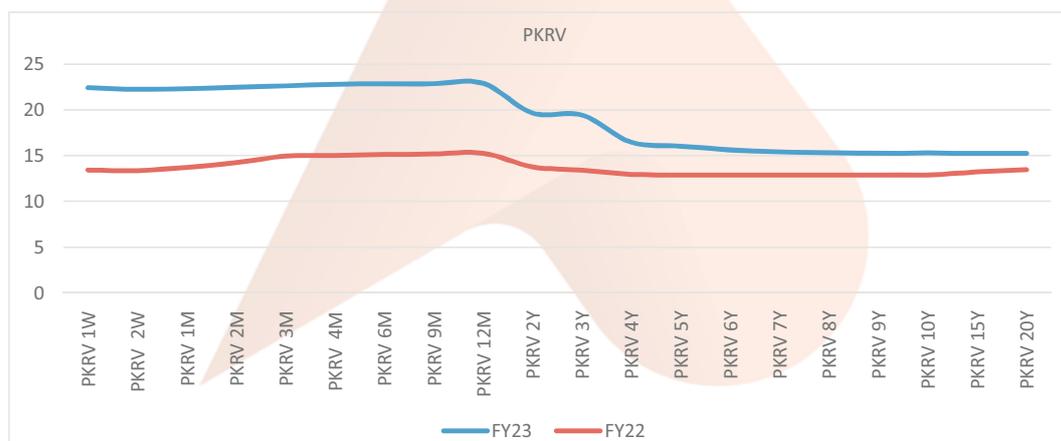
Money Market Review

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.



Equity Market Review

During FY23, the benchmark index largely remained flat and posted a slight negative return of 0.21% on account of worsening economic indicators. The index remained range bound during the year as it peaked at 43,676 level in Aug'22, however closed at a lower level of 41,453 points.

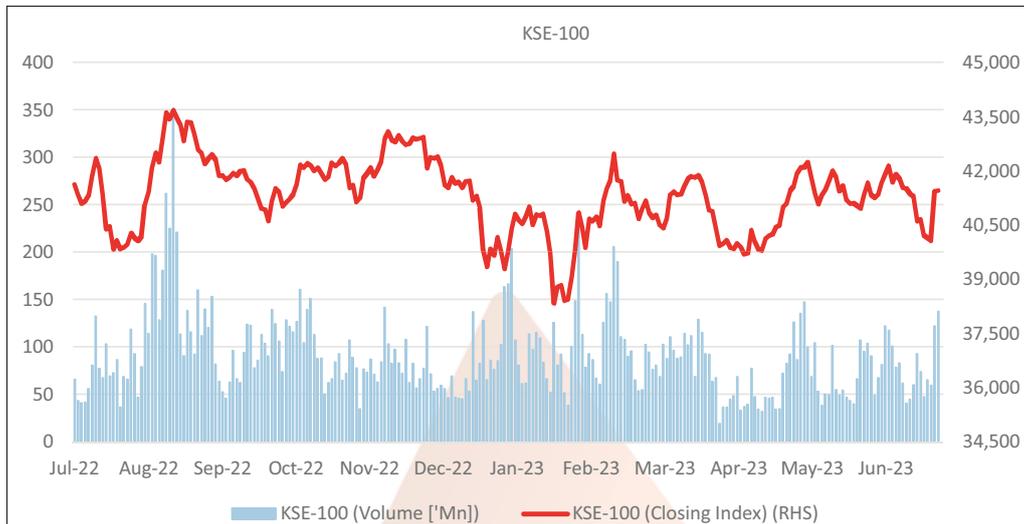
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment and resulted in investors shifting allocation to low risk money market investments.

Despite record profitability posted by companies in the benchmark index in 9MFY23, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 21%YoY to 90.65 million shares. Power Generation and Fertilizer sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Power sector, while Pharmaceuticals contributed most negatively to the index due to massive devaluation of PKR against the greenback.

Foreigners remained net buyers in FY23, as the net foreign inflow amounted to USD 4mn compared to net outflow of USD 295mn during FY22.

Going forward, we believe that the resumption of the stalled IMF program and with a caretaker government, the focus will likely be on preserving macroeconomic stability ensuring prudent monetary policy, avoiding fiscal slippages and maintaining market based exchange rate. This will provide much-needed clarity and assurance for the economic plan.

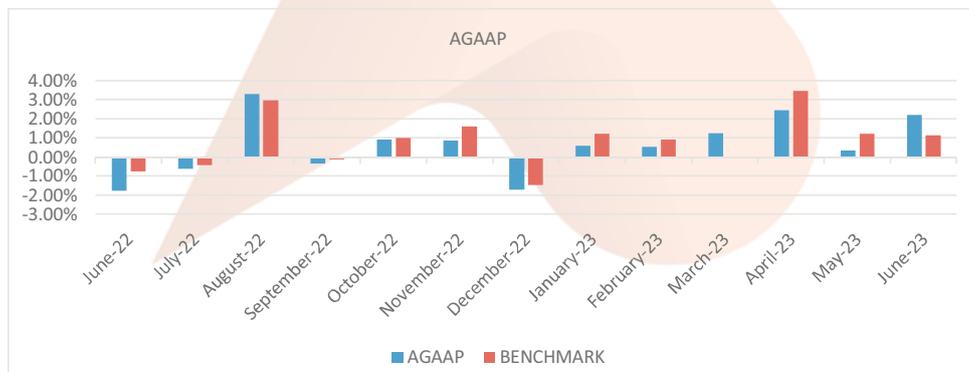
A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double digits' growth in earnings expected in 2024, we expect the local stock market to deliver a strong performance in FY24.



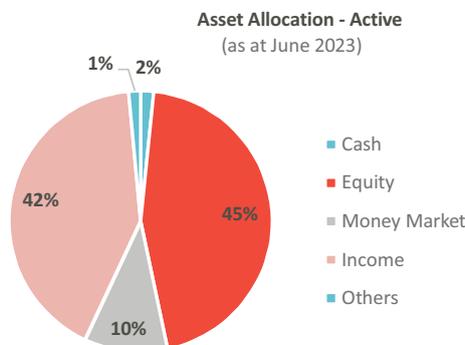
Active Allocation Plan

During the period under review, Alfalah GHP Prosperity Planning Fund - Active posted return of 2.21% as compared to its benchmark return of 1.14%

AGPPF-Active Return Vs Benchmark:



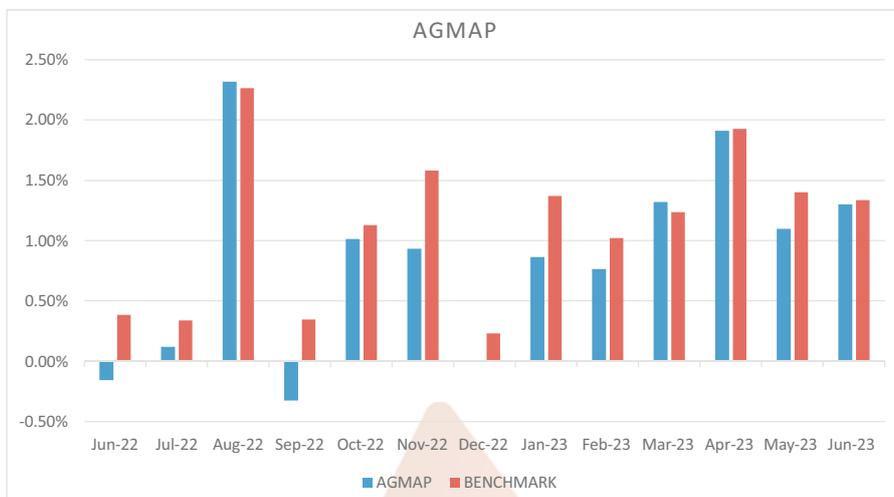
Assets Allocation/Portfolio quality's



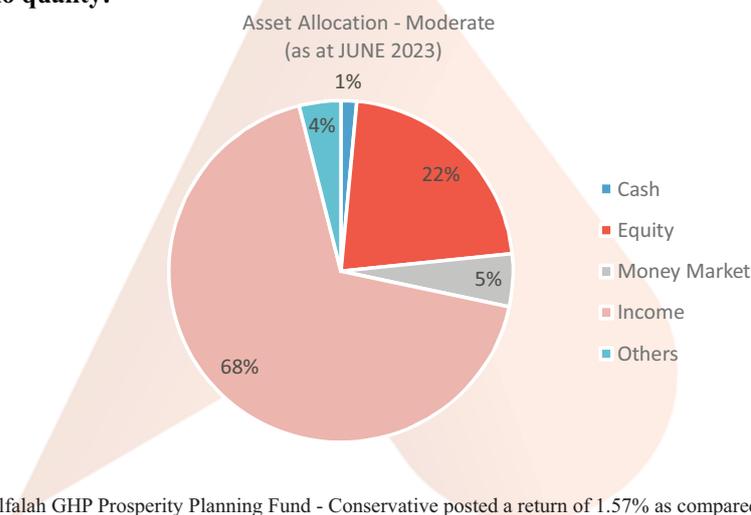
Moderate Allocation Plan

During the period under review, Alfalah GHP Prosperity Planning Fund - Moderate posted a return of 1.30% as compared to its benchmark of 1.34%.

AGPPF-Moderate Return Vs Benchmark:

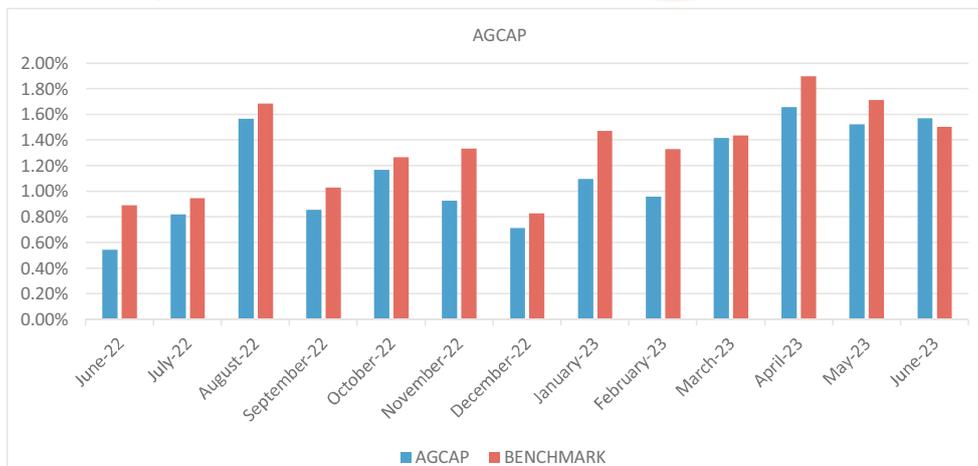


Assets Allocation/Portfolio quality:

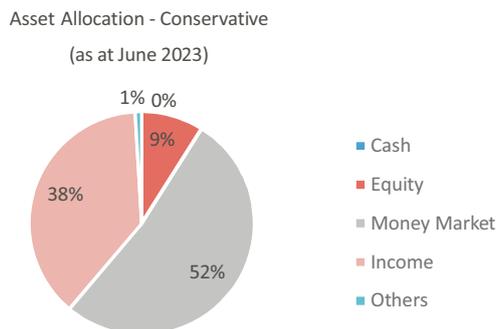


Conservative Allocation Plan:

During the period under review, Alfalah GHP Prosperity Planning Fund - Conservative posted a return of 1.57% as compared to its benchmark of 1.50%.



Assets Allocation/Portfolio quality



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP PROSPERITY PLANNING FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited being the Trustee of Alfalah GHP Prosperity Planning Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: September 27, 2023



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Prosperity Planning Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Prosperity Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 to the financial statements)	
	<p>Investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs.309.217 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; andRe-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR202310611PYfrTZu5B

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	2023				2022				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
Note	----- (Rupees) -----				----- (Rupees) -----				
Assets									
Bank balances	4	730,526	72,934	548,500	1,351,960	180,555	279,741	2,590,301	3,050,597
Investments	5	45,475,854	229,203,801	34,537,099	309,216,754	166,741,488	202,911,631	170,403,540	540,056,659
Mark-up receivable on bank balances		-	133	528	661	3,356	8,218	12,168	23,742
Advance, prepayments and other receivable	6	682,554	2,162,852	1,412,685	4,258,091	670,486	2,157,253	1,336,800	4,164,539
Total assets		46,888,934	231,439,720	36,498,812	314,827,466	167,595,885	205,356,843	174,342,809	547,295,537
Liabilities									
Payable to Alfalah Asset Management Limited - Management Company	7	316,306	627,726	541,440	1,485,472	335,481	357,989	179,358	872,828
Payable to Central Depository Company of Pakistan Limited - Trustee	8	31,183	42,925	11,001	85,109	53,866	49,609	33,718	137,193
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	14,998	42,754	13,606	71,358	35,227	39,758	35,776	110,761
Accrued and other liabilities	10	1,210,216	8,958,369	1,157,082	11,325,667	506,468	3,951,602	1,230,410	5,688,480
Total liabilities		1,572,703	9,671,774	1,723,129	12,967,606	931,042	4,398,958	1,479,262	6,809,262
Net assets attributable to unit holders		45,316,231	221,767,946	34,775,683	301,859,860	166,664,843	200,957,885	172,863,547	540,486,275
Unit holders' fund (as per statement attached)		45,316,231	221,767,946	34,775,683	301,859,860	166,664,843	200,957,885	172,863,547	540,486,275
Contingencies and commitments									
	11	----- (Number of units) -----			----- (Number of units) -----				
Number of units in issue		486,377	2,127,991	352,238	1,788,805	1,939,245	1,767,632		
		----- (Rupees) -----			----- (Rupees) -----				
Net asset value per unit		93.1710	104.2147	98.7278	93.1710	103.6268	97.7938		

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

Note	2023				2022				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
	----- (Rupees) -----				----- (Rupees) -----				
Income									
Mark-up income on bank balances	138,935	32,523	100,459	271,917	28,360	75,244	191,965	295,569	
Net capital gain / (loss) on sale of investments	3,283,551	1,367,451	3,724,131	8,375,133	(7,842,512)	(2,316,110)	(2,620,646)	(12,779,268)	
Net unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss'	5.2	(167,179)	(602,564)	17,564	(752,179)	(13,862,684)	(3,049,298)	(7,248,728)	(24,160,710)
Dividend income	4,268,173	30,598,385	4,098,038	38,964,596	7,961,306	16,442,377	10,870,473	35,274,156	
Total income / (loss)	7,523,480	31,395,795	7,940,192	46,859,467	(13,715,530)	11,152,213	1,193,064	(1,370,253)	
Expenses									
Remuneration of the Alfalah Asset Management Limited - Management Company	7.1	10,910	14,262	13,327	38,499	544	2,658	7,965	11,167
Sindh sales tax on remuneration of the Management Company	7.2	1,418	1,854	1,733	5,005	74	351	1,012	1,437
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	51,882	148,358	45,231	245,471	123,960	137,197	122,299	383,456
Sindh sales tax on remuneration of the Trustee	8.2	6,745	19,287	5,880	31,912	16,113	17,829	15,862	49,804
Annual fee to the Securities and Exchange Commission of Pakistan	9	15,023	42,779	13,631	71,433	35,252	39,783	35,801	110,836
Auditors' remuneration	12	359,429	163,424	203,780	726,633	240,616	304,599	153,285	698,500
Annual listing fee		8,155	9,125	10,220	27,500	7,301	9,125	10,220	26,646
Allocated expenses	7.3	161,212	483,737	139,640	784,589	198,774	225,565	195,068	619,407
Reversal of provision for Sindh Workers' Welfare Fund		-	-	-	-	(2,102,997)	(1,872,403)	(3,418,305)	(7,393,705)
Total expenses		(614,774)	(882,826)	(433,442)	(1,931,042)	(1,480,363)	(1,135,296)	(2,876,793)	(5,492,452)
Net income for the year before taxation		6,908,706	30,512,969	7,506,750	44,928,425	(12,235,167)	12,287,509	4,069,857	4,122,199
Taxation	14	-	-	-	-	-	-	-	-
Net income for the year after taxation		6,908,706	30,512,969	7,506,750	44,928,425	(12,235,167)	12,287,509	4,069,857	4,122,199
Allocation of net income for the year									
Net income for the year after taxation		6,908,706	30,512,969	7,506,750	44,928,425	-	12,287,509	4,069,857	4,122,199
Income already paid on units redeemed		(3,316,530)	(51,675)	(3,757,768)	(7,125,973)	-	-	-	-
		3,592,176	30,461,294	3,748,982	37,802,452	(12,235,167)	12,287,509	4,069,857	4,122,199
Accounting income available for distribution									
- Relating to capital gain		3,283,551	1,367,451	3,741,695	8,392,697	-	-	-	-
- Excluding capital gain		308,625	29,093,843	7,287	29,409,755	-	12,287,509	4,069,857	16,357,366
		3,592,176	30,461,294	3,748,982	37,802,452	-	12,287,509	4,069,857	4,122,199

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

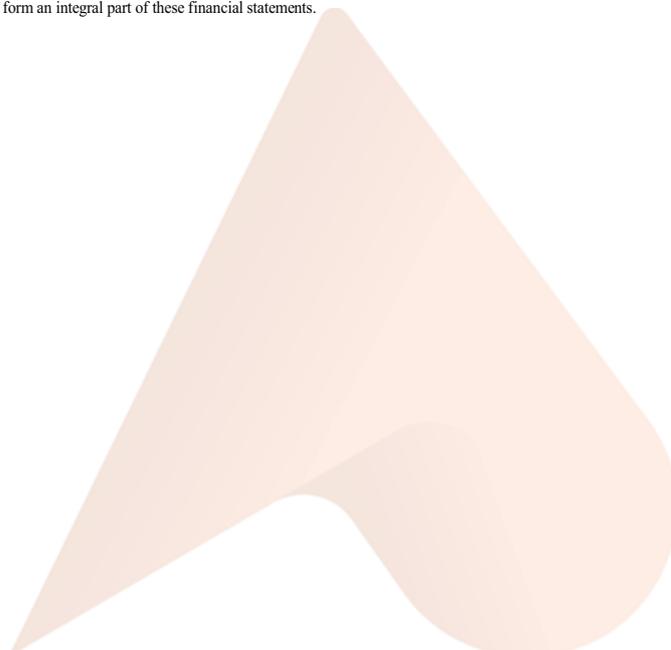
ALFALAH GHP PROSPERITY PLANNING FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023				2022			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	----- (Rupees) -----				----- (Rupees) -----			
Net income for the year after taxation	6,908,706	30,512,969	7,506,750	44,928,425	(12,235,167)	12,287,509	4,069,857	4,122,199
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	<u>6,908,706</u>	<u>30,512,969</u>	<u>7,506,750</u>	<u>44,928,425</u>	<u>(12,235,167)</u>	<u>12,287,509</u>	<u>4,069,857</u>	<u>4,122,199</u>

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023									
	Active Allocation Plan			Conservative Allocation Plan			Moderate Allocation Plan			Total
	Capital value	(Accumulated loss)	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
	Rupees									
Net assets at the beginning of the year	191,128,981	(24,464,138)	166,664,843	178,657,317	22,300,568	200,957,885	169,472,261	3,391,286	172,863,547	540,486,275
Issuance of units:										
AAP: 32,524 (2022: 19,025) CAP: 197,909 (2022: 203,419)										
MAP: 30,322 (2022: 58,617)										
- Capital value (at ex-net asset value per unit at the beginning of the year)	3,030,294	-	3,030,294	20,508,676	-	20,508,676	2,965,304	-	2,965,304	26,504,274
- Element of income	18	-	18	3,834	-	3,834	864	-	864	4,716
Total proceeds on issuance of units	3,030,312	-	3,030,312	20,512,510	-	20,512,510	2,966,168	-	2,966,168	26,508,990
Redemption of units:										
AAP: 1,334,953 (2022: 19,010) CAP: 9,163 (2022: 119,573)										
MAP: 1,445,715 (2022: 43,390)										
- Capital value (at ex-net asset value per unit at the beginning of the year)	124,378,906	-	124,378,906	949,532	-	949,532	141,381,964	-	141,381,964	266,710,402
- Element of (income) / loss	(14)	3,316,530	3,316,516	92	51,675	51,767	937	3,757,768	3,758,705	7,126,988
Total payments on redemption of units	124,378,892	3,316,530	127,695,422	949,624	51,675	1,001,299	141,382,901	3,757,768	145,140,669	273,837,390
Total comprehensive income for the year	-	6,908,706	6,908,706	-	30,512,969	30,512,969	-	7,506,750	7,506,750	44,928,425
1st distribution for the year ended June 30, 2023 @ Rs 6.3820 per unit (Active allocation plan) on June 26, 2023	(18)	(2,896,521)	(2,896,539)	-	-	-	-	-	-	(2,896,539)
2nd distribution for the year ended June 30, 2023 @ Rs 1.4991 per unit (Active allocation plan) on June 30, 2023	-	(695,669)	(695,669)	-	-	-	-	-	-	(695,669)
Final distribution for the year ended June 30, 2023 @ Rs 15.1342 per unit (Conservative allocation plan) on June 26, 2023	-	-	-	(3,786)	(29,210,333)	(29,214,119)	-	-	-	(29,214,119)
Final distribution for the year ended June 30, 2023 @ Rs 10.6170 per unit (Moderate allocation plan) on June 26, 2023	-	-	-	-	-	-	(45)	(3,420,068)	(3,420,113)	(3,420,113)
	(18)	(3,592,190)	(3,592,208)	(3,786)	(29,210,333)	(29,214,119)	(45)	(3,420,068)	(3,420,113)	(32,634,232)
Net assets at the end of the year	69,780,383	(24,464,152)	45,316,231	198,216,417	23,551,529	221,767,946	31,055,483	3,720,200	34,775,683	301,839,860
	(Rupees)			(Rupees)			(Rupees)			
(Accumulated loss) / undistributed income brought forward										
- Realised (loss) / income		(10,601,454)			25,349,866			10,640,014		
- Unrealised loss		(13,862,684)			(3,049,298)			(7,248,728)		
		(24,464,138)			22,300,568			3,391,286		
Accounting income available for distribution										
- Relating to capital gains		3,283,551			1,367,451			3,741,695		
- Excluding capital gains		308,625			29,093,843			7,287		
		3,592,176			30,461,294			3,748,982		
1st distribution for the year ended June 30, 2023 @ Rs 6.3820 per unit (Active allocation plan) on June 26, 2023		(2,896,521)			-			-		
2nd distribution for the year ended June 30, 2023 @ Rs 1.4991 per unit (Active allocation plan) on June 30, 2023		(695,669)			-			-		
Final distribution for the year ended June 30, 2023 @ Rs 15.1342 per unit (Conservative allocation plan) on June 26, 2023		-			(29,210,333)			-		
Final distribution for the year ended June 30, 2023 @ Rs 10.6170 per unit (Moderate allocation plan) on June 26, 2023		-			-			(3,420,068)		
(Accumulated loss) / undistributed income carried forward		(24,464,152)			23,551,529			3,720,200		
(Accumulated loss) / undistributed income carried forward										
- Realised (loss) / income		(24,296,973)			24,154,093			3,702,636		
- Unrealised (loss) / income		(167,179)			(602,564)			17,564		
		(24,464,152)			23,551,529			3,720,200		
Net assets value per unit at the beginning of the year		93.1710			103.6268			97.7938		
Net assets value per unit at the end of the year		93.1710			104.2147			98.7278		

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	2022									
	Active Allocation Plan			Conservative Allocation Plan			Moderate Allocation Plan			Total
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
	Rupees									
Net assets at the beginning of the year	191,134,452	(12,228,971)	178,905,481	169,964,133	22,405,971	192,370,104	168,006,613	3,689,235	171,695,848	542,971,433
Issuance of units:										
AAP: 19,025 (2021: 362,027) CAP: 203,419 (2021: 136,666)										
MAP: 58,617 (2021 : 469,934)										
- Capital value (at ex-net asset value per unit at the beginning of the year)	1,902,581	-	1,902,581	21,090,726	-	21,090,726	5,743,130	-	5,743,130	28,736,437
- Element of (loss) / income	(683)	-	(683)	76	-	76	22,929	-	22,929	22,322
Total proceeds on issuance of units	1,901,898	-	1,901,898	21,090,802	-	21,090,802	5,766,059	-	5,766,059	28,758,759
Redemption of units:										
AAP: 19,010 (2021: 428) CAP: 119,573 (2021: 25,130)										
MAP: 43,390 (2021 : 762,024)										
- Capital value (at ex-net asset value per unit at the beginning of the year)	1,901,174	-	1,901,174	12,397,531	-	12,397,531	4,251,370	-	4,251,370	18,550,075
- Element of loss	6,195	-	6,195	87	-	87	32,432	-	32,432	38,714
Total payments on redemption of units	1,907,369	-	1,907,369	12,397,618	-	12,397,618	4,283,802	-	4,283,802	18,588,789
Total comprehensive (loss) / income for the year	-	(12,235,167)	(12,235,167)	-	12,287,509	12,287,509	-	4,069,857	4,069,857	4,122,199
Final distribution for the year ended June 30, 2022 @ Rs 6.6795 per unit (Conservative allocation plan) on June 28, 2022	-	-	-	-	(12,392,912)	(12,392,912)	-	-	-	(12,392,912)
Final distribution for the year ended June 30, 2022 @ Rs 2.5436 per unit (Moderate allocation plan) on June 28, 2022	-	-	-	-	-	-	(16,609)	(4,367,806)	(4,384,415)	(4,384,415)
	-	-	-	-	(12,392,912)	(12,392,912)	(16,609)	(4,367,806)	(4,384,415)	(16,777,327)
Net assets at the end of the year	191,128,981	(24,464,138)	166,664,843	178,657,317	22,300,568	200,957,885	169,472,261	3,391,286	172,863,547	540,486,275
	(Rupees)			(Rupees)			(Rupees)			
(Accumulated loss) / undistributed income brought forward										
- Realised (loss) / income		(18,907,772)			21,379,905			1,233,010		
- Unrealised income		6,678,801			1,026,066			2,456,225		
		(12,228,971)			22,405,971			3,689,235		
Accounting income available for distribution										
- Relating to capital gains		-			-			-		
- Excluding capital gains		-			12,287,509			4,069,857		
		-			12,287,509			4,069,857		
Net loss for the year		(12,235,167)			-			-		
Final distribution for the year ended June 30, 2022 @ Rs 6.6795 per unit (Conservative allocation plan) on June 28, 2022		-			(12,392,912)			-		
Final distribution for the year ended June 30, 2022 @ Rs 2.5436 per unit (Moderate allocation plan) on June 28, 2022		-			-			(4,367,806)		
(Accumulated loss) / undistributed income carried forward		(24,464,138)			22,300,568			3,391,286		
(Accumulated loss) / undistributed income carried forward										
- Realised (loss) / income		(10,601,454)			25,349,866			10,640,014		
- Unrealised loss		(13,862,684)			(3,049,298)			(7,248,728)		
		(24,464,138)			22,300,568			3,391,286		
Net assets value per unit at the beginning of the year		100.0148			103.6812			97.9772		
Net assets value per unit at the end of the year		93.1710			103.6268			97.7938		

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

Note	2023				2022				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
	----- (Rupees) -----				----- (Rupees) -----				
CASH FLOWS FROM OPERATING ACTIVITIES									
Net income for the year before taxation	6,908,706	30,512,969	7,506,750	44,928,425	(12,235,167)	12,287,509	4,069,857	4,122,199	
Adjustments for:									
Net unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss' - net	5.2	167,179	602,564	(17,564)	752,179	13,862,684	3,049,298	7,248,728	24,160,710
Reversal of provision for Sindh Workers' Welfare Fund		-	-	-	-	(2,102,997)	(1,872,403)	(3,418,305)	(7,393,705)
	7,075,885	31,115,533	7,489,186	45,680,604	(475,480)	13,464,404	7,900,280	20,889,204	
Decrease / (increase) in assets									
Investments - net	121,098,455	(26,894,734)	135,884,005	230,087,726	(943,492)	(7,420,188)	(3,591,164)	(11,954,844)	
Mark-up receivable on bank balances	3,356	8,085	11,640	23,081	1,862	(8,218)	(12,168)	(18,524)	
Advance and prepayments	(12,068)	(5,599)	(75,885)	(93,552)	(568,014)	(2,041,994)	(1,226,547)	(3,836,555)	
	121,089,743	(26,892,248)	135,819,760	230,017,255	(1,509,644)	(9,470,400)	(4,829,879)	(15,809,923)	
Increase / (decrease) in liabilities									
Payable to Alfalah Asset Management Limited - Management Company	(19,175)	269,737	362,082	612,644	(22,575)	(93,963)	(91,524)	(208,062)	
Payable to Central Depository Company of Pakistan Limited - Trustee	(22,683)	(6,684)	(22,717)	(52,084)	11,061	10,227	(13,392)	7,896	
Annual fee payable to the Securities and Exchange Commission of Pakistan	(20,229)	2,996	(22,170)	(39,403)	1,638	1,442	(3,101)	(21)	
Accrued and other liabilities	703,748	5,006,767	(73,328)	5,637,187	(286,074)	(1,130,500)	(596,395)	(2,012,969)	
	641,661	5,272,816	243,867	6,158,344	(295,950)	(1,212,794)	(704,412)	(2,213,156)	
Net cash generated from operating activities	128,807,289	9,496,101	143,552,813	281,856,203	(2,281,074)	2,781,210	2,365,989	2,866,125	
CASH FLOWS FROM FINANCING ACTIVITIES									
Proceeds from issuance of units	3,030,294	20,508,724	2,966,123	26,505,141	1,901,898	21,090,802	5,749,450	28,742,150	
Payments on redemption of units	(127,695,422)	(1,001,299)	(145,140,669)	(273,837,390)	(1,907,369)	(12,397,618)	(4,283,802)	(18,588,789)	
Dividend paid	(3,592,190)	(29,210,333)	(3,420,068)	(36,222,591)		(12,392,912)	(4,367,806)	(16,760,718)	
Net cash used in financing activities	(128,257,318)	(9,702,908)	(145,594,614)	(283,554,840)	(5,471)	(3,699,728)	(2,902,158)	(6,607,357)	
Net decrease in cash and cash equivalents during the year	549,971	(206,807)	(2,041,801)	(1,698,637)	(2,286,545)	(918,518)	(536,169)	(3,741,232)	
Cash and cash equivalents at beginning of the year	180,555	279,741	2,590,301	3,050,597	2,467,100	1,198,259	3,126,470	6,791,829	
Cash and cash equivalents at end of the year	4	730,526	72,934	548,500	1,351,960	180,555	279,741	2,590,301	3,050,597

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed executed under the Trust Act, 1882 entered into on July 07, 2015 between Alfalah Asset Management Limited (formerly : Alfalah GHP Investment Management Limited) [the Management Company] and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) under the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/SMCW/AGPPF/30/2015 dated July 30, 2015 and Offering Document was approved by SECP vide its letter No. SCD/AMCW/AGPPF/29/2015 dated July 30, 2015.
- 1.2** The Trust Act, 1882 had been repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 17, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd Floor, ST-2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
- 1.4** The Fund is categorised as a 'Fund of Funds' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.5** The objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The investment objectives and policy are explained in the Fund's offering document. Presently, the following allocation plans are offered:
 - a. Alfalah GHP Active Allocation Plan;
 - b. Alfalah GHP Conservative Allocation Plan; and
 - c. Alfalah GHP Moderate Allocation Plan.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022 : AM2+ dated March 3, 2022)
- 1.7** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting standards that are effective in the current year

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting standards that are not yet effective

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements is Classification and valuation of investments (notes 3.3 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments held 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentational currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentational currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.2 Classification and subsequent measurement

3.3.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

3.3.2.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

- a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.3.3 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.3.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gain or losses arising on sale of investments classified as financial assets 'at fair value through profit or loss' are recognized in the income statement in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances is recognised on accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Note	2023				2022			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total

4. BANK BALANCES

	(Rupees)				(Rupees)				
Saving accounts	4.1	730,526	72,934	548,500	1,351,960	180,555	279,741	2,590,301	3,050,597

- 4.1 Deposits in savings accounts include Rs 0.697 million (2022: 0.120 million), Rs 0.318 million (2022: 0.214 million) and Rs 0.038 million (2022: 2.548 million) in the Active Allocation Plan, the Conservative Allocation Fund and the Moderate Allocation Plan respectively with Bank Alfalah Limited, a related party, that carries profit at the rate of 22.95% (2022: 16.6%) per annum. Other savings accounts of the Fund carries profit at the rate of 19.5% (2022: 5.5%) per annum.

Note	2023				2022			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total

5. INVESTMENTS

At fair value through profit or loss

	(Rupees)				(Rupees)				
Units of open-ended mutual funds	5.1	45,475,854	229,203,801	34,537,099	309,216,754	166,741,488	202,911,631	170,403,540	540,056,659

5.1 Financial assets at fair value through profit or loss' - Units of open-ended mutual funds

Active Allocation Plan

Particulars	As at July 1, 2022	Purchases during the year	Sales during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
Alfalah GHP Alpha Fund*	803,537	59,067	862,604	-	-	-	-	-	-
Alfalah GHP Stock Fund*	247,121	32,140	279,261	-	-	-	-	-	-
Alfalah GHP Sovereign Fund*	143,940	5,516	108,762	40,694	4,344,661	4,359,453	14,792	9.62	9.59
Alfalah GHP Money Market Fund*	326,056	945,634	1,223,194	48,496	4,820,303	4,793,148	(27,155)	10.58	10.54
Alfalah GHP Income Fund*	403,116	15,803	308,431	110,488	12,505,188	12,552,665	47,477	27.70	27.60
Alfalah GHP Income Multiplier Fund*	219,740	7,773	179,250	48,263	2,603,293	2,608,008	4,715	5.76	5.73
Alfalah GHP Dedicated Equity Fund*	-	213,696	-	213,696	21,369,588	21,162,580	(207,008)	46.70	46.54
As at June 30, 2023					45,643,033	45,475,854	(167,179)	100.36	100
As at June 30, 2022					180,604,172	166,741,488	(13,862,684)	100.05	100

* These represent investments held in related parties i.e. funds under common management.

Conservative Allocation Plan

Particulars	As at July 1, 2022	Purchases during the year	Sales during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
Alfalah GHP Alpha Fund*	158,973	76,787	235,760	-	-	-	-	-	-
Alfalah GHP Cash Fund*	135	157	135	157	78,548	78,876	328	0.04	0.03
Alfalah GHP Stock Fund*	56,745	41,782	98,527	-	-	-	-	-	-
Alfalah GHP Sovereign Fund*	286,748	44,956	-	331,704	35,414,332	35,534,906	120,574	16.02	15.50
Alfalah GHP Money Market Fund*	1,130,686	4,722,516	4,631,808	1,221,394	121,403,549	120,718,266	(685,283)	54.43	52.67
Alfalah GHP Income Fund*	293,619	43,570	32,570	304,619	34,477,283	34,608,178	130,895	15.61	15.11
Alfalah GHP Income Multiplier Fund*	274,897	52,759	-	327,656	17,673,808	17,705,820	32,012	7.98	7.72
Alfalah GHP Dedicated Equity Fund*	-	207,588	-	207,588	20,758,845	20,557,755	(201,090)	9.27	8.97
As at June 30, 2023					229,806,365	229,203,801	(602,564)	103.35	100
As at June 30, 2022					205,960,929	202,911,631	(3,049,298)	100.97	100

* These represent investments held in related parties i.e. funds under common management.

Moderate Allocation Plan

Particulars	As at July 1, 2022	Purchases during the year	Sales during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
Alfalah GHP Alpha Fund*	425,478	-	425,478	-	-	-	-	-	-
Alfalah GHP Stock Fund*	158,709	3,315	162,024	-	-	-	-	-	-
Alfalah GHP Sovereign Fund*	449,415	13,443	363,673	99,185	10,589,499	10,625,553	36,054	30.55	30.77
Alfalah GHP Money Market Fund*	122,820	297,220	401,497	18,543	1,843,137	1,832,733	(10,404)	5.27	5.31
Alfalah GHP Income Fund*	405,408	8,858	352,335	61,931	7,009,402	7,036,013	26,611	20.23	20.37
Alfalah GHP Income Multiplier Fund*	541,293	21,070	431,515	130,848	7,057,947	7,070,731	12,784	20.33	20.47
Alfalah GHP Dedicated Equity Fund*	-	80,500	-	80,500	8,019,550	7,972,069	(47,481)	22.92	23.08
As at June 30, 2023					34,519,535	34,537,099	17,564	99.30	100
As at June 30, 2022					177,652,268	170,403,540	(7,248,728)	98.58	100.00

* These represent investments held in related parties i.e. funds under common management.

5.2 Net unrealised diminution on remeasurement of

Note	2023				2022				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
	(Rupees)				(Rupees)				
investments classified as financial assets 'at fair value through profit or loss'									
Market value of investments	5.1	45,475,854	229,203,801	34,537,099	309,216,754	166,741,488	202,911,631	170,403,540	540,056,659
Less: Carrying value of investments	5.1	(45,643,033)	(229,806,365)	(34,519,535)	(309,968,933)	(180,604,172)	(205,960,929)	(177,652,268)	(564,217,369)
		(167,179)	(602,564)	17,564	(752,179)	(13,862,684)	(3,049,298)	(7,248,728)	(24,160,710)

6 ADVANCE, PREPAYMENTS AND OTHER RECEIVABLE

Advance tax	6.1	661,948	2,159,262	1,412,685	4,233,895	648,397	2,154,765	1,336,800	4,139,962
Listing fees		20,574	3,590	-	24,164	22,057	2,488	-	24,545
Other receivable		32	-	-	32	32	-	-	32
		682,554	2,162,852	1,412,685	4,258,091	670,486	2,157,253	1,336,800	4,164,539

6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2023 withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on debt amounts to Rs. 4.233 million (2022: 4.14 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2023 as in the opinion of the management, the amount of tax deducted at source will be refunded.

7. PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note	2023				2022				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
	(Rupees)				(Rupees)				
Management remuneration payable	7.1	10,544	697	362	11,603	10,604	44	1,418	12,066
Sindh sales tax payable on management remuneration	7.2	1,371	91	47	1,509	1,882	2,088	2,424	6,395
Payable against allocated expenses	7.3	46,592	271,081	365,515	683,188	65,196	-	-	65,196
Front end load payable		-	105,260	10,379	115,639	-	105,260	10,379	115,639
Federal excise duty payable on management remuneration	7.4	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Tax on front end load payable		252,242	243,673	154,264	650,179	252,242	243,673	154,264	650,179
		316,306	627,726	541,440	1,485,472	335,481	357,989	179,358	872,828

- 7.1 The Management Company has charged remuneration at the rate of 1% (2022: 1%) of average annual net assets of the fund during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the year, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (2022: 13%) amounting to Rs 1,418 (2022 : Rs 74), Rs 1,854 (2022 : Rs 351) and Rs 1,733 (2022 : Rs 1,012) for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.
- 7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, the Management Company has charged allocated expenses to the fund based on its discretion subject to not being higher than actual expense incurred.

- 7.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.023 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements, the net asset value of the Fund as at June 30, 2022 would have been higher by Rs 0.01142 per unit (2022: Rs 0.0031), Rs 0.00325 per unit (2022: Rs 0.0037) and Rs 0.03086 per unit (2022: Rs 0.0062) for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	2023				2022			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Remuneration of the trustee	27,596	37,987	9,735	75,318	47,071	43,202	29,851	120,124
Sindh sales tax payable on remuneration of the Trustee	3,587	4,938	1,266	9,791	6,795	6,407	3,867	17,069
	31,183	42,925	11,001	85,109	53,866	49,609	33,718	137,193

- 8.1 Trustee has charged remuneration at the rate of 0.07% (2022: 0.07%) of average annual net assets of the fund during the year.
- 8.2 During the year, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (2022: 13%) amounting to Rs 6,745 (2022 : Rs 16,113), Rs 19,287 (2022 : Rs 17,829) and Rs 5,880 (2022 : Rs 15,862) for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	2023				2022			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Annual fee payable	14,998	42,754	13,606	71,358	35,227	39,758	35,776	110,761

- 9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2022: 0.02%) of average annual net assets of the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	2023				2022			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Rating fee payable	186,187	122,488	485,819	794,494	186,187	122,488	485,819	794,494
Printing charges payable	19,541	-	24,259	43,800	79,492	-	26,793	106,285
Auditors' remuneration payable	400,476	52,657	107,229	560,362	188,654	79,627	67,226	335,507
Withholding tax payable	41,616	49,318	45,830	136,764	49,472	3,747,510	639,238	4,436,220
Capital gain tax payable	562,396	8,733,858	493,945	9,790,199	-	1,929	8,854	10,783
Listing fee	-	48	-	48	2,663	48	2,480	5,191
	<u>1,210,216</u>	<u>8,958,369</u>	<u>1,157,082</u>	<u>11,325,667</u>	<u>506,468</u>	<u>3,951,602</u>	<u>1,230,410</u>	<u>5,688,480</u>

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2023 and June 30, 2022.

12. AUDITORS' REMUNERATION

	2023				2022			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Annual audit fee	56,040	159,708	49,242	264,990	121,542	148,478	60,144	330,164
Review and other certifications	73,310	208,927	64,417	346,654	70,550	92,637	61,791	224,978
Out of pocket expenses	12,935	36,864	11,366	61,165	30,701	40,921	19,996	91,618
	142,285	405,499	125,025	672,809	222,793	282,036	141,931	646,760
Sindh sales tax on services	11,383	32,440	10,002	53,825	17,823	22,563	11,354	51,740
	<u>153,668</u>	<u>437,939</u>	<u>135,027</u>	<u>726,634</u>	<u>240,616</u>	<u>304,599</u>	<u>153,285</u>	<u>698,500</u>

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 are 0.82%, 0.41% and 0.66% (2022: 0.35%, 0.37% and 0.31%) which includes 0.031%, 0.03% and 0.032% (2022: 0.02%, 0.03% and 0.021%) representing government levies on the Fund such as provision for sales taxes, federal excise duties, annual fee to the SECP, etc in Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan, respectively. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds.

14. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Since the Management Company intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these financial statements for Conservative Allocation Plan and Moderate Allocation Plan. Further, the Fund has not recorded any tax liability for Active Allocation Plan as the plan has incurred a net loss for the year ended June 30, 2023, hence no provision for taxation has been recognized in the financial statements during the period.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah Asset Management Limited being the Management Company, Funds under management of the Management Company, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited

- Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remunerations to the Management Company and the Trustee of the Fund are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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:

15.1 Unit Holders' Fund

		2023										
		As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2023	
Note		(Units)					(Rupees)					
- Active Allocation Plan												
	Unit holder holding 10% or more units	15.1.1	406,685	-	29,367	-	436,052	37,891,231	-	2,736,237	-	40,627,401
Associated companies / undertakings												
	Bank Alfalah Limited - Employees Gratuity Fund	15.1.1	1,334,801	-	-	1,334,801	-	124,364,744	-	-	127,680,875	-
- Conservative Allocation Plan												
	Unit holder holding 10% or more units	15.1.1	1,916,289	-	195,905	-	2,112,194	198,578,897	-	8,573,272	-	220,121,664
- Moderate Allocation Plan												
	Unit holder holding 10% or more units	15.1.1	1,644,654	-	24,206	1,388,680	280,180	159,145,092	-	2,367,132	139,347,045	27,661,555
		2022										
		As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	
Note		(Units)					(Rupees)					
- Active Allocation Plan												
Associated companies / undertakings												
	Bank Alfalah Limited - Employees Gratuity Fund	15.1.1	1,334,801	-	-	-	1,334,801	133,499,855	-	-	-	124,364,744
- Conservative Allocation Plan												
	Unit holder holding 10% or more units	15.1.1	1,833,600	-	82,689	-	1,916,289	190,109,848	-	8,573,272	-	198,578,897
- Moderate Allocation Plan												
	Unit holder holding 10% or more units	15.1.1	1,353,542	-	35,138	-	1,388,680	132,616,255	-	3,442,867	-	135,804,272

15.1.1 This reflects the position of related party / connected persons status as at June 30, 2023.

15.2 Other transactions

		2023				2022			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
		(Rupees)				(Rupees)			
Associated companies / undertakings									
Alfalah Asset Management Limited									
- Management Company									
	Remuneration of the Management Company	10,910	14,262	13,327	38,499	544	2,658	7,965	11,167
	Sindh sales tax on remuneration of the Management Company	1,418	1,854	1,733	5,005	74	351	1,012	1,437
	Allocated expenses	161,212	483,737	139,640	784,589	198,774	225,565	195,068	619,407

	2023				2022			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Bank Alfalah Limited								
Mark-up income on bank balances	138,935	32,523	100,459	271,917	28,360	75,244	191,965	295,569
Alfalah GHP Alpha Fund - fund managed by the Management Company								
Invested during the year (Rupees)	3,000,000	3,900,000	-	6,900,000	42,500,000	13,200,000	17,741,006	73,441,006
Invested during the year (Units)	59,067	76,787	-	135,854	741,730	233,366	316,634	1,291,730
Redeemed during the year (Rupees)	43,011,247	11,740,848	21,137,475	75,889,570	77,950,000	26,450,000	34,852,017	139,252,017
Redeemed during the year (Units)	862,604	235,760	425,479	1,523,843	1,383,982	469,929	611,660	2,465,571
Alfalah GHP Cash Fund - fund managed by the Management Company								
Invested during the year (Rupees)	-	78,562	-	78,562	-	2,953,332	436,417	3,389,749
Invested during the year (Units)	-	157	-	157	-	5,905	873	6,778
Redeemed during the year (Rupees)	-	67,106	-	67,106	-	57,013,958	8,441,006	65,454,964
Redeemed during the year (Units)	-	134	-	134	-	113,213	16,767	129,980
Alfalah GHP Stock Fund - fund managed by the Management Company								
Invested during the year (Rupees)	3,000,000	3,900,000	300,000	7,200,000	25,792,643	11,700,000	16,950,000	54,442,643
Invested during the year (Units)	32,140	41,782	3,315	77,237	249,162	111,499	165,007	525,668
Redeemed during the year (Rupees)	25,657,998	9,017,995	14,782,054	49,458,047	63,610,409	18,950,000	23,250,000	105,810,409
Redeemed during the year (Units)	279,260	98,527	162,024	539,811	608,221	184,162	221,541	1,013,924
Alfalah GHP Sovereign Fund - fund managed by the Management Company								
Invested during the year (Rupees)	588,844	4,799,812	1,435,230	6,823,886	16,194,871	8,347,051	19,562,898	44,104,820
Invested during the year (Units)	5,515	44,957	13,443	63,915	143,940	75,086	174,973	393,999
Redeemed during the year (Rupees)	12,000,000	-	40,000,000	52,000,000	-	2,150,000	3,000,000	5,150,000
Redeemed during the year (Units)	108,762	-	363,673	472,435	-	20,135	26,566	46,701
Alfalah GHP Money Market Fund - fund managed by the Management Company								
Invested during the year (Rupees)	93,932,170	469,634,480	29,558,996	593,125,646	113,403,354	96,966,419	39,032,297	249,402,070
Invested during the year (Units)	945,634	4,722,517	297,220	5,965,371	1,150,200	981,621	396,091	2,527,912
Redeemed during the year (Rupees)	121,593,318	459,786,535	39,848,041	621,227,894	84,692,643	28,900,000	39,250,000	152,842,643
Redeemed during the year (Units)	1,223,194	4,631,808	401,497	6,256,499	857,144	292,690	397,316	1,547,150
Alfalah GHP Income Fund - fund managed by the Management Company								
Invested during the year (Rupees)	1,788,631	4,931,322	1,002,562	7,722,515	57,289,667	24,985,120	55,061,075	137,335,862
Invested during the year (Units)	15,803	43,570	8,858	68,231	492,319	217,674	478,694	1,188,687
Redeemed during the year (Rupees)	36,050,000	-	41,200,000	77,250,000	10,700,000	1,600,000	9,000,000	21,300,000
Redeemed during the year (Units)	308,431	-	352,335	660,766	89,298	13,190	75,855	178,343
Alfalah GHP Income Multiplier Fund - fund managed by the Management Company								
Invested during the year (Rupees)	419,182	2,845,836	1,136,468	4,401,486	494,908	619,131	1,219,119	2,333,158
Invested during the year (Units)	7,771	52,759	21,069	81,599	9,202	11,512	22,668	43,382
Redeemed during the year (Rupees)	179,250	-	24,000,000	24,179,250	10,000,000	14,000,000	26,000,000	50,000,000
Redeemed during the year (Units)	10,000,000	-	431,515	10,431,515	192,222	269,110	499,776	961,108
Alfalah GHP Dedicated Equity Fund - fund managed by the Management Company								
Invested during the year (Rupees)	213,696	207,588	8,019,550	8,440,834	-	-	-	-
Invested during the year (Units)	21,369,588	20,758,845	80,500	42,208,933	-	-	-	-
Redeemed during the year (Rupees)	-	-	-	-	-	-	-	-
Redeemed during the year (Units)	-	-	-	-	-	-	-	-
Other related parties								
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	51,882	148,358	45,231	245,471	123,960	137,197	122,299	383,456
Sindh sales tax on remuneration of the Trustee	6,745	19,287	5,880	31,912	16,113	17,829	15,862	49,804

15.3 Other balances

	2023				2022			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Associated companies / undertakings								
Alfalsh Asset Management Limited								
- Management Company								
Management remuneration payable	10,544	697	362	11,603	10,604	44	1,418	12,066
Sindh sales tax payable on management remuneration	1,371	91	47	1,509	1,882	2,088	2,424	6,395
Payable against allocated expenses	46,592	271,081	365,515	683,188	65,196	-	-	65,196
Federal excise duty payable on management remuneration	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Front end load payable	-	105,260	10,379	115,639	-	105,260	10,379	115,639
Tax on front end load payable	252,242	243,673	154,264	650,179	252,242	243,673	154,264	650,179
Bank Alfalah Limited								
Bank balances	697,660	38,052	318,751	1,054,463	120,776	214,859	2,548,636	2,884,271
Mark-up receivable on bank balances	-	-	528	528	3,356	8,085	12,168	23,609
Other related party								
Central Depository Company of Pakistan Limited - Trustee								
Trustee remuneration payable	27,596	37,987	9,735	75,318	47,071	43,202	29,851	120,124
Sindh sales tax payable on Trustee remuneration	3,587	4,938	1,266	9,791	6,795	6,407	3,867	17,069

16. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2023			2022		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	(Rupees)			(Rupees)		
Financial assets						
Bank balances	1,351,960	-	1,351,960	3,050,597	-	3,050,597
Investments	-	309,216,754	309,216,754	-	540,056,659	540,056,659
Mark-up receivable on bank balances	661	-	661	23,742	-	23,742
Other receivable	32	-	32	32	-	32
	<u>1,352,653</u>	<u>309,216,754</u>	<u>310,569,407</u>	<u>7,214,301</u>	<u>540,056,659</u>	<u>547,270,960</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	1,485,472	-	1,485,472	872,828	-	872,828
Payable to Central Depository Company of Pakistan Limited - Trustee	85,109	-	85,109	137,193	-	137,193
Accrued and other liabilities	1,398,656	-	1,398,656	1,236,286	-	1,236,286
	<u>2,969,237</u>	<u>-</u>	<u>2,969,237</u>	<u>2,246,307</u>	<u>-</u>	<u>2,246,307</u>

17. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

17.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

17.1.2 Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2023, is as follows:

Variable rate instruments (financial assets)	Note	2023	2022
-----Rupees-----			
Bank balances	4	1,351,960	3,050,597

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 13,520 (2022: Rs 30,506) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2023					Not exposed to interest rate risk	Total
	Effective interest rate	Exposed to interest risk					
		Upto three months	More than three months and up to one year	More than one year			
----- (Rupees) -----							
Financial assets							
Bank balances	19.5% - 22.95%	1,351,960	-	-	-	1,351,960	
Investments		-	-	-	309,216,754	309,216,754	
Mark-up receivable on bank balances		-	-	-	661	661	
Other receivable		-	-	-	32	32	
Sub-total		1,351,960	-	-	309,217,447	310,569,407	
Financial liabilities							
Payable to the Management Company		-	-	-	1,485,472	1,485,472	
Payable to the Trustee		-	-	-	85,109	85,109	
Accrued and other liabilities		-	-	-	1,398,656	1,398,656	
Sub-total		-	-	-	2,969,237	2,969,237	
On-balance sheet gap		1,351,960	-	-	306,248,210	307,600,170	
Total interest rate sensitivity gap		1,351,960	-	-	306,248,210	307,600,170	
Cumulative interest rate sensitivity gap		1,351,960	1,351,960	1,351,960			

Particulars	2022					Not exposed to interest rate risk	Total
	Effective interest rate	Exposed to interest risk					
		Upto three months	More than three months and up to one year	More than one year			
(Rupees)							
Financial assets							
Bank balances	5.5% - 16.60%	3,050,597	-	-	-		3,050,597
Investments		-	-	-	540,056,659		540,056,659
Mark-up receivable on bank balances		-	-	-	23,742		23,742
Other receivable		-	-	-	32		32
Sub-total		<u>3,050,597</u>	<u>-</u>	<u>-</u>	<u>540,080,433</u>		<u>543,131,030</u>
Financial liabilities							
Payable to the Management Company		-	-	-	872,828		872,828
Payable to the Trustee		-	-	-	137,193		137,193
Accrued and other liabilities		-	-	-	1,236,286		1,236,286
Sub-total		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,246,307</u>		<u>2,246,307</u>
On-balance sheet gap		<u>3,050,597</u>	<u>-</u>	<u>-</u>	<u>537,834,126</u>		<u>540,884,723</u>
Total interest rate sensitivity gap		<u>3,050,597</u>	<u>-</u>	<u>-</u>	<u>537,834,126</u>		<u>540,884,723</u>
Cumulative interest rate sensitivity gap		<u>3,050,597</u>	<u>3,050,597</u>	<u>3,050,597</u>			

17.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds which are categorized as equity schemes. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that PSX index increased / decreased by 1%, with all other variables held constant.

As at June 30, 2023, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

<i>Effect due to increase / decrease in KSE 100 index</i>	2023	2022
	-----Rupees-----	
Investments and net assets	<u>496,924</u>	<u>1,100,207</u>
Income statement	<u>496,924</u>	<u>1,100,207</u>

17.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

17.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 was as follows:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- (Rupees) -----		----- (Rupees) -----	
Bank balances	1,351,960	1,351,960	3,050,597	3,050,597
Investments	309,216,754	-	540,056,659	-
Mark-up receivable on bank balances	661	661	23,742	23,742
Other receivables	32	32	32	32
	<u>310,569,407</u>	<u>1,352,653</u>	<u>543,131,030</u>	<u>3,074,371</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 309.216 million (2022: Rs 540.57 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2023 and June 30, 2022.

17.2.2 Credit quality of financial assets

The Fund held bank balances at June 30, 2023 with banks having following credit ratings:

Name of bank	Rating Agency	Rating (Short Term / Long Term)	2023	2022
			%age of total bank balance	
Bank Alfalah Limited	PACRA	A1+ / AA+	97.55%	94.63%
Allied Bank Limited	PACRA	A1+ / AAA	2.45%	2.04%
National Bank of Pakistan	PACRA	A1+ / AAA	0.00%	3.34%
			<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA as of June 30, 2023.

17.2.3 Open end mutual fund - Quoted

The Fund had investments at June 30, 2023 with open end mutual funds having following ratings:

Name of open end mutual funds	Rating Agency	Rating	2023	2022
			Percentage of total balance	
Alfalah GHP Alpha Fund	Not Rated	Not Rated	0.00%	14.26%
Alfalah GHP Cash Fund	PACRA	AA+(f)	0.00%	0.01%
Alfalah GHP Stock Fund	Not Rated	Not Rated	16.34%	8.78%
Alfalah GHP Sovereign Fund	PACRA	AA-(f)	41.18%	17.36%
Alfalah GHP Money Market Fund	PACRA	AA+(f)	17.53%	27.30%
Alfalah GHP Income Fund	PACRA	AA-(f)	8.86%	19.18%
Alfalah GHP Income Multiplier Fund	PACRA	A+(f)	0.03%	13.11%
Alfalah GHP Dedicated Equity Fund	Not Rated	Not Rated	16.06%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

17.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	1,351,960	-	-	-	-	1,351,960
Investments	-	-	-	-	309,216,754	309,216,754
Markup receivable on bank balances	661	-	-	-	-	661
Other receivable	-	-	-	-	32	32
	1,352,621	-	-	-	309,216,786	310,569,407
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	1,485,472	-	-	-	-	1,485,472
Payable to Central Depository Company of Pakistan Limited - Trustee	85,109	-	-	-	-	85,109
Accrued and other liabilities	1,398,656	-	-	-	-	1,398,656
	2,969,237	-	-	-	-	2,969,237
Net financial assets	(1,616,616)	-	-	-	309,216,786	307,600,170
2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	3,050,597	-	-	-	-	3,050,597
Investments	-	-	-	-	540,056,659	540,056,659
Markup receivable on bank balances	23,742	-	-	-	-	23,742
Other Receivable	-	-	-	-	32	32
	3,074,339	-	-	-	540,056,691	543,131,030
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	738,368	-	-	-	-	738,368
Payable to Central Depository Company of Pakistan Limited - Trustee	137,193	-	-	-	-	137,193
Accrued and other liabilities	1,236,286	-	-	-	-	1,236,286
	2,111,847	-	-	-	-	2,111,847
Net financial assets	962,492	-	-	-	540,056,691	541,019,183

17.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

	2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets 'at fair value through profit or loss' - net				
- Open end mutual funds - Quoted	-	309,216,754	-	309,216,754

	2022			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets 'at fair value through profit or loss' - net				
- Open end mutual funds - Quoted	-	540,056,659	-	540,056,659

17.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

The Fund's objective when managing net assets attributable to unit holders is to safe guard the Fund's ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

18. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure 1 to the financial statements.

19. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and conform with changes to presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

20. GENERAL

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Management Company.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Active Allocation Plan

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	55	50,282	4,684,755	3%
Retirement & Other Funds	11	436,098	40,631,476	97%
	66	486,379	45,316,231	100%

Conservative Allocation Plan

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	125	15,797	1,646,294	1%
Others	4	2,112,194	220,121,652	99%
	129	2,127,991	221,767,946	100%

Moderate Allocation Plan

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	171	162,565	16,049,711	11%
Retirement & Other Funds	14	189,673	18,725,972	89%
	185	352,238	34,775,683	100%

Active Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	9	47,320	4,408,825	3%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	4	1,741,487	162,256,027	97%
Others	0	-	-	0%
	13	1,788,806	166,664,852	100%

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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Conservative Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	34	22,956	2,378,908	1%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	1	1,916,289	198,578,929	99%
	35	1,939,245	200,957,837	100%

Moderate Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	44	200,879	19,644,716	11%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	8	1,566,752	153,218,778	89%
Others	0	-	-	0%
	52	1,767,631	172,863,493	100%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenure also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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 tenure 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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

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COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGPPF

	30 June 2023			30 June 2022		
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan
Net Assets	45,316	221,768	34,776	166,665	200,958	172,863
NAV per unit	93.1710	104.2147	98.7278	93.1710	103.6268	97.7938
Selling price per unit	95.2767	105.3923	100.4012	95.2767	104.7978	99.4514
Redemption price per unit	93.1710	104.2147	98.7278	93.1710	103.6268	97.7938
Highest selling price per unit	103.6274	120.1030	110.5667	107.1529	111.6078	109.5622
Highest redemption price per unit	101.3372	118.7610	108.7238	104.7848	110.3607	108.3380
Lowest selling price per unit	94.1194	104.7978	99.1209	94.1776	104.6073	98.9679
Lowest redemption price per unit	92.0393	103.6268	97.4688	92.0962	103.4384	97.3184
Total interim distribution per unit	NIL	NIL	NIL	NIL	NIL	NIL
Interim distribution date	NIL	NIL	NIL	NIL	NIL	NIL
Final distribution per unit	NIL	NIL	NIL	NIL	6,6795	2,5436
Final distribution date	NIL	NIL	NIL	NIL	June 28, 2022	June 28, 2022
Annualized returns	10.20%	11.25%	11.92%	-6.84%	6.39%	2.40%
Income distribution	0.00%	NIL	NIL	0.00%	6.44%	2.60%
Weighted avg. portfolio duration	NIL	NIL	NIL	NIL	NIL	NIL

AAP - Return since inception is 4.29%

CAP - Return since inception is 7.55%

MAP - Return since inception is 6.27%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



Alfalah Consumer Index Exchange Traded Fund

FUND INFORMATION

Management Company:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A. F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah Consumer Index Exchange Traded Fund

Annual Fund Manager`s Report

Type of Fund

Exchange Traded Fund

Category of Fund

Conventional Stock Scheme

Investment Objective

Alfalah Consumer Index Exchange Traded Fund (ACIETF) is an open-ended scheme that is traded on Pakistan Stock Exchange and shall aim to track the performance of the Benchmark index. The index shall be periodically re-balanced & reconstituted as specified in the offering document in order to provide long-term capital appreciation and dividends yield to the investors.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review

During FY23, the benchmark index largely remained flat and posted a slight negative return of 0.21% on account of worsening economic indicators. The index remained range bound during the year as it peaked at 43,676 level in Aug'22, however closed at a lower level of 41,453 points.

Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment and resulted in investors shifting allocation to low risk money market investments.

Despite record profitability posted by companies in the benchmark index in 9MFY23, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 21%YoY to 90.65 million shares. Power Generation and Fertilizer sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Power sector, while Pharmaceuticals contributed most negatively to the index due to massive devaluation of PKR against the greenback.

Foreigners remained net buyers in FY23, as the net foreign inflow amounted to USD 4mn compared to net outflow of USD 295mn during FY22.

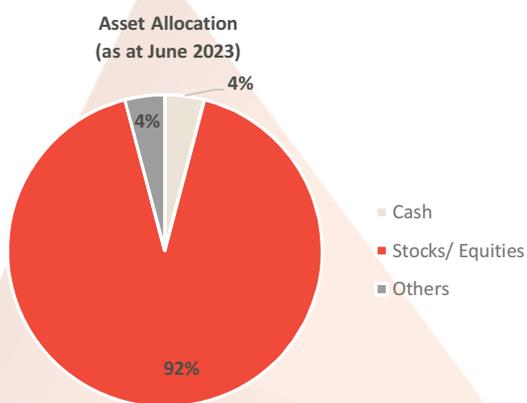
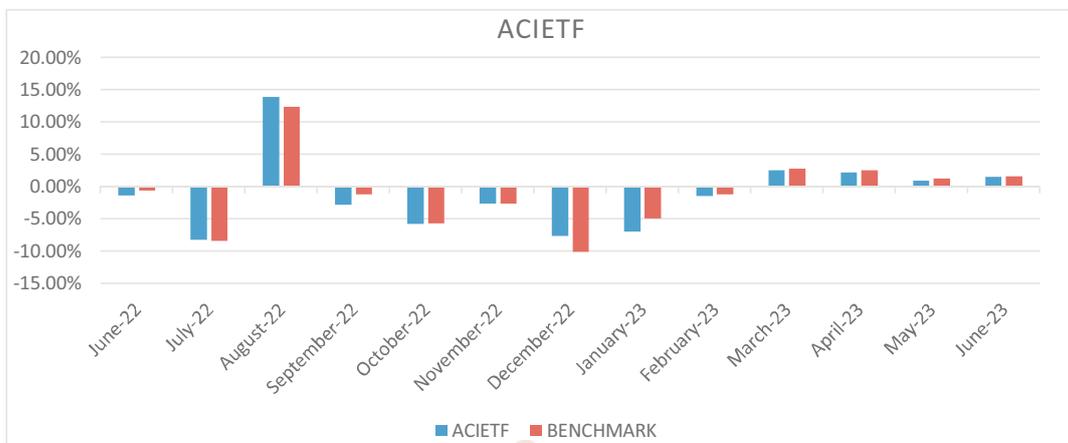
Going forward, we believe that the resumption of the stalled IMF program and with a caretaker government, the focus will likely be on preserving macroeconomic stability ensuring prudent monetary policy, avoiding fiscal slippages and maintaining market based exchange rate. This will provide much-needed clarity and assurance for the economic plan.

A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double digits' growth in earnings expected in 2024, we expect the local stock market to deliver a strong performance in FY24.



Fund Performance

During FY22, ACIETF earned a return of 1.52% versus the benchmark Alfalah Consumer Index has a return of 1.61% during the same period.



➤ **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

➤ **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

➤ **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
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TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Consumer Index Exchange Traded Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2023



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah Consumer Index Exchange Traded Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Consumer Index Exchange Traded Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year ended June 30, 2023 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>Investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 40,945 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; andRe-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR202310611UXqVYcSwy

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	2023	2022
Note	----- (Rupees) -----	
Assets		
Bank balances	2,304,487	1,045,138
Investments	40,945,262	54,485,772
Security deposit with Central Depository Company of Pakistan Limited - Trustee	100,000	100,000
Advance, dividend, profit and other receivable	426,618	216,110
Preliminary expenses and floatation costs	728,547	934,605
Total assets	<u>44,504,914</u>	<u>56,781,625</u>
Liabilities		
Payable to Alfalah Asset Management Limited - Management Company	1,187,424	1,150,567
Payable to Central Depository Company of Pakistan Limited - Trustee	45,459	68,613
Annual fee payable to the Securities and Exchange Commission of Pakistan	9,430	5,531
Accrued and other liabilities	505,877	130,679
Total liabilities	<u>1,748,190</u>	<u>1,355,390</u>
Net assets attributable to the unit holders	<u>42,756,724</u>	<u>55,426,235</u>
Unit holders' fund (as per statement attached)	<u>42,756,724</u>	<u>55,426,235</u>
Contingencies and commitments		
Number of units in issue	<u>6,380,000</u>	<u>6,970,000</u>
Net asset value per unit	<u>6.70</u>	<u>7.95</u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023	For the period from January 17, 2022 to June 30, 2022
	(Rupees)	
Income		
Profit on bank balances	267,385	53,656
Dividend income	2,261,457	526,656
Net unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss'	(8,210,222)	(14,282,903)
Capital loss on sale of investments - net	(1,182,138)	(40,545)
Total loss	(6,863,518)	(13,743,136)
Expenses		
Remuneration of Alfalah Asset Management Limited		
- Management Company	40,503	17,529
Sindh sales tax on remuneration of the Management Company	5,265	2,279
Remuneration of Central Depository Company of Pakistan Limited		
- Trustee	47,113	27,639
Sindh sales tax on remuneration of the Trustee	6,125	3,593
CDS charges	170,774	65,272
Annual fee to the Securities and Exchange Commission of Pakistan	9,430	5,531
Auditors' remuneration	568,641	99,993
Amortisation of formation cost	206,058	92,895
Printing and related costs	89,309	29,999
Bank charges	6,686	4,899
Brokerage expense	54,189	-
Total expenses	1,204,093	349,629
Net loss for the year	(8,067,611)	(14,092,765)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	89,839	(181,000)
Net loss for the year before taxation	(7,977,772)	(14,273,765)
Taxation	-	-
Net loss for the year after taxation	(7,977,772)	(14,273,765)
Accounting income available for distribution		
-Relating to capital gains	-	-
-Excluding capital gains	-	-

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

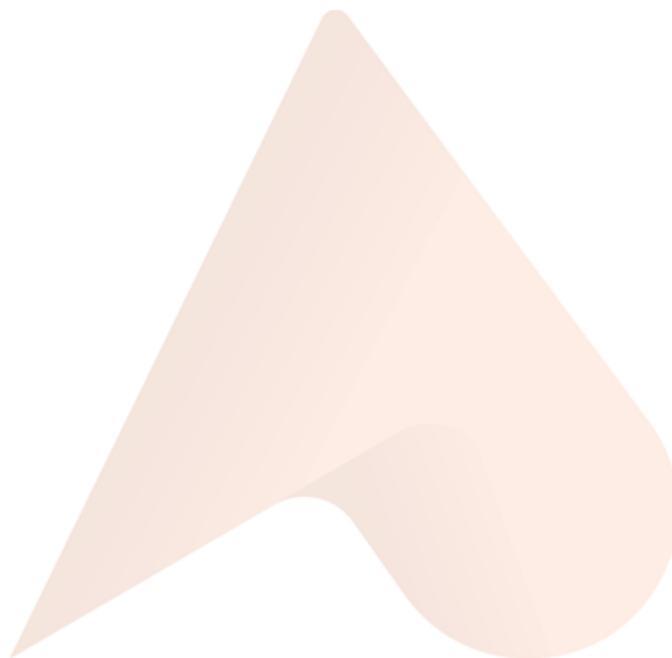
ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023	For the period from January 17, 2022 to June 30, 2022
	----- (Rupees) -----	
Net loss for the year after taxation	(7,977,772)	(14,273,765)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(7,977,772)	(14,273,765)

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023			For the period from January 17, 2022 to June 30, 2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	69,700,000	(14,273,765)	55,426,235	-	-	-
Issuance of 90,000 units (2022: 7,030,000 units)						
- Capital value (at ex-net asset value per unit at the beginning of the year)	715,689	-	715,689	70,300,000	-	70,300,000
- Element of loss	(75,089)	-	(75,089)	(221,500)	-	(221,500)
Total proceeds on issuance of units	640,600	-	640,600	70,078,500	-	70,078,500
Redemption of 680,000 units (2022: 60,000 units)						
- Capital value (at ex-net asset value per unit at the beginning of the year)	5,407,428	-	5,407,428	600,000	-	600,000
- Element of income	(164,928)	-	(164,928)	(40,500)	-	(40,500)
Total payments on redemption of units	5,242,500	-	5,242,500	559,500	-	559,500
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(89,839)	-	(89,839)	181,000	-	181,000
Total comprehensive loss for the year	-	(7,977,772)	(7,977,772)	-	(14,273,765)	(14,273,765)
Net assets at end of the year	65,008,261	(22,251,537)	42,756,724	69,700,000	(14,273,765)	55,426,235
Accumulated loss brought forward						
- Relating to capital gains	9,138			-		
- Excluding capital gains	(14,282,903)			-		
	(14,273,765)					
Net loss for the year after taxation	(7,977,772)			(14,273,765)		
Accumulated loss carried forward	(22,251,537)			(14,273,765)		
Accumulated losses carried forward						
- Realised gain	(14,041,315)			9,138		
- Unrealised loss	(8,210,222)			(14,282,903)		
	(22,251,537)			(14,273,765)		
	(Rupees)			(Rupees)		
Net asset value per unit at beginning of the year	7.95			-		
Net asset value per unit at end of the year	6.70			7.95		

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023	For the period from January 17, 2022 to June 30, 2022
Note	-----	(Rupees) -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	(7,977,772)	(14,273,765)
Adjustments for:		
Net unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss'	5.2 8,210,222	14,282,903
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(89,839)	181,000
Amortisation of formation cost	206,058	92,895
	<u>348,669</u>	<u>283,033</u>
Decrease / (increase) in assets		
Investments - net	5,330,288	(68,768,675)
Security deposit with Central Depository Company of Pakistan Limited - Trustee	-	(100,000)
Advance, dividend, profit and other receivable	(210,508)	(216,110)
Preliminary expenses and floatation costs	-	(1,027,500)
	<u>5,119,780</u>	<u>(70,112,285)</u>
Increase / (decrease) in liabilities		
Payable to Alfalah Asset Management Limited - Management Company	36,857	1,150,567
Payable to Central Depository Company of Pakistan Limited - Trustee	(23,154)	68,613
Annual fee payable to the Securities and Exchange Commission of Pakistan	3,899	5,531
Accrued and other liabilities	375,198	130,679
	<u>392,800</u>	<u>1,355,390</u>
Net cash flows generated from / (used in) operating activities	<u>5,861,249</u>	<u>(68,473,862)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	640,600	70,078,500
Payments on redemption of units	(5,242,500)	(559,500)
Net cash flows (used in) / generated from financing activities	<u>(4,601,900)</u>	<u>69,519,000</u>
Net increase in cash and cash equivalents during the year	<u>1,259,349</u>	<u>1,045,138</u>
Cash and cash equivalents at the beginning of the year	1,045,138	-
Cash and cash equivalents at end of the year	<u>4 2,304,487</u>	<u>1,045,138</u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah Consumer Index Exchange Traded Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Sindh Trust Act, 2020, executed between Alfalah Asset Management Limited (formerly : Alfalah GHP Investment Management Limited) [the Management Company] and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on August 24, 2021, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd Floor, ST-2/A, Block 9, KDA Scheme 5, Clifton, Karachi.

1.2 The Fund is a hybrid type of Fund having features of both open and closed end funds. A new concept of "Authorised Participants "APs" has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit.

1.3 The Fund commenced its operations from January 17, 2022. The Fund is categorised as a 'Exchange Traded Fund (ETF)' and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The par value per unit of the Fund is Rs. 10. The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

1.4 The Fund aims to provide investors an opportunity to track the performance of Alfalah Consumer Index (ACI) that has been constituted and is maintained by the Management Company, and comprises of consumer focused companies up to a maximum of 20 stocks.

1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2++ (stable outlook) (2022 : AM2+ dated August 31, 2023) dated March 03, 2023 to the Management Company.

1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are yet effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's operations and therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification and valuation of financial instruments (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.2 Classification and subsequent measurement

3.2.2.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted around that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

3.9 Issue and redemption of units

Authorised Participants (APs) can purchase the units at the offer price and redeem at the redemption price at any of the authorised distribution offices during business hours.

The offer price shall be equal to the sum of:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing); and
- Such amount as the Management Company may consider an appropriate provision for duties and charges.

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof as mentioned in the Offering Document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund.

3.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

As clarified by the SECP vide its letter no. SCD/AMCW/ETF/240/2020 dated March 2, 2020 that element of income in case of Exchange Traded Funds shall be taken to Income Statement both at the time of issuance and redemption of units to the extent it pertains to Income Statement.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on bank balances is recognised on an accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period after taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

4 BANK BALANCES	Note	2023	2022
		----- (Rupees) -----	
In savings accounts	4.1	<u>2,304,487</u>	<u>1,045,138</u>
4.1 These accounts carry profit rates ranging between 19.5% to 22.95% (2022 : 16.60%) per annum. These include bank balance of Rs. 0.126 million (2022 : 0.108 million) which is maintained with Bank Alfalah Limited (a related party) carrying profit at the rate of 22.95% (2022: 16.60%) per annum.			
5 INVESTMENTS	Note	2023	2022
		----- (Rupees) -----	
At fair value through profit or loss			
Listed equity securities	5.1	<u>40,945,262</u>	<u>54,485,772</u>

5.1 Listed equity securities - at fair value through profit or loss

Fully paid up ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 1, 2022	Purchases during the period	Bonus / right shares received during the period	Sales during the period	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments	
						-----Rupees-----			-----%-----		
Textile composite											
Gul Ahmed Textile	44,608	6,248	-	50,856	-	-	-	-	-	-	-
Interloop Limited*	38,335	45,679	22,149	39,715	66,448	2,521,360	2,342,956	(178,404)	5.48	5.72	-
Nishat Chunian Limited	31,365	6,115	-	3,453	34,027	1,469,919	690,748	(779,171)	1.62	1.69	0.01
Nishat Mills Limited	45,305	7,168	-	8,174	44,299	3,256,300	2,514,854	(741,446)	5.88	6.14	0.01
						7,247,579	5,548,558	(1,699,021)	12.98	13.55	0.02
						7,247,579	5,548,558	(1,699,021)			
Cement											
Cherat Cement Company Limited	33,456	6,635	-	5,244	34,847	3,282,535	4,191,397	908,862	9.80	10.24	0.02
D. G. Khan Cement Company Limited	62,730	13,612	-	7,004	69,338	4,250,598	3,557,039	(693,559)	8.32	8.69	0.02
Lucky Cement Limited*	9,758	2,420	-	3,190	8,988	4,121,996	4,692,545	570,549	10.97	11.46	-
Maple Leaf Cement Factory Limited	142,885	24,696	-	16,596	150,985	4,115,425	4,277,405	161,980	10.00	10.45	0.01
						15,770,554	16,718,386	947,832	39.09	40.84	0.05
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	37,638	1,626	-	10,374	28,890	4,943,735	3,207,079	(1,736,656)	7.50	7.83	0.01
Sui Northern Gas Pipelines Limited	81,549	17,458	-	9,125	89,882	3,153,431	3,538,654	385,223	8.28	8.64	0.01
						8,097,166	6,745,733	(1,351,433)	15.78	16.47	0.02
Personal Goods											
Azgard Nine Limited	-	120,580	-	44,180	76,400	832,714	458,400	(374,314)	1.07	1.12	0.02
Engineering											
Aisha Steel Mills Limited	100,368	-	-	100,368	-	-	-	-	-	-	-
International Industries Limited	20,910	3,847	-	2,287	22,470	2,313,683	1,645,703	(667,980)	3.85	4.02	0.02
International Steels Limited	43,911	9,096	-	4,856	48,151	2,813,845	1,951,560	(862,285)	4.56	4.77	0.01
Mughal Iron & Steel Industries Limited	24,395	4,793	-	2,866	26,322	1,517,762	1,275,038	(242,724)	2.98	3.11	0.01
Amerli Steels Limited	-	29,515	-	6,403	23,112	591,856	354,769	(237,087)	0.83	0.87	0.01
						7,237,146	5,227,070	(2,010,076)	12.22	12.77	0.05
Automobile Assemblers											
Honda Atlas Cars (Pakistan) Limited	8,364	1,048	-	9,412	-	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	6,273	912	-	7,185	-	-	-	-	-	-	-
Ghandara Automobile limited	-	5,958	-	180	5,778	230,447	210,204	(20,243)	0.49	0.51	0.01
Ghandara Industries Limited	-	3,972	-	120	3,852	385,169	310,240	(74,929)	0.73	0.76	0.01
						615,616	520,444	(95,172)	1.22	1.27	0.02
Pharmaceuticals											
AGP Limited	24,395	-	-	24,395	-	-	-	-	-	-	-
The Searle Company Limited	40,426	8,963	10,657	4,833	55,213	4,702,679	2,115,762	(2,586,917)	4.95	5.17	0.01
Citi Pharma Limited	-	29,783	-	4,745	25,038	824,980	534,311	(290,669)	1.25	1.30	0.01
						5,527,659	2,650,073	(2,877,586)	6.20	6.47	0.02
Foods and Personal Care Products											
Unity Foods Limited	144,279	21,891	-	15,304	150,866	2,981,522	2,358,036	(623,486)	5.52	5.76	0.01
Frieslandcampina Engro Pakistan Limited	22,304	-	-	22,304	-	-	-	-	-	-	-
Fauji Foods Limited*	-	139,447	-	14,262	125,185	845,528	718,562	(126,966)	1.68	1.75	-
						3,827,050	3,076,598	(750,452)	7.20	7.51	0.01
Total as at June 30, 2023						49,155,484	40,945,262	8,210,222			
Total as at June 30, 2022						68,768,675	54,485,772	(14,282,903)			

* Nil figures due to rounding off

5.2 Net unrealised diminution on revaluation of investments classified as financial assets 'at fair value through profit or loss'	Note	2023	2022
		----- (Rupees) -----	
Market value of investments	5.1	40,945,262	54,485,772
Less: Carrying value of investments	5.1	<u>(49,155,484)</u>	<u>(68,768,675)</u>
		<u>(8,210,222)</u>	<u>(14,282,903)</u>

6 ADVANCE, DIVIDEND, PROFIT AND OTHER RECEIVABLE

Dividend receivable		-	58,464
Advance tax	6.1	425,530	129,396
Prepaid annual fee		-	28,250
Profit receivable		<u>1,088</u>	-
		<u>426,618</u>	<u>216,110</u>

- 6.1** As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2023 withholding tax on dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends amounts to Rs. 0.425 million (2022: 0.129 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honorable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honorable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends has been shown as other receivables as at June 30, 2023 as in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2023	2022
		----- (Rupees) -----	
Preliminary expenses and floatation costs incurred	7.1	934,605	1,027,500
Less: amortised during the period		<u>206,058</u>	<u>92,895</u>
Balance as at period end		<u>728,547</u>	<u>934,605</u>

- 7.1** Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

8 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

8 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2023	2022
		----- (Rupees) -----	
Remuneration payable to Management Company	8.1	10,316	-
Sindh sales tax payable on remuneration of Management Company	8.2	1,341	-
Payable against preliminary expenses and floatation costs	7.1	1,027,500	1,027,500
Other payable		<u>148,267</u>	<u>123,067</u>
		<u>1,187,424</u>	<u>1,150,567</u>

- 8.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.5% (2022 : 0.5%) of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

- 8.2** During the period, an amount of Rs 0.0052 (2022: Rs. 0.0023) million was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.0039 (2022: Rs. 0.0023) million has been paid to the Management Company which acts as a collecting agent.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		----- (Rupees) -----	
Trustee remuneration payable	9.1	3,504	4,457
Sindh sales tax payable on Trustee remuneration	9.2	456	579
CDS charges payable		41,499	63,577
		<u>45,459</u>	<u>68,613</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund at the rate of 0.1% (2022: 0.1%) per annum of net assets of the Fund.

9.2 During the period, an amount of Rs 0.0061 (2022 : Rs. 0.004) million was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.0062 (2022 : Rs. 0.003) million was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023	2022
		----- (Rupees) -----	
Annual fee payable	10.1	<u>9,430</u>	<u>5,531</u>

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022 : 0.02%) of the average annual net assets of the Fund.

11 ACCRUED AND OTHER LIABILITIES	2023	2022
	----- (Rupees) -----	
Auditors' remuneration payable	475,987	99,993
Withholding tax payable	8,478	687
Printing charges payable	21,412	29,999
	<u>505,877</u>	<u>130,679</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022

13 AUDITORS' REMUNERATION	For the year ended June 30, 2023	For the period from January 17, 2022 to June 30, 2022
	----- (Rupees) -----	
Annual audit fee	181,500	83,480
Review and other certifications	297,154	-
Out of pocket expenses	47,865	5,009
Sindh sales tax	42,122	11,504
	<u>568,641</u>	<u>99,993</u>

14 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 2.56% (2022 :1.27%) which includes 0.057% (2022 : 0.04%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% (2022 : 2.5%) prescribed under the NBFC Regulations for a collective investment scheme categorised as an index tracking scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss for the period ended June 30, 2023, hence no provision for taxation has been recognised in the financial statements during the period.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Unit Holders' Fund

For the year ended June 30, 2023										
As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2023	
Units					(Rupees)					
Note										
Unit holder holding 10% or more units 16.1.1	6,970,000	90,000	-	680,000	6,380,000	55,426,235	640,600	-	5,242,500	42,756,724

For the period ended June 30, 2022										
As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2022	
Units					(Rupees)					
Note										
Unit holder holding 10% or more units 16.1.1	-	7,030,000	-	60,000	6,970,000	-	70,078,500	-	559,500	55,426,235

16.1.1 This reflects the position of related party / connected persons status as at June 30, 2023 and June 30, 2022

16.2 Other transactions

	For the year ended June 30, 2023	For the period from January 17, 2022 to June 30, 2022
Associated companies / undertakings		
	----- (Rupees) -----	
Alfalah Asset Management Limited - Management Company		
Remuneration of the Management Company	40,503	17,529
Sindh sales tax on remuneration of the Management Company	5,265	2,279
Bank Alfalah Limited		
Profit on bank balances	20,253	4,035
Bank charges	-	4,899
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	47,113	27,639
Sindh sales tax on remuneration of the Trustee	6,125	3,593
CDS charges	170,774	65,272

16.3 Other balances
2023 **2022**
 ----- (Rupees) -----

Associated companies / undertakings
Alfalah Asset Management Limited - Management Company

Remuneration payable to Management Company	10,316	-
Sindh sales tax payable on remuneration of Management Company	1,341	-
Payable against preliminary expenses and floatation costs	1,027,500	1,027,500
Other payable	148,267	123,067

Bank Alfalah Limited

Bank balances	125,848	107,925
Profit receivable on bank balances	727	-

Other related party
Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	3,504	4,457
Sindh sales tax payable on Trustee remuneration	456	579
CDS charges payable	41,499	63,577
Security deposit	100,000	100,000

17 FINANCIAL INSTRUMENTS BY CATEGORY

-----2023-----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----		

Financial assets

Bank balances	2,304,487	-	2,304,487
Investments	-	40,945,262	40,945,262
Security deposit with Central Depository Company of Pakistan Limited - Trustee	100,000	-	100,000
Mark-up receivable on bank balances	1,088	-	1,088
	<u>2,405,575</u>	<u>40,945,262</u>	<u>43,350,837</u>

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company	1,187,424	-	1,187,424
Payable to Central Depository Company of Pakistan Limited - Trustee	45,459	-	45,459
Accrued and other liabilities	497,399	-	497,399
	<u>1,730,282</u>	<u>-</u>	<u>1,730,282</u>

-----2022-----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----		

Financial assets

Bank balances	1,045,138	-	1,045,138
Investments	-	54,485,772	54,485,772
Security deposit with Central Depository Company of Pakistan Limited - Trustee	100,000	-	100,000
Advance, dividend, profit and other receivable	58,464	-	58,464
	<u>1,203,602</u>	<u>54,485,772</u>	<u>55,689,374</u>

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company	1,150,567	-	1,150,567
Payable to Central Depository Company of Pakistan Limited - Trustee	68,613	-	68,613
Accrued and other liabilities	129,992	-	129,992
	<u>1,349,172</u>	<u>-</u>	<u>1,349,172</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / profit rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

18.1.2 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2023, is as follows:

	2023	2022
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	<u>2,304,487</u>	<u>1,045,138</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.023045 million (2022: Rs 0.010 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The Fund does not have any investment in fixed rate instrument as of June 30, 2023 therefore it is not exposed to any fair value profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

	----- 2023 -----					
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.5% - 22.95%	2,304,487	-	-	-	2,304,487
Investments		-	-	-	40,945,262	40,945,262
Security deposit with Central Depository Company of Pakistan Limited - Trustee		-	-	-	100,000	100,000
Mark-up receivable on bank balances		-	-	-	1,088	1,088
Sub total		<u>2,304,487</u>	<u>-</u>	<u>-</u>	<u>41,046,350</u>	<u>43,350,837</u>

----- 2023 -----					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		

(Rupees)

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued and other liabilities

-	-	-	1,187,424	1,187,424
-	-	-	45,459	45,459
-	-	-	497,399	497,399

Sub total

-	-	-	1,730,282	1,730,282
---	---	---	-----------	-----------

On-balance sheet gap

2,304,487	-	-	42,776,632	45,081,119
-----------	---	---	------------	------------

Total interest rate sensitivity gap

2,304,487	-	-	42,776,632	45,081,119
-----------	---	---	------------	------------

Cumulative interest rate sensitivity gap

2,304,487	2,304,487	2,304,487		
-----------	-----------	-----------	--	--

----- 2022 -----					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances 16.60%
Investments
Security deposit with Central Depository Company of Pakistan Limited - Trustee
Advance, dividend, profit and other receivable

1,045,138	-	-	-	1,045,138
-	-	-	54,485,772	54,485,772
-	-	-	100,000	100,000
-	-	-	58,464	58,464

Sub total

1,045,138	-	-	54,644,236	55,689,374
-----------	---	---	------------	------------

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued and other liabilities

-	-	-	1,150,567	1,150,567
-	-	-	68,613	68,613
-	-	-	129,992	129,992

Sub total

-	-	-	1,349,172	1,349,172
---	---	---	-----------	-----------

On-balance sheet gap

1,045,138	-	-	53,295,064	54,340,202
-----------	---	---	------------	------------

Total interest rate sensitivity gap

1,045,138	-	-	53,295,064	54,340,202
-----------	---	---	------------	------------

Cumulative interest rate sensitivity gap

1,045,138	1,045,138	1,045,138		
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18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price arising from the Fund investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC regulations and circulars issued by the SECP time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that the KSE index increased / decreased by 1%, with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with the index. This represents managements' best estimate of a reasonable possible shift in the KSE index, having regard to the historical volatility of the index of the past three years.

At June 30, 2023, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

Effect due to increase / decrease in KSE 100 index

	2023	2022
	----- (Rupees) -----	
Investment and net assets	409,453	544,858
Income statement	409,453	544,858

18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets and the credit risk is minimised.

18.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- (Rupees) -----		----- (Rupees) -----	
Bank balances	2,304,487	2,304,487	1,045,138	1,045,138
Investments	40,945,262	-	54,485,772	-
Security deposit with Central Depository Company of Pakistan Limited - Trustee	100,000	100,000	100,000	100,000
Mark-up receivable on bank balances	1,088	1,088	-	-
Advance, dividend and other receivable	-	-	58,464	58,464
	<u>43,350,837</u>	<u>2,405,575</u>	<u>55,689,374</u>	<u>1,203,602</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 40.945 million (2022 : Rs 54.486 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired as at June 30, 2023.

18.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2023 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2023	2022
			% of financial assets exposed to credit risk	
Allied Bank Limited	PACRA	A1+ / AAA	94.54%	89.67%
Bank Alfalah Limited	PACRA	A1+ / AA+	5.46%	10.33%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA as of June 30, 2023.

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

----- 2023 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
----- (Rupees) -----						
Financial assets						
Bank balances	2,304,487	-	-	-	-	2,304,487
Investments	-	-	-	-	40,945,262	40,945,262
Security deposit with Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	426,618	426,618
Mark-up receivable on bank balances	1,088	-	-	-	-	1,088
	2,305,575	-	-	-	41,371,880	43,677,455
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	1,187,424	-	-	-	-	1,187,424
Payable to Central Depository Company of Pakistan Limited - Trustee	45,459	-	-	-	-	45,459
Accrued and other liabilities	497,399	-	-	-	-	497,399
	1,730,282	-	-	-	-	1,730,282
Net financial assets	575,293	-	-	-	41,371,880	41,947,173

----- 2022 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
----- (Rupees) -----						
Financial assets						
Bank balances	1,045,138	-	-	-	-	1,045,138
Investments	-	-	-	-	54,485,772	54,485,772
Security deposit with Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	100,000	100,000
Advance, dividend, profit and other receivable	58,464	-	-	-	-	58,464
	1,103,602	-	-	-	54,585,772	55,689,374
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	1,150,567	-	-	-	-	1,150,567
Payable to Central Depository Company of Pakistan Limited - Trustee	68,613	-	-	-	-	68,613
Accrued and other liabilities	129,992	-	-	-	-	129,992
	1,349,172	-	-	-	-	1,349,172
Net financial (liabilities) / assets	(245,570)	-	-	-	54,585,772	54,340,202

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

19.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

	2023			
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	(Rupees)			
Investment in listed equity securities	40,945,262	-	-	40,945,262

	2022			
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	(Rupees)			
Investment in listed equity securities	54,485,772	-	-	54,485,772

During the period from July 1, 2022 to June 30, 2023, 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 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. However, the Fund is exempt from any "Minimum Fund Size" requirement as specified under the NBFC Regulations.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

22 GENERAL

Figures have been rounded off to the nearest rupee.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Management Company.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banking, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - ACIETF

	30 June 2023	30 June 2022
Net Assets	42,756,724	55,426,235
NAV per unit	6.70	7.95
Selling price per unit	N/A	N/A
Redemption price per unit	6.70	7.95
Highest selling price per unit	N/A	N/A
Highest redemption price per unit	8.51	10.00
Lowest selling price per unit	N/A	N/A
Lowest redemption price per unit	5.93	7.49
Total interim distribution per unit	Nil	Nil
Interim distribution date	Nil	Nil
Final distribution per unit	Nil	Nil
Final distribution date	Nil	Nil
Annualized returns	-15.08%	-20.50%
Income distribution	Nil	Nil
Weighted avg. portfolio duration	N/A	N/A

Return since inception is -33.00%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



**Alfalah GHP
Dedicated Equity Fund**

FUND INFORMATION

Management Company:	Alfalalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Dedicated Equity Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

The investment objective of Alfalah GHP Dedicated Equity Fund is to seek long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments, management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review

During FY23, the benchmark index largely remained flat and posted a slight negative return of 0.21% on account of worsening economic indicators. The index remained range bound during the year as it peaked at 43,676 level in Aug'22, however closed at a lower level of 41,453 points.

Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment and resulted in investors shifting allocation to low risk money market investments.

Despite record profitability posted by companies in the benchmark index in 9MFY23, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 21%YoY to 90.65 million shares. Power Generation and Fertilizer sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Power sector, while Pharmaceuticals contributed most negatively to the index due to massive devaluation of PKR against the greenback.

Foreigners remained net buyers in FY23, as the net foreign inflow amounted to USD 4mn compared to net outflow of USD 295mn during FY22.

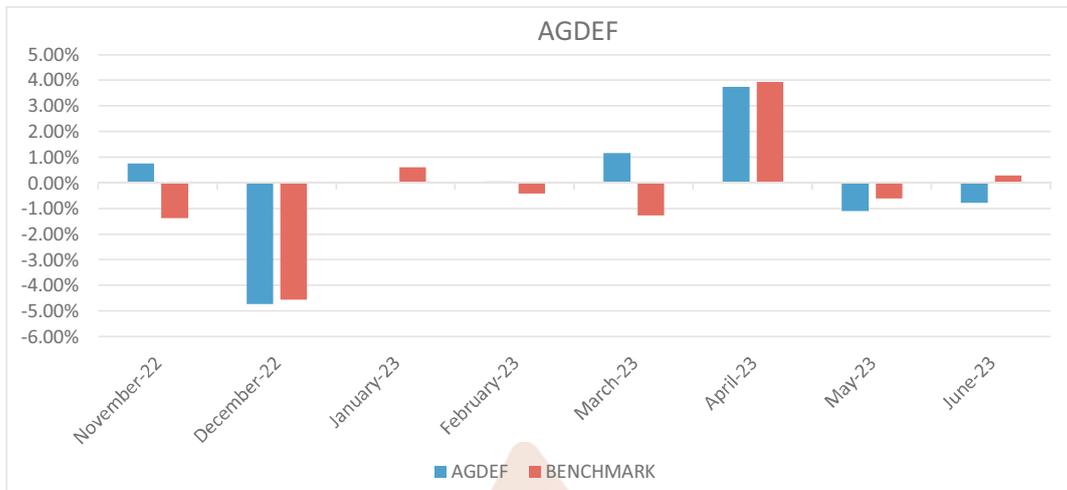
Going forward, we believe that the resumption of the stalled IMF program and with a caretaker government, the focus will likely be on preserving macroeconomic stability ensuring prudent monetary policy, avoiding fiscal slippages and maintaining market based exchange rate. This will provide much-needed clarity and assurance for the economic plan.

A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double digits' growth in earnings expected in 2024, we expect the local stock market to deliver a strong performance in FY24.

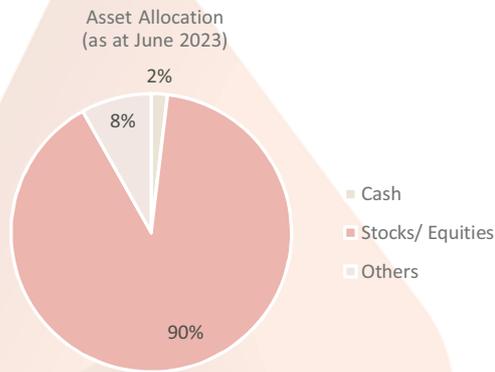


Fund Performance

During FY23, AGDEF earned a return of -0.76% versus the benchmark (KSE-100) return of 0.30% during the same period.



Asset Allocation



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
There were no significant changes in the state of affairs during the year under review.
- **Disclosure on unit split (if any), comprising:-**
There were no unit splits during the period.
- **Disclosures of circumstances that materially affect any interests of unit holders**
Investments are subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**
No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP DEDICATED EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Dedicated Equity Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from November 28, 2022 to June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2023



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Dedicated Equity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Dedicated Equity Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from November 28, 2022 to June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the period from November 28, 2022 to June 30, 2023 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter :

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	Investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 45,208 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed ; andRe-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR202310611LtgKySM1e

ALFALAH GHP DEDICATED EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	2023 (Rupees)
Assets		
Bank balances	4	994,169
Investments	5	45,208,746
Security deposits	6	2,600,000
Advance and dividend receivable	7	539,344
Preliminary expenses and floatation costs	8	547,422
Receivable from Alfalah Asset Management Limited - Management Company		171,781
Total assets		50,061,462
Liabilities		
Payable to Alfalah Asset Management Limited - Management Company	9	-
Payable to Central Depository Company of Pakistan Limited - Trustee	10	9,226
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	5,826
Accrued and other liabilities	12	353,989
Total liabilities		369,041
Net assets attributable to the unit holders		49,692,421
Unit holders' fund (as per statement attached)		49,692,421
Contingencies and commitments		
	13	
Number of units in issue		501,785
Net asset value per unit		99.0313

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP DEDICATED EQUITY FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	For the period from November 28, 2022 to June 30, 2023 (Rupees)
Income		
Profit on bank balances		284,919
Dividend income		2,637,488
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	(2,300,476)
Capital gain on sale of investments - net		271,484
Total Income		893,415
Expenses		
Remuneration of Alfalah Asset Management Limited - Management Company	9.1	344,581
Sindh sales tax on remuneration of the Management Company	9.2	44,796
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	57,816
Sindh sales tax on remuneration of the Trustee	10.2	7,516
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	5,826
Brokerage expense		21,880
Auditors' remuneration	14	314,820
Amortisation of formation cost	8	73,103
Printing charges		19,942
Bank and settlement charges		458,488
Total expenses		1,348,768
Net loss for the period before taxation		(455,353)
Taxation	16	-
Net loss for the period after taxation		(455,353)
Accounting income available for distribution		
-Relating to capital gains		-
-Excluding capital gains		-
		-

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP DEDICATED EQUITY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

For the period from November 28, 2022 to June 30, 2023 (Rupees)
--

Net loss for the period after taxation

(455,353)

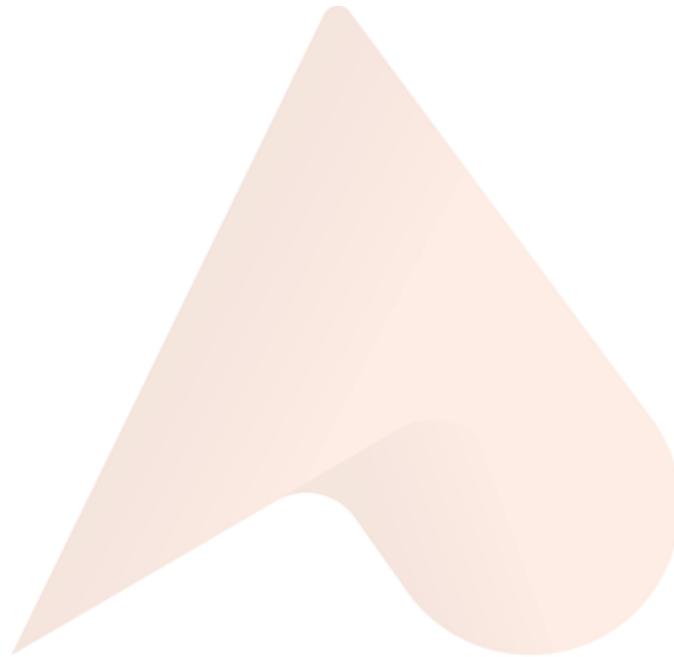
Other comprehensive income for the period

-

Total comprehensive loss for the period

(455,353)

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

For the period from November 28, 2022 to June 30, 2023		
Capital value	Accumulated loss	Total
----- (Rupees)-----		
Issuance of 501,785 units		
- Capital value (at par value per unit at the beginning of the period)	50,178,500	50,178,500
- Element of loss	(30,726)	(30,726)
Total proceeds on issuance of units	50,147,774	50,147,774
Redemption of units		
- Capital value (at par value per unit at the beginning of the period)	-	-
- Element of income	-	-
Total payments on redemption of units	-	-
Total comprehensive loss for the period	(455,353)	(455,353)
Net assets at end of the period	<u>50,147,774</u>	<u>49,692,421</u>
Accounting income available for distribution		
- Relating to capital gains	-	
- Excluding capital gain	-	
Net loss for the period after taxation	(455,353)	
Distribution for the period	-	
Accumulated loss carried forward	<u>(455,353)</u>	
Undistributed income carried forward		
- Realised gain	1,845,123	
- Unrealised loss	<u>(2,300,476)</u>	
	<u>(455,353)</u>	
Net asset value per unit at end of the period	(Rupees) <u>99.0313</u>	

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP DEDICATED EQUITY FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	For the period from November 28, 2022 to June 30, 2023 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period after taxation		(455,353)
Adjustments for:		
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	2,300,476
Amortisation of formation cost	8	73,103
		1,918,226
Increase in assets		
Investments - net		(47,509,222)
Security deposits	6	(2,600,000)
Advance and dividend receivable		(539,344)
Preliminary expenses and floatation costs	8	(620,525)
Receivable from Alfalah Asset Management Limited - Management Company		(171,781)
		(51,440,872)
Increase in liabilities		
Payable to Alfalah Asset Management Limited - Management Company	9	-
Payable to Central Depository Company of Pakistan Limited - Trustee	10	9,226
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	5,826
Accrued and other liabilities	12	353,989
		369,041
Net cash flows used in operating activities		(49,153,605)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units		50,147,774
Payments on redemption of units		-
Net cash flows generated from financing activities		50,147,774
Net increase in cash and cash equivalents during the period		994,169
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of the period	4	994,169

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP DEDICATED EQUITY FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Dedicated Equity Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Sindh Trust Act, 2020, executed between Alfalah Asset Management Limited (formerly Alfalah GHP Investment Management Limited) [the Management Company] and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on August 24, 2021, 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 June 8, 2021.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Financing Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry and Agricultural Building, 2nd floor, ST-2/A, Block 9, KDA Scheme 5, Clifton, Karachi.

- 1.2** The Fund commenced its operations from November 28, 2022. The Fund is categorised as a "Dedicated Equity Fund (DEF) pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3** The objective of the Fund is to provide equity exposure to "Fund-of-Funds". The Fund will not be actively marketed to retail or institutional investors, therefore, the Fund size may decline to zero when there are no "Fund-of-Funds" invested in the Fund. At any time when the Fund size declines to zero, the expenses of the Fund will be borne by the Management Company.
- 1.4** The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2++ (stable outlook) dated August 31, 2023 (March 03, 2022: AM2+) to the Management Company.
- 1.5** As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from November 28, 2022.
- 1.6** These are the first financial statements of the Fund for the period from November 28, 2022 to June 30, 2023 therefore, comparative figures have not been presented.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on November 28, 2022. However, these are considered either to be not relevant or to not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification and valuation of financial instruments (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.2 Classification and subsequent measurement

3.2.2.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at fair value through other comprehensive income (FVOCI). The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as fair value through profit or loss (FVPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

3.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours of the day on which applications are received. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, any provision for duties and charges, and provision for transaction costs, if applicable. The sales load is payable to the investment facilitators, distributors, and the Management Company.

Units redeemed are recorded at the redemption price applicable to units for which the distributors / Management Company receive redemption applications during business hours of that date. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, duties, taxes, charges on redemption, and provision for transaction costs, if applicable.

3.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised appreciation / diminution arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on bank balances is recognised on an accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income / loss for the period after taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

4	BANK BALANCES	Note	2023 (Rupees)
	In savings accounts	4.1	<u>994,169</u>
4.1	These accounts carry profit rates ranging from 19.0% 19.95% per annum. These include bank balance of Rs. 7,726 which is maintained with Bank Alfalah Limited (a related party), carrying profit at the rate of 19.95%.		
5	INVESTMENTS	Note	2023 (Rupees)
	At fair value through profit or loss		
	Listed equity securities	5.1	44,751,157
	Exchange traded fund	5.2	<u>457,589</u>
			<u><u>45,208,746</u></u>

5.1 Listed equity securities

Fully paid up ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the Investee Company	Note	Purchased / transferred during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised (loss) / gain	Net assets of the Fund	Total invest-ments	
						-----Rupees-----			-----%-----		
Textile composite											
Gul Ahmed Textile Mills Limited *		25,283	5,056	-	30,339	620,761	540,338	(80,423)	1.09	1.20	-
Interloop Limited *		10,088	5,044	-	15,132	555,143	533,554	(21,589)	1.07	1.18	-
Kohinoor Textile Mills Limited *		10,490	-	-	10,490	483,589	534,046	50,457	1.07	1.18	-
Nishat Mills Limited *		10,625	-	2,000	8,625	507,926	489,641	(18,285)	0.99	1.08	-
						2,167,419	2,097,579	(69,840)	4.22	4.64	-
						2,167,419	2,097,579	(69,840)			
Cement											
Cherat Cement Company Limited *		10,296	-	-	10,296	1,183,209	1,238,403	55,194	2.49	2.74	-
D.G Khan Cement Company Limited *		4,794	-	-	4,794	242,796	245,932	3,136	0.49	0.54	-
Fauji Cement Company Limited *		9,474	-	-	9,474	128,752	111,414	(17,338)	0.22	0.25	-
Flying Cement Company Limited *		1,078	-	-	1,078	7,643	5,972	(1,671)	0.01	0.01	-
Kohat Cement Company Limited *		5,641	-	-	5,641	878,699	978,544	99,845	1.97	2.16	-
Lucky Cement Limited *	5.1.2	4,300	-	800	3,500	1,603,560	1,827,315	223,755	3.68	4.04	-
Maple Leaf Cement Factory Limited *		39,564	-	-	39,564	1,000,954	1,120,848	119,894	2.26	2.48	-
Pioneer Cement Limited *		9,731	-	3,000	6,731	375,203	583,107	207,904	1.17	1.29	-
						5,420,816	6,111,535	690,719	12.29	13.51	-
Power Generation & Distribution											
The Hub Power Company Limited *		27,329	-	4,200	23,129	1,500,147	1,609,316	109,169	3.24	3.56	-
Kot Addu Power Company Limited *		6,799	-	-	6,799	186,361	141,419	(44,942)	0.28	0.31	-
Nishat Power Limited *		14,349	-	-	14,349	258,720	243,216	(15,504)	0.49	0.54	-
						1,945,228	1,993,951	48,723	4.01	4.41	-
Glass And Ceramics											
Tariq Glass Limited *		9,055	-	-	9,055	655,805	616,646	(39,160)	1.24	1.36	-
						655,805	616,646	(39,160)	1.24	1.36	-
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited *		1,843	-	-	1,843	3,037,375	2,791,482	(245,893)	5.62	6.17	-
Oil & Gas Development Company Limited * 5.1.2		21,750	-	3,000	18,750	1,354,313	1,462,500	108,187	2.94	3.23	-
Pakistan Oilfields Limited *		4,718	-	-	4,718	1,927,350	1,895,551	(31,799)	3.81	4.19	-
Pakistan Petroleum Limited *		26,438	-	7,000	19,438	1,116,017	1,149,563	33,546	2.31	2.54	-
						7,435,055	7,299,096	(135,959)	14.68	16.13	-
Refinery											
Attock Refinery Limited *		3,695	-	-	3,695	591,434	634,173	42,739	1.28	1.40	-
Cnergyco PK Limited		52,896	-	52,896	-	-	-	-	-	-	-
National Refinery Limited *		13	-	-	13	2,636	1,950	(686)	0.00	0.00	-
						594,070	636,123	42,053	1.28	1.40	-
Commercial Banks											
Allied Bank Limited		3,457	-	3,457	-	-	-	-	-	-	-
Askari Bank Limited *		14,367	2,155	-	16,522	303,575	214,126	(89,449)	0.43	0.47	-
Bank Al-Falah Limited *		61,240	-	3,500	57,740	1,837,864	1,757,606	(80,258)	3.54	3.89	-
Bank Al-Habib Limited *		25,915	-	2,000	23,915	1,317,717	1,033,606	(284,111)	2.08	2.29	-
Bank of Punjab *		133,979	13,397	46,000	101,376.00	475,548	351,775	(123,773)	0.71	0.78	-
Faysal Bank *		41,312	-	-	41,312	1,177,392	833,676	(343,716)	1.68	1.84	-
Habib Bank Limited *		23,724	-	-	23,724	1,588,085	1,737,309	149,224	3.50	3.84	-
Habib Metropolitan Bank		3,000	-	3,000	-	-	-	-	-	-	-
MCB Bank Limited *		9,774	-	-	9,774	1,161,835	1,118,830	(43,005)	2.25	2.47	-
Meezan Bank Limited *		18,695	-	-	18,695	2,066,732	1,614,687	(452,045)	3.25	3.57	-
United Bank Limited *		28,194	-	3,400	24,794	2,696,182	2,914,287	218,105	5.86	6.45	-
						12,624,930	11,575,902	(1,049,028)	23.30	25.60	-

Name of the Investee Company		Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised (loss) / gain	Net assets of the Fund	Total invest-ments	
						-----Rupees-----			-----%-----		
Oil and Gas Marketing Companies											
Attock Petroleum Limited		900	-	-	900	270,597	270,225	(372)	0.54	0.60	-
Hascol Petroleum Limited *	5.1.1	303	-	-	303	2,342	1,682	(660)	-	-	-
Hi-Tech Lubricants Ltd *		18	-	-	18	568	382	(186)	-	-	-
Pakistan State Oil Company Limited *		6,723	-	1,000	5,723	835,615	635,310	(200,305)	1.28	1.41	-
Shell Pakistan Limited *		4,000	-	1,200	2,800	259,280	323,820	64,540	0.65	0.72	-
Sui Northern Gas Pipelines Limited *		19,796	-	-	19,796	873,362	779,369	(93,993)	1.57	1.72	-
						2,241,764	2,010,788	(230,976)	4.04	4.45	-
Engineering											
Agha Steel Ind. Limited *		22,334	-	-	22,334	300,169	217,086	(83,083)	0.44	0.48	-
Amreli Steels Limited *		2,402	-	-	2,402	52,796	36,871	(15,925)	0.07	0.08	-
International Industries Limited *		4,408	-	2,500	1,908	171,663	139,742	(31,921)	0.28	0.31	-
International Steels Limited *		7,011	-	4,000	3,011	140,313	122,036	(18,277)	0.25	0.27	-
Mughal Iron & Steel Industries Limited *		1,190	-	-	1,190	69,460	57,644	(11,816)	0.12	0.13	-
						734,401	573,379	(161,022)	1.16	1.27	-
						33,819,488	32,914,997	(904,490)			-
Fertilizer											
Engro Corporation Limited *		10,653	-	2,500	8,153	2,139,836	2,118,883	(20,953)	4.26	4.69	-
Engro Fertilizer Limited *		17,576	-	-	17,576	1,415,571	1,450,547	34,976	2.92	3.21	-
Fauji Fertilizer Company Limited *		18,388	-	1,000	17,388	1,778,331	1,711,675	(66,656)	3.44	3.79	-
						5,333,738	5,281,105	(52,633)	10.62	11.69	-
Chemicals											
Biafo Industries Limited *	5.1.1	6	-	-	6	360	396	36	-	-	-
Descon Oxychem Limited		10,894	-	10,894	-	-	-	-	-	-	-
Engro Polymer & Chemicals Limited *		8,400	-	-	8,400	391,198	354,900	(36,298)	0.71	0.79	-
						391,558	355,296	(36,262)	0.71	0.79	-
Automobile Parts & Accessories											
Thal Limited *		1,133	-	-	1,133	296,313	183,546	(112,767)	0.37	0.41	-
						296,313	183,546	(112,767)	0.37	0.41	-
Automobile Assemblers											
Sazgar Engineering Works Limited *		10,000	-	-	10,000	532,500	508,500	(24,000)	1.02	1.12	-
						532,500	508,500	(24,000)	1.02	1.12	-
Technology & Communication											
Air Link Communication Limited *		12	-	-	12	349	238	(111)	-	-	-
Avanceon Limited *		12,111	1,546	1,800	11,857	789,528	522,182	(267,346)	1.05	1.16	-
Octopus Digital Limited *		39	5	-	44	2,661	1,645	(1,016)	-	-	-
Systems Limited *		5,105	-	-	5,105	2,458,522	2,059,000	(399,522)	4.14	4.55	-
TRG Pakistan Limited *		3,707	-	-	3,707	443,019	341,526	(101,493)	0.69	0.76	-
						3,694,079	2,924,591	(769,488)	5.88	6.47	-
Pharmaceuticals											
AGP Limited *		9,616	-	-	9,616	573,193	543,112	(30,081)	1.09	1.20	-
Citi Pharma Limited *		19,073	-	-	19,073	494,563	407,018	(87,545)	0.82	0.90	-
Highnoon Laboratories Limited *		866	228	-	1,094	465,051	367,770	(97,281)	0.74	0.81	-
The Searle Company Limited *		7,337	-	-	7,337	510,790	281,154	(229,636)	0.57	0.62	-
						2,043,597	1,599,054	(444,543)	3.22	3.53	-
Insurance											
Adamjee Insurance Company Limited		2,671	-	2,671	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited *		853	-	-	853	16,045	11,763	(4,282)	0.02	0.03	-
						16,045	11,763	(4,282)	0.02	0.03	-
Foods and Personal Care Products											
National Foods Limited *		10,300	-	3,900	6,400	544,000	629,760	85,760	1.27	1.39	-
						544,000	629,760	85,760	1.27	1.39	-
Miscellaneous											
Pakistan Aluminium Beverage Cans Limited *		12,510	-	5,000	7,510	323,426	339,602	16,176	0.68	0.75	-
Synthetic Products Limited *		283	-	-	283	3,395	2,943	(452)	0.01	0.01	-
						326,821	342,545	15,724	0.69	0.76	-
Total as at June 30, 2023						46,998,139	44,751,157	(2,246,981)			

* Nil figures due to rounding off

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or were to be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies, except for The Searle Company Limited and bonus / right on shares already withheld by the investee companies.

As at June 30, 2023, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of the Company	As at June 30, 2023	
	Bonus Shares	
	Number of shares withheld	Market value (Rupees)
Biafo Industries Limited	6	396
Hascol Petroleum Limited	303	1,682
		<u>2,078</u>

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 0.912 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of Security	2023	2023
	Number of Shares	Market Value
	--- (Rupees) ---	
Lucky Cement Limited	1,000	522,090
Oil & Gas Development Company Limited	5,000	390,000
		<u>912,090</u>

5.2 Units of open-ended mutual funds

Name of the fund	Issued / Transferred during the period	Redeemed during the period	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of	
				Carrying value	Market value	Unrealised loss	net assets of the Fund	total investments
				Number of shares			Rupees	
Alfalsh Consumer Index Exchange Traded Fund	72,289	-	72,289	511,083	457,589	(53,494)	0.92	1.01
Total as at June 30, 2023				<u>511,083</u>	<u>457,589</u>	<u>(53,494)</u>		

5.3 Unrealised loss on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net

	Note	2023 (Rupees)
Market value of investments	5.1 & 5.2	45,208,746
Less: Carrying value of investments	5.1 & 5.2	(47,509,222)
		<u>(2,300,476)</u>

	Note	2023 (Rupees)
6 SECURITY DEPOSITS		
Central Depository Company of Pakistan Limited		100,000
National Clearing Company of Pakistan Limited		2,500,000
		<u>2,600,000</u>
7 ADVANCE AND DIVIDEND RECEIVABLE		
Dividend receivable		181,404
Advance tax	7.1	357,940
		<u>539,344</u>
7.1	As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend, profit on bank deposits, profit on markup on margin trading system and profit on debt securities paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt, profit on bank deposits and dividends amounts to Rs.0.358 million.	
	For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividend, profit on bank deposits, profit on margin trading system and profit on debt securities has been shown as advance tax under 'Advances, deposits and prepayments' as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.	
8 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2023 (Rupees)
Preliminary expenses and floatation costs incurred	8.1	620,525
Less: amortised during the period		73,103
Balance as at period end		<u>547,422</u>
8.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations and Notified Entities Regulation, 2008.	
9 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		2023 (Rupees)
Payable to Alfalah Asset Management Company Limited		-
Sindh sales tax payable on management remuneration		-
		<u>-</u>
9.1	As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.7% of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.	
9.2	During the period, an amount of Rs. 0.045 million was charged on account of sales tax on management fee levied through the Sindh sales tax on Services Act, 2011 and an amount of Rs. 0.045 million has been paid to the Management Company which acts as a collecting agent.	
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023 (Rupees)
Trustee remuneration payable	10.1	8,163
Sindh sales tax payable on Trustee remuneration	10.2	1,063
		<u>9,226</u>
10.1	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund at the rate of 0.1% per annum of net assets of the Fund.	
10.2	During the period, an amount of Rs. 0.004 million was charged on account of sales tax on remuneration of the Trustee levied through the Sindh sales tax on Services Act, 2011 and an amount of Rs. 0.006 million was paid to the Trustee which acts as a collecting agent.	

11	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		2023
		Note	(Rupees)
	Annual fee payable	11.1	<u>5,826</u>
11.1	Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% of the average annual net assets of the Fund.		

12	ACCRUED AND OTHER LIABILITIES		2023
			(Rupees)
	Auditors' remuneration payable		314,820
	Brokerage payable		13,794
	FED payable		1,728
	Printing charges payable		8,467
	Settlement charges payable		15,180
			<u>353,989</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023.

**For the period
from November
28, 2022 to June
30, 2023**

14	AUDITORS' REMUNERATION		(Rupees)
	Audit fee		100,000
	Review and other certification		165,000
	Out of pocket expenses		26,500
	Sindh sales tax		23,320
			<u>314,820</u>

15 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 4.67% which includes 0.12% representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. The TER excluding government levies is 2.63% which is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss for the period ended June 30, 2023, hence no provision for taxation has been recognised in the financial statements during the period.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah Asset Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

17.1 Unit Holders' Fund

2023									
As at November 28, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2023	As at November 28, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023
(Units)				(Rupees)					

Associated companies / undertakings									
Alfalsh GHP Prosperity Planning Fund	-	501,785	-	501,785	-	50,147,983	-	-	49,692,421

17.2 Other transactions

Associated companies / undertakings

Alfalsh Asset Management Limited - Management Company

Remuneration of the Management Company	344,581
Sindh sales tax on remuneration of the Management Company	44,796

Bank Alfalah Limited

Profit on bank balances	46,041
Bank and settlement charges	5,884

Alfalsh Consumer Exchange Traded Fund Units

Purchase of 72,289 units	511,083
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Other related party

Central Depository Company of Pakistan Limited - the Trustee

Remuneration of Central Depository Company of Pakistan Limited - Trustee	57,816
Sindh sales tax on remuneration of the Trustee	7,516
CDC Charges	7,802
Security Deposit	100,000

17.3 Other balances

Associated companies / undertakings

Alfalsh Asset Management Limited - Management Company

Receivable from Alfalah Asset Management Limited - Management Company	171,781
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Bank Alfalah Limited

Bank balances	7,726
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Alfalsh Consumer Exchange Traded Fund Units

Investment	457,589
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Other related party

Central Depository Company of Pakistan Limited - the Trustee

Trustee remuneration payable	8,163
Sindh sales tax payable on trustee remuneration	1,063
Security deposit	100,000

18 FINANCIAL INSTRUMENTS BY CATEGORY

2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees)		
Financial assets		
Bank balances	994,169	994,169
Investments	-	45,208,746
Security deposits	2,600,000	2,600,000
Advance, dividend and other receivable	181,404	181,404
Receivable from Alfalah Asset Management Limited - Management Company	171,781	171,781
3,947,354	45,208,746	49,156,100

----- 2023 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----		
Payable to Alfalah Asset Management Limited - Management Company	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	9,226	9,226
Accrued and other liabilities	353,989	353,989
	<u>363,215</u>	<u>363,215</u>

Financial liabilities

Payable to Alfalah Asset Management Limited -
Management Company
Payable to Central Depository Company of Pakistan
Limited - Trustee
Accrued and other liabilities

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / profit rate risk and price risk.

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

19.1.2 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2023, is as follows:

	2023 (Rupees)
Variable rate instruments (financial assets)	
Bank balances	<u>994,169</u>

a) Sensitivity analysis for variable rate instrument

Presently, the Fund has bank balances which expose the Fund to variable rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the impact would have been immaterial. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The Fund does not have any investment in fixed rate instrument as of June 30, 2023 therefore it is not exposed to any fair value profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

2023					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	19% to 19.5%	994,169	-	-	-	994,169
Investments		-	-	-	45,208,746	45,208,746
Security deposits		-	-	-	2,600,000	2,600,000
Advance and dividend receivable		-	-	-	181,404	181,404
Receivable from Alfalah Asset Management Limited - Management Company		-	-	-	171,781	171,781
Sub total		994,169	-	-	48,161,931	49,156,100

Financial liabilities

Payable to Alfalah Asset Management Limited -

Management Company	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	9,226	9,226
Accrued and other liabilities	-	-	-	-	353,989	353,989
Sub total	-	-	-	-	363,215	363,215

On-balance sheet gap

994,169 - - 47,798,716 48,792,885

Total interest rate sensitivity gap

994,169 - - 47,798,716 48,792,885

Cumulative interest rate sensitivity gap

994,169 994,169 994,169

19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price arising from the Fund investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC regulations and circulars issued by the SECP time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that the KSE index increased / decreased by 1%, with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with the index. This represents managements' best estimate of a reasonable possible shift in the KSE index, having regard to the historical volatility of the index of the past three years.

At June 30, 2023, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

Effect due to increase / decrease in KSE 100 index

2023
(Rupees)

Investment and net assets	452,087
Income statement	452,087

19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets and the credit risk is minimised.

19.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees)	
Bank balances	994,169	994,169
Investments	45,208,746	-
Security deposits	2,600,000	2,600,000
Advance and dividend receivable	181,404	181,404
Receivable from Alfalah Asset Management Limited - Management Company	171,781	171,781
	<u>49,156,100</u>	<u>3,947,354</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 45.209 million are not exposed to credit risk.

No financial assets were considered to be past due or impaired as at June 30, 2023.

19.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2023 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2023
			% of financial assets exposed to credit risk
Allied Bank Limited	PACRA	A1+ / AAA	0.78%
Bank Alfalah Limited	PACRA	A1+ / AA+	99.22%
			<u>100.00%</u>

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

----- 2023 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
----- (Rupees) -----						
Financial assets						
Bank balances	994,169	-	-	-	-	994,169
Investments	-	-	-	-	45,208,746	45,208,746
Security deposits	-	-	-	-	2,600,000	2,600,000
Advance and dividend receivable	181,404	-	-	-	-	181,404
Receivable from Alfalah Asset Management Limited - Management Company	171,781	-	-	-	-	171,781
	1,347,354	-	-	-	47,808,746	49,156,100
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	9,226	-	-	-	-	9,226
Accrued and other liabilities	39,169	314,820	-	-	-	353,989
	48,395	314,820	-	-	-	363,215
Net financial assets	1,298,959	(314,820)	-	-	47,808,746	48,792,885

20 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

20.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

----- 2023 -----			
At fair value through profit or loss	Level 1	Level 2	Level 3
----- (Rupees) -----			
Investment in Listed equity securities	45,208,746	-	-
	<u>45,208,746</u>	<u>-</u>	<u>-</u>
			<u>45,208,746</u>

During the period from November 28, 2022 to June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. However, the Fund is exempt from any "Minimum Fund Size" requirement as specified under the NBFC Regulations.

22 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

23 GENERAL

Figures have been rounded off to the nearest rupee.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	-	-	-	0%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	-	-	-	0%
Others	3	501784.822	49,692,421	100%
	3	501,785	49,692,421	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023 %
Al Habib Capital Markets Limited	22%
BMA Capital Management Limited	6%
EFG Hermes Pakistan Limited	5%
Insight Securities (Private) Limited	9%
Inter Market Securities Limited	4%
Ismail Iqbal Securities (Pvt.) Limited	20%
JS Global Capital Limited	24%
Optimus Capital Management (Pvt) Limited	5%
Shajar Capital Pakistan Private Limited	5%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenure also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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 tenure 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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGDEF

	30 June 2023
Net Assets	<u><u>1,122,370</u></u>
NAV per unit	<u><u>99.0313</u></u>
Selling price per unit	<u><u>100.7099</u></u>
Redemption price per unit	<u><u>99.0313</u></u>
Highest selling price per unit	<u><u>104.4938</u></u>
Highest redemption price per unit	<u><u>102.7522</u></u>
Lowest selling price per unit	<u><u>63.2017</u></u>
Lowest redemption price per unit	<u><u>62.1483</u></u>
Interim 1st distribution date	<u><u>Nil</u></u>
Interim 2nd distribution date	<u><u>Nil</u></u>
Interim distribution date	<u><u>Nil</u></u>
Final distribution per unit	<u><u>Nil</u></u>
Final distribution date	<u><u>Nil</u></u>
Annualized returns	<u><u>-0.97%</u></u>
Income distribution	<u><u>Nil</u></u>

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Bank Alfalah Limited							
EOGM	6-Dec-22	To confirm the Minutes of the 30th AGM held on 29th	61,240	0.00%	P		
		Special Resolution regarding Buy-Back of Shares of the Bank					
		Special Resolution in the matter of Issuance of ADTI instrument					
Habib Metropolitan Bank Limited							
AGM	9-Mar-23	To receive, consider and adopt the Audited Accounts, standalone as well as consolidated, of the Bank for the year ended December 31, 2022	2,909	0.00%	P		
		To approve, as recommended by the Board of Directors, final dividen					
		To appoint Auditors for the financial year ending December 31, 2023 and fix their remuneration					
		To elect eight (8) directors as fixed by the Boar					
Bank Alfalah Limited							
AGM	20-Mar-23	Approval of audited annual accounts for the year ended December 31, 2022	61,240	0.00%	P		
		Approval of payment of final Cash Dividend					
		Appointment of auditors for the year 2023					
Faysal Bank Limited							
AGM	11-May-23	To confirm the Minutes of the 28th AGM held on 29th March 2023	41,312	0.00%	P		
		To elect 11 Directors for the pweriod of 3 years					
Engro Polymer & Chemical Limited							
AGM	27-Apr-23	Approval of audited annual accounts for the year ended December 31, 2022	5,000	0.00%	P		
		Approval of payment of final Cash Dividend					
		Appointment of auditors for the year 2023					
		Election of Directors					



Alfalah
Stable Return Fund

FUND INFORMATION

Management Company:	Alfalalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalsh GHP Prosperity Planning Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Fixed Return

Investment Objective

Alfalsh Stable Return Fund is an Open-ended Fixed Return Fund that aims to generate returns on investment as per the respective Investment Plan by investing in avenues such as government securities, cash in bank account, money market placements, deposits, certificate of deposits, certificate of musharakahs.

Accomplishment of Objective

The Fund has achieved its objective of generating regular income by investing in low to mid duration fixed income instruments within the guidelines provided under NBFC rules.

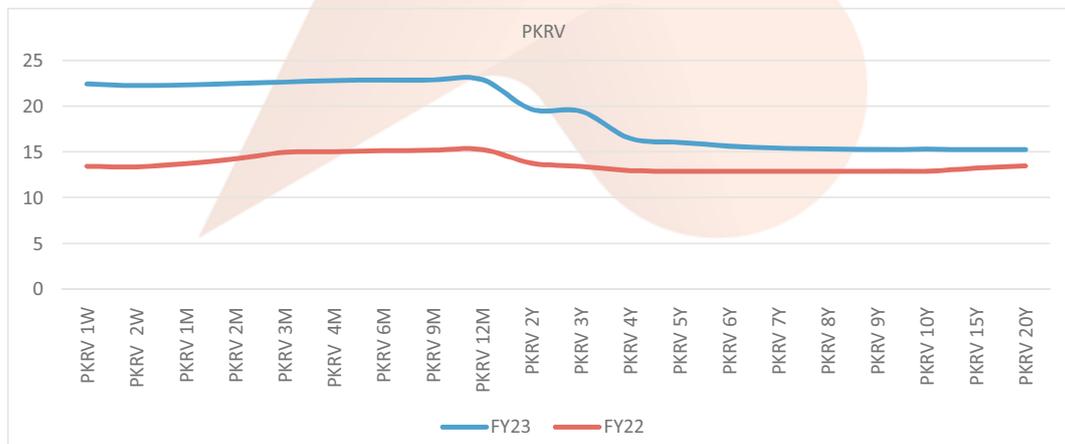
Money Market Review

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

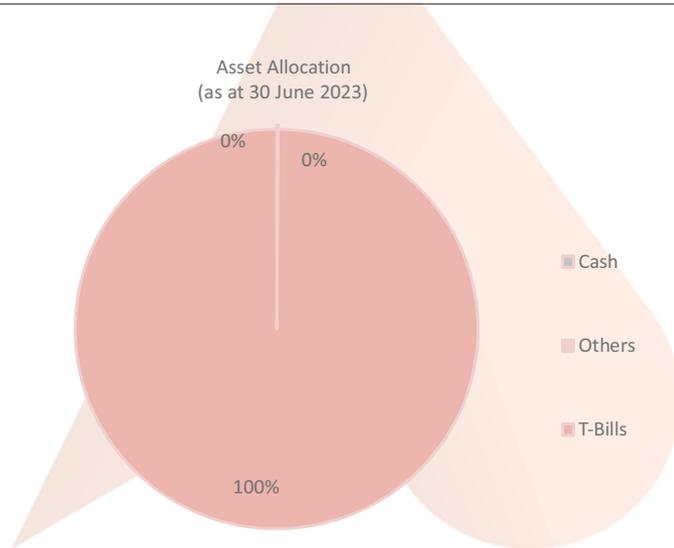
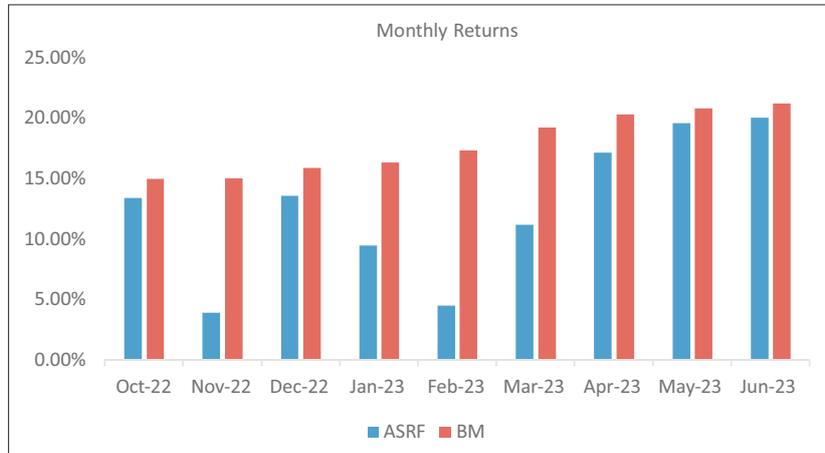
In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.



Fund Performance

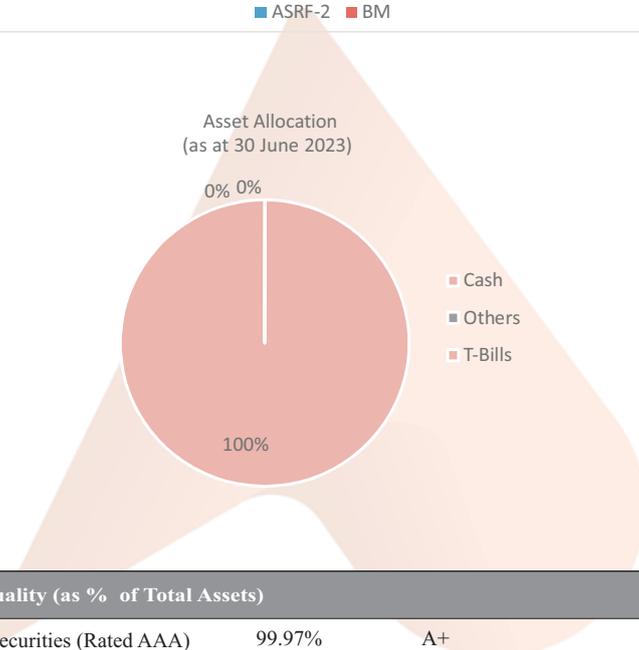
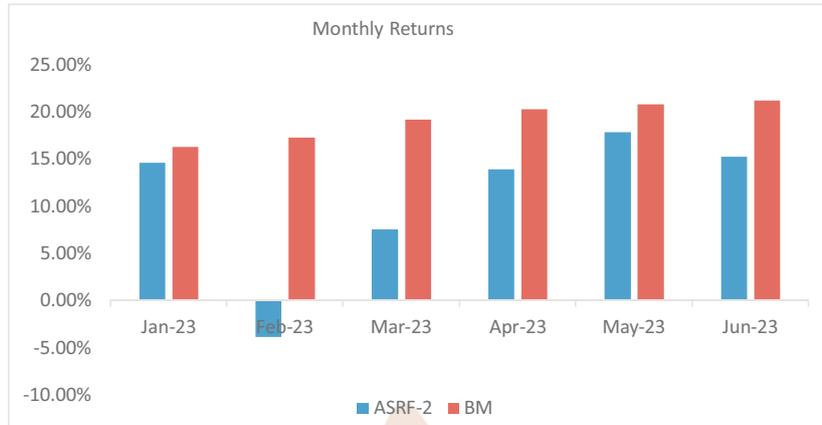
During FY23, Alfalah Stable return Fund-Plan 1 (ASRF-1) generated a return of 13.42% while the benchmark of the fund generated 17.57%.



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	99.86%	A+	0.00%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	0.11%	A-	0.00%
AA+	0.00%	BBB+	0.00%
AA	0.00%	Below IG	0.00%
AA-	0.00%	MTS/NR/UR	0.04%

Fund Performance

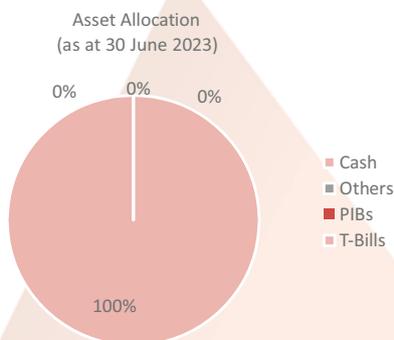
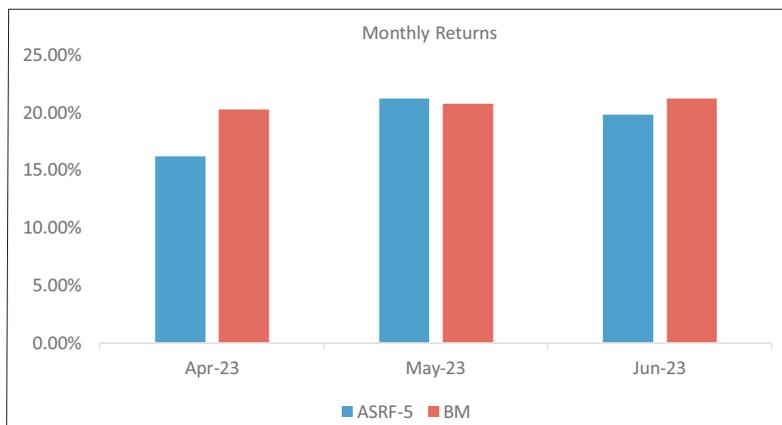
During FY23, Alfalah Stable return Fund-Plan 2 (ASRF-2) generated a return of 12.08% while the benchmark of the fund generated 18.69%.



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	99.97%	A+	0.00%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	0.03%	A-	0.00%
AA+	0.01%	BBB+	0.00%
AA	0.00%	Below IG	0.00%
AA-	0.00%	MTS/NR/UR	0.00%

Fund Performance

During FY23, Alfalah Stable return Fund-Plan 5 (ASRF-5) generated a return of 19.71% while the benchmark of the fund generated 20.75%.



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	99.96%	A+	0.00%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	0.00%	A-	0.00%
AA+	0.03%	BBB+	0.00%
AA	0.00%	Below IG	0.00%
AA-	0.00%	MTS/NR/UR	0.01%

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



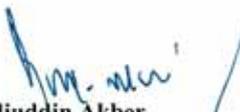
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH STABLE RETURN FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Stable Return Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from September 01, 2022 to June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2023



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah Stable Return Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Stable Return Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from September 01, 2022 to June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the period from September 01, 2022 to June 30, 2023 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter :

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	<p>The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 4,577.45 million and bank balances aggregated to Rs.1,087.47 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor’s report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR202310611bKvnyNE34

ALFALAH STABLE RETURN FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

As at June 30, 2023					
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III	
Note ----- (Rupees) -----					
ASSETS					
Bank balances	4	1,310,871	261,163	839,777	1,085,060,891
Investments	5	1,086,378,649	858,654,556	2,632,421,441	-
Advances and profit receivable	6	124,740	4,866	283,876	1,886,082
Preliminary expenses and floatation costs	7	141,784	-	-	-
Total assets		1,087,956,044	858,920,585	2,633,545,094	1,086,946,973
LIABILITIES					
Payable to Alfalah Asset Management Limited - Management Company	8	3,921,366	2,011,487	6,561,965	9,785,327
Payable to Central Depository Company of Pakistan Limited - Trustee	9	351,688	305,234	346,839	626,332
Payable to the Securities and Exchange Commission of Pakistan	10	158,804	95,317	111,619	201,556
Accrued expenses and other liabilities	11	11,028,346	7,109,674	13,873,512	22,843,458
Total liabilities		15,460,204	9,521,712	20,893,935	33,456,673
NET ASSETS		1,072,495,840	849,398,873	2,612,651,159	1,053,490,300
UNIT HOLDERS' FUND (as per the statement attached)		1,072,495,840	849,398,873	2,612,651,159	1,053,490,300
CONTINGENCIES AND COMMITMENTS					
-----Number of units-----					
NUMBER OF UNITS IN ISSUE		10,698,405	8,493,963	26,126,506	10,534,903
----- (Rupees) -----					
NET ASSET VALUE PER UNIT		100.2482	100.0003	100.0000	100.0000

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH STABLE RETURN FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

		For the period from September 1, 2022 to June 30, 2023	For the period from December 8, 2022 to June 30, 2023	For the period from April 13, 2023 to June 30, 2023	For the period from March 9, 2023 to June 19, 2023
	Note	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
(Rupees)					
INCOME					
Profit on savings account with banks		265,331	5,771,659	1,376,449	3,167,396
Income on Investments		130,073,378	92,664,574	121,532,605	203,739,146
(Loss) / Gain on sale of investments - net		(898,144)	(2,022,540)	282,449	(5,349)
Net unrealised diminution on re-measurement of investments classified at fair value through profit or loss	5.2	(13,525,763)	(37,269,236)	(4,105,260)	-
Other Income		37,350	20,570	1,136	962
Total income		115,952,152	59,165,027	119,087,379	206,902,155
EXPENSES					
Remuneration of the Management Company	8.1	3,785,488	2,076,883	3,809,851	6,046,749
Sindh sales tax on remuneration of the Management Company	8.2	492,769	269,991	495,282	786,077
Allocated expenses	8.3	331,485	-	-	-
Selling and marketing expenses	8.4	10,201	182,500	2,156,832	2,842,501
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	552,533	342,788	306,938	554,277
Sindh sales tax on remuneration of the Trustee	9.2	71,829	44,563	39,901	72,055
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	158,804	95,317	111,619	201,556
Auditors' remuneration	14	142,392	112,772	346,874	139,869
Annual rating fee		-	-	94,025	101,331
Amortisation of preliminary expenses and floatation costs	7.1	693,216	-	-	-
Printing and publication charges		24,889	58,305	-	-
Brokerage expense		738	2,144	108,777	33,571
Settlement charges		906	-	-	-
Bank charges		12,154	58	-	2,749
Total expenses		6,277,404	3,185,321	7,470,099	10,780,735
Net income for the period before taxation		109,674,748	55,979,706	111,617,280	196,121,420
Taxation	16	-	-	-	-
Net income for the period after taxation		109,674,748	55,979,706	111,617,280	196,121,420
Allocation of net income for the period					
Net income for the period after taxation		109,674,748	55,979,706	111,617,280	196,121,420
Income already paid on units redeemed		(3,790,443)	(11,968,279)	(74,370,581)	(140,017,749)
		105,884,305	44,011,428	37,246,699	56,103,671
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		105,884,305	44,011,428	37,246,699	56,103,671
		105,884,305	44,011,428	37,246,699	56,103,671
Earnings per unit	17				

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH STABLE RETURN FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	For the period from September 1, 2022 to June 30, 2023	For the period from December 8, 2022 to June 30, 2023	For the period from April 13, 2023 to June 30, 2023	For the period from March 9, 2023 to June 19, 2023
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
	(Rupees)			
Net income for the period after taxation	109,674,748	55,979,706	111,617,280	196,121,420
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>109,674,748</u>	<u>55,979,706</u>	<u>111,617,280</u>	<u>196,121,420</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH STABLE RETURN FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	For the period from September 1, 2022 to June 30, 2023			For the period from December 8, 2022 to June 30, 2023		
	Stable Return Plan - I			Stable Return Plan - II		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)					
Issuance of units:						
- ASRP - I: 11,999,334 / ASRP - II: 10,683,357						
ASRP - V: 61,792,690 / ASRP - III: 35,688,825 units						
Capital value (at net asset value per unit at the beginning of the period)	1,199,933,358	-	1,199,933,358	1,068,335,696	-	1,068,335,696
Element of income	5,444,630	-	5,444,630	10,429,518	-	10,429,518
Total proceeds on issuance of units	1,205,377,988	-	1,205,377,988	1,078,765,214	-	1,078,765,214
Redemption of units:						
- ASRP - I: 1,300,929 / ASRP - II: 2,189,394						
ASRP - V: 35,666,184 / ASRP - III: 25,634,585 units						
Capital value (at net asset value per unit at the beginning of the period)	(130,092,896)	-	(130,092,896)	(218,939,402)	-	(218,939,402)
Element of loss	(1,916,008)	(3,790,443)	(5,706,451)	1,241	(11,968,279)	(11,967,037)
Total payments on redemption of units	(132,008,904)	(3,790,443)	(135,799,347)	(218,938,160)	(11,968,279)	(230,906,439)
Total comprehensive income for the period	-	109,674,748	109,674,748	-	55,979,706	55,979,706
Distributions for the period						
Interim Distribution for the period for ASRP - I Rs. 3.6974 per unit declared on December 26, 2022	(63,688)	(36,523,587)	(36,587,275)	-	-	-
Interim Distributions for the period						
- ASRP - I: Rs. 6.9315 / ASRP - II: Rs. 6.7834						
ASRP - V: Rs. 4.127 / ASRP - III: Rs. 5.5801 per unit on June 23, 2023	(3,595,463)	(66,574,811)	(70,170,274)	(11,968,279)	(42,471,329)	(54,439,608)
Final Distribution for the period						
- ASRP - V Rs.0.2894 per unit on June 30, 2023	-	-	-	-	-	-
Net assets at the end of the period	1,073,305,396	2,785,907	1,076,091,303	847,858,775	1,540,098	849,398,873
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		105,884,305			44,011,428	
Distributions for the period						
Interim Distribution during the period (Rs. 3.6974 per unit declared on December 26, 2022)		(36,523,587)			-	
- ASRP - I: Rs. 6.9315 / ASRP - II: Rs. 6.7834						
ASRP - V: Rs. 4.127 / ASRP - III: Rs. 5.5801 per unit on June 23, 2023		(66,574,811)			(42,471,329)	
Final Distribution for the period						
- ASRP - V Rs.0.2894 per unit on June 30, 2023		-			-	
Undistributed income carried forward	2,785,907			1,540,098		
Undistributed income carried forward						
- Realised income / (loss)	16,311,670			38,809,334		
- Unrealised (loss)	(13,525,763)			(37,269,236)		
	2,785,907			1,540,098		
		(Rupees)			(Rupees)	
Net asset value per unit at the end of the period		100.2482			100.0003	

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH STABLE RETURN FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	For the period from April 13, 2023 to June 30, 2023			For the period from March 9, 2023 to June 19, 2023		
	Stable Return Plan - V			Stable Return Plan - III		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)					
Issuance of units:						
- ASRP - I: 11,999,334 / ASRP - II: 10,683,357						
ASRP - V: 61,792,690 / ASRP - III: 35,688,825 units						
Capital value (at net asset value per unit at the beginning of the period)	6,179,268,958	-	6,179,268,958	3,568,882,464	-	3,568,882,464
Element of income	73,773,522	-	73,773,522	(8,142,202)	-	(8,142,202)
Total proceeds on issuance of units	6,253,042,480	-	6,253,042,480	3,560,740,262	-	3,560,740,262
Redemption of units:						
- ASRP - I: 1,300,929 / ASRP - II: 2,189,394						
ASRP - V: 35,666,184 / ASRP - III: 25,634,585 units						
Capital value (at net asset value per unit at the beginning of the period)	(3,566,618,396)	-	(3,566,618,396)	(2,502,035,155)	-	(2,502,035,155)
Element of loss	1,131	(74,370,581)	(74,369,450)	(5,214,819)	(140,017,749)	(145,232,568)
Total payments on redemption of units	(3,566,617,265)	(74,370,581)	(3,640,987,846)	(2,507,249,974)	(140,017,749)	(2,647,267,723)
Total comprehensive income for the period	-	111,617,280	111,617,280	-	196,121,420	196,121,420
Distributions for the period						
Interim Distribution for the period for ASRP - I Rs. 3.6974 per unit declared on December 26, 2022						-
Interim Distributions for the period						
- ASRP - I: Rs. 6.9315 / ASRP - II: Rs. 6.7834						
ASRP - V: Rs. 4.127 / ASRP - III: Rs. 5.5801 per unit on June 23, 2023	(71,807,977)	(31,671,968)	(103,479,945)	-	(56,103,659)	(56,103,659)
Final Distribution for the period						
- ASRP - V Rs.0.2894 per unit on June 30, 2023	(1,965,764)	(5,575,047)	(7,540,811)	-	-	-
Net assets at the end of the period	2,612,651,475	(316)	2,612,651,159	1,053,490,288	12	1,053,490,300
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		37,246,699			56,103,671	
Distributions for the period						
Interim Distribution during the period (Rs. 3.6974 per unit declared on December 26, 2022)						-
- ASRP - I: Rs. 6.9315 / ASRP - II: Rs. 6.7834						
ASRP - V: Rs. 4.127 / ASRP - III: Rs. 5.5801 per unit on June 23, 2023		(31,671,968)			(56,103,659)	
Final Distribution for the period						
- ASRP - V Rs.0.2894 per unit on June 30, 2023		(5,575,047)			-	
Undistributed income carried forward		(316)			12	
Undistributed income carried forward						
- Realised income / (loss)		4,104,944			12	
- Unrealised (loss)		(4,105,260)			-	
		(316)			12	
		(Rupees)			(Rupees)	
Net asset value per unit at the end of the period		100.0000			100.0000	

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH STABLE RETURN FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	For the period from September 1, 2022 to June 30, 2023	For the period from December 8, 2022 to June 30, 2023	For the period from April 13, 2023 to June 30, 2023	For the period from March 9, 2023 to June 19, 2023
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
CASH FLOWS FROM OPERATING ACTIVITIES	Note ----- (Rupees) -----			
Net income for the period before taxation	109,674,748	55,979,706	111,617,280	196,121,420
Adjustments for:				
Net unrealised diminution on re-measurement of investments classified at fair value through profit or loss	13,525,763	37,269,236	4,105,260	-
Amortisation of preliminary expenses and floatation costs	693,216	-	-	-
	<u>123,893,727</u>	<u>93,248,942</u>	<u>115,722,540</u>	<u>196,121,420</u>
Increase in assets				
Investments - net	(1,099,904,412)	(895,923,792)	(4,105,260)	-
Advances and profit receivable	(124,740)	(4,866)	(283,876)	(1,886,082)
Preliminary expenses and floatation costs	(835,000)	-	-	-
	<u>(1,100,864,152)</u>	<u>(895,928,658)</u>	<u>(4,389,136)</u>	<u>(1,886,082)</u>
Increase in liabilities				
Payable to Alfalah Asset Management Limited - Management Company	3,921,366	2,011,487	6,561,965	9,785,327
Payable to Central Depository Company of Pakistan Limited - Trustee	351,688	305,234	346,839	626,332
Payable to the Securities and Exchange Commission of Pakistan	158,804	95,317	111,619	201,556
Accrued expenses and other liabilities	11,028,346	7,109,674	13,873,512	22,843,458
	<u>15,460,204</u>	<u>9,521,712</u>	<u>20,893,935</u>	<u>33,456,673</u>
Net cash (used in) / generated from operating activities	<u>(961,510,221)</u>	<u>(793,158,004)</u>	<u>132,227,339</u>	<u>227,692,011</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(106,757,549)	(54,439,608)	(111,020,756)	(56,103,659)
Receipts against issuance and conversion of units	1,205,377,988	1,078,765,214	6,253,042,480	3,560,740,262
Payments against redemption and conversion of units	(135,799,347)	(230,906,439)	(3,640,987,846)	(2,647,267,723)
Net cash generated from financing activities	<u>962,821,092</u>	<u>793,419,167</u>	<u>2,501,033,879</u>	<u>857,368,880</u>
Net Increase in cash and cash equivalents during the period	<u>1,310,871</u>	<u>261,163</u>	<u>2,633,261,218</u>	<u>1,085,060,891</u>
Cash and cash equivalents at beginning of the period	-	-	-	-
Cash and cash equivalents at end of the period	<u>15</u> <u>1,310,871</u>	<u>261,163</u>	<u>2,633,261,218</u>	<u>1,085,060,891</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH STABLE RETURN FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Stable Return Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Sindh Trust Act, 2020, executed between Alfalah Asset Management Limited (formerly 'Alfalah GHP Investment Management Limited') [the Management Company] and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on April 15, 2022, 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 June 3, 2022.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Financing Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 09, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry & Agricultural Building, 2nd floor, ST-2/A, Block-9, KDA Scheme 5, Clifton Karachi.

- 1.2 The Fund commenced its operations from September 1, 2022. The Fund is categorised as a 'Stable Return Fund (SRF)' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to generate returns on investment as per the respective Investment Plan by investing in authorized investment avenues such as Government Securities, cash in bank account, money market placements, certificate of deposits and certificate of musharakah in line with the risk tolerance of the investor. The investment objectives and policy are explained in the Fund's offering document. Presently, the following return plans are offered:
- Alfalah GHP Stable Return Plan - I
 - Alfalah GHP Stable Return Plan - II
 - Alfalah GHP Stable Return Plan - V

- 1.4 During the current year, Alfalah Stable Return Plan III matured on June 19, 2023 as per the provisions of the offering document.

- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company dated August 31, 2023.

- 1.6 These are the first financial statements of the Fund for the period from September 1, 2022 to June 30, 2023 therefore, comparative figures have not been included.

- 1.7 The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on September 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2023. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification, valuation and impairment of financial instruments (note 3.2 and 5)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.2.2 Classification and subsequent measurement

a) Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity

However, IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

b) Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

c) Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's circular.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised appreciation / (diminution) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Income on sukuk certificates, term deposit receipts, commercial paper, letter of placement, certificate of investment and Government Securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Interest income on bank balances is recognised on an accrual basis.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the "Income Statement" on an accrual basis.

3.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 1 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the period after taxation of the Fund by the weighted average number of units outstanding during the period. It has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

4 BANK BALANCES

Balances with banks in:
Savings accounts
Current accounts

As at June 30, 2023				
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
Note	(Rupees)			
4.1	1,310,200	261,163	839,594	1,085,060,891
4.2	671	-	183	-
	<u>1,310,871</u>	<u>261,163</u>	<u>839,777</u>	<u>1,085,060,891</u>

4.1 These accounts carry profit rate ranging from 13.5% to 22.95% for ASRP - I , ASRP - II, ASRP-V, ASRP-III per annum. These include amounts held with a related party (Bank Alfalah Limited) amounting to Rs. 1.248 million for ASRP - I, Rs. 0.046 million for ASRP - II, Rs. 0.801 million for ASRP - V, Rs. 1085.008 million for ASRP - III,.

4.2 These include an amount held with a related party (Central Depository Company) amounting to Rs. 0.001 million for ASRP - I, Rs. 0.0002 million for ASRP - V.

5 INVESTMENTS

At fair value through profit and loss

Market Treasury Bills

Pakistan Investment Bonds

As at June 30, 2023				
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
Note	(Rupees)			
5.1	1,086,378,649	858,654,556	2,632,421,441	-
5.2	-	-	-	-
	<u>1,086,378,649</u>	<u>858,654,556</u>	<u>2,632,421,441</u>	<u>-</u>

5.1 Market Treasury Bills

Alfalah Stable Return Plan - I

Type of Security	Issue Date	Face value				Balance as at June 30, 2023			Market value as a percentage of		
		As at September 1, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	total investments of the Fund	net assets of the Fund	
								(Rupees)		(%)	
12 months*	25-Aug-22	-	1,300,000,000	177,490,000	1,122,510,000	1,099,904,412	1,086,378,649	(13,525,763)	100.00	101.29	
As at June 30, 2023		<u>-</u>		<u>1,300,000,000</u>	<u>177,490,000</u>	<u>1,122,510,000</u>	<u>1,099,904,412</u>	<u>1,086,378,649</u>	<u>(13,525,763)</u>		

*This will mature latest by August 24, 2023 carrying effective yield rates of 15.87%

Alfalah Stable Return Plan - II

Type of Security	Issue Date	Face value				Balance as at June 30, 2023			Market value as a percentage of		
		As at December 8, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	total investments of the Fund	net assets of the Fund	
								(Rupees)		(%)	
3 months	20-Oct-22	-	492,000,000	492,000,000	-	-	-	-	-	-	
3 months	17-Nov-22	-	75,000,000	75,000,000	-	-	-	-	-	-	
3 months	3-Nov-22	-	700,000,000	700,000,000	-	-	-	-	-	-	
6 months	28-Jul-22	-	890,000,000	890,000,000	-	-	-	-	-	-	
12 months*	25-Aug-22	-	3,900,000	-	3,900,000	3,819,505	3,774,477	(45,028)	0.44	0.44	
12 months*	15-Dec-22	-	960,000,000	16,230,000	943,770,000	892,104,287	854,880,079	(37,224,208)	99.56	100.65	
As at June 30, 2023		<u>-</u>		<u>1,361,130,000</u>	<u>947,670,000</u>	<u>895,923,792</u>	<u>858,654,556</u>	<u>(37,269,236)</u>			

*These will mature latest by December 14, 2023 carrying effective yield rates of 21.73%

Alfalah Stable Return Plan - V

Type of Security	Issue Date	Face value				Balance as at June 30, 2023			Market value as a percentage of		
		As at December 8, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	total investments of the Fund	net assets of the Fund	
								(Rupees)		(%)	
3 months*	15-Jun-23	-	2,743,000,000	-	2,743,000,000	2,636,526,701	2,632,421,441	(4,105,260)	100.00	100.76	
As at June 30, 2023		<u>-</u>		<u>2,743,000,000</u>	<u>2,743,000,000</u>	<u>2,636,526,701</u>	<u>2,632,421,441</u>	<u>(4,105,260)</u>			

*This will mature latest by September 15, 2023 carrying effective yield rates of 21.78%

5.2 Pakistan Investment Bonds

Alfalsh Stable Return Plan - V

Type of Security	Issue Date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
		As at December 8, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	total investments of the Fund	net assets of the Fund
		(Rupees)							(%)	
2 Years	30-Dec-21	-	641,000,000	641,000,000	-	-	-	-	-	-
3 Years	18-Jun-20	-	2,501,768,219	2,501,768,219	-	-	-	-	-	-
As at June 30, 2023					-	-	-	-	-	-

Alfalsh Stable Return Plan - III

Type of Security	Issue Date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
		As at December 8, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	total investments of the Fund	net assets of the Fund
		(Rupees)							(%)	
3 Years	18-Jun-20	-	3,420,200,000	3,420,200,000	-	-	-	-	-	-
As at June 30, 2023					-	-	-	-	-	-

As at June 30, 2023			
Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
Note			
(Rupees)			

5.2 Net unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss

Market value of investment	5.1	1,086,378,649	858,654,556	2,632,421,441	-
Less: carrying value of investments	5.1	1,099,904,412	895,923,792	2,636,526,701	-
		(13,525,763)	(37,269,236)	(4,105,260)	-

6 ADVANCE AND PROFIT RECEIVABLE

Profit receivable on bank balances	6.1	119,376	4,681	283,876	1,885,835
Advance tax	6.2	5,364	185	-	247
		124,740	4,866	283,876	1,886,082

6.1 These include an amount due from a related party (Bank Alfalah Limited) amounting to Rs. 0.117 million by ASRP I, Rs. 1.89 million by ASRP II and Rs. 0.284 million by ASRP - V.

6.2 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2023, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs. 5,364 for Alfalah Stable Return Plan - I, Rs. 185 for Alfalah Stable Return Plan - II and Rs. 247 for Alfalah Stable Return Plan - III.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PRELIMINARY EXPENSES AND FLOATION COSTS

Preliminary expenses and floatation costs capitalised after commencement of operations
Less: amortised during the period
Balance as at period end

As at June 30, 2023				
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
Note	(Rupees)			
7.1	835,000	-	-	-
	693,216	-	-	-
	141,784	-	-	-

7.1 Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of one year in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulation.

8 PAYABLE TO ALFALAH ASSET MANAGEMENT

Management remuneration payable
Sindh sales tax payable on management remuneration
Allocated expenses payable
Selling and marketing expenses payable
Other payable
Payable against preliminary expenses and floatation costs

As at June 30, 2023				
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
Note	(Rupees)			
8.1	2,249,817	1,521,231	3,809,851	6,046,749
8.2	294,863	197,756	495,282	786,077
8.3	331,485	-	-	-
8.4	10,201	182,500	2,156,832	2,842,501
	200,000	110,000	100,000	110,000
	835,000	-	-	-
	3,921,366	2,011,487	6,561,965	9,785,327

8.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Accordingly, the Management has charged 0.75% per annum of average daily net assets as disclosed in the offering document for ASRP - I ASRP - II, ASRP - V and ASRP - III, The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011. During the period, an amount of Rs. 0.493 million in ASRP I, Rs. 0.270 million in ASRP II, Rs. 0.495 million in ASRP V, Rs. 0.786 million in ASRP III was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Service Act, 2011. The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011. During the period, an amount of Rs. 0.493 million in ASRP I, Rs. 0.270 million in ASRP II, Rs. 0.495 million in ASRP V and Rs. 0.786 million in ASRP III was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Service Act, 2011 and an amount of Rs. 0.198 million in ASRP I, Rs. 0.072 million in ASRP II and Rs. 0.786 million in ASRP III has been paid to the Management Company which acts as a collecting agent.

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, the Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than the actual expense incurred.

8.4 The SECP has allowed the Asset Management companies to charge selling and marketing in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee remuneration payable
Sindh sales tax payable on Trustee remuneration

As at June 30, 2023				
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
Note	(Rupees)			
9.1	310,587	270,118	306,938	554,277
9.2	41,101	35,116	39,901	72,055
	351,688	305,234	346,839	626,332

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the Trustee has charged remuneration at the rate of 0.075% per annum of average daily net assets.

9.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the fee payable to Central Depository Company of Pakistan Limited through the Sindh Sales Tax on Services Act, 2011. During the period, an amount of Rs. 0.072 million in ASRP I, Rs. 0.045 million in ASRP II, Rs. 0.072 million in ASRP III and Rs. 0.040 million in ASRP V was charged on account of sales tax on trustee fee levied through the Sindh Sales Tax on Service Act, 2011 and an amount of Rs. 0.031 million in ASRP I, Rs. 0.009 million in ASRP II and Rs. 0.072 million in ASRP III was paid to the Trustee which acts as a collecting agent.

As at June 30, 2023				
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN				
Note	(Rupees)			
Annual fee payable	158,804	95,317	111,619	201,556

10.1 Under the provisions of the NBFC Regulations 2008, a collective investment scheme (CIS) is required to pay as annual fee to the Securities and Exchange Commission of Pakistan (SECP), an amount equal to 0.02% of the average annual net assets of the Fund.

As at June 30, 2023				
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
11 ACCRUED EXPENSES AND OTHER LIABILITIES				
Auditors' remuneration payable	142,393	112,772	346,874	139,869
Printing charges payable	16,771	58,306	-	-
Withholding tax payable	10,867,664	6,936,452	13,323,836	22,580,536
Brokerage expense payable	1,518	2,144	108,777	21,722
Rating fee	-	-	94,025	101,331
	<u>11,028,346</u>	<u>7,109,674</u>	<u>13,873,512</u>	<u>22,843,458</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023.

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of ASRP - I for the period ended June 30, 2023 is 0.73%, ASRP - II is 0.67%, ASRP - V is 1.34%, ASRP - III is 0.93% which includes 0.08% for ASRP - I, 0.09% for ASRP - II, 0.12% for ASRP - V, 0.09% for ASRP - III, representing government levies on the Fund such as sales taxes, annual fee payable to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market fund.

	For the period from September 1, 2022 to June 30, 2023	For the period from December 8, 2022 to June 30, 2023	For the period from April 13, 2023 to June 30, 2023	For the period from March 9, 2023 to June 19, 2023
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
14 AUDITORS' REMUNERATION				
Annual audit fee	54,603	43,245	133,016	53,636
Review and other certifications	65,255	51,681	158,965	64,099
Out of pocket expenses	11,986	9,493	29,198	11,773
Sindh Sales Tax	10,548	8,353	25,694	10,361
	<u>142,392</u>	<u>112,772</u>	<u>346,874</u>	<u>139,869</u>

15 CASH AND CASH EQUIVALENTS

Bank balances	1,310,871	261,163	839,777	1,085,060,891
Market Treasury Bills (original maturity of 3 months or less)	-	-	2,632,421,441	-
	<u>1,310,871</u>	<u>261,163</u>	<u>2,633,261,218</u>	<u>1,085,060,891</u>

16 TAXATION

The income of the Fund is exempt from income tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non Banking Finance Companies Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expense as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the period ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements, during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

17 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as, in the opinion of the management, determination of the cumulative weighted average outstanding number of units for calculating EPU is not practicable.

18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah Asset Management Limited (formerly 'Alfalah GHP Investment Management Limited') being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit Holders' Fund

		June 30, 2023							
		Issued for cash / conversion in / transfer in	Bonus / Dividend Reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2023	Issued for cash / conversion in / transfer in	Bonus / Dividend Reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2023
Note		(Units)				(Rupees)			
Alfalah Stable Return Plan - I :									
Associated companies / undertakings									
	Alfalah Asset Management Limited	800,000	73,758	-	873,758	80,000,000	7,375,785	-	87,592,667
Alfalah Stable Return Plan - I :									
	Unit holder holding 10% or more units	4,999,260	460,918	-	5,460,179	499,926,018	46,091,835	-	547,373,069
Alfalah Stable Return Plan - II :									
	Unit holder holding 10% or more units	7,819,041	384,680	1,393,268	6,810,453	791,355,215	38,467,968	148,777,848	682,735,689

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2023.

	For the period from September 1, 2022 to June 30, 2023	For the period from December 8, 2022 to June 30, 2023	For the period from April 13, 2023 to June 30, 2023	For the period from March 9, 2023 to June 19, 2023
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III

18.2 Transactions during the period

Associated Companies / Undertakings

Alfalah Asset Management Limited

	(Rupees)			
Remuneration of the Management Company	3,785,488	2,076,883	3,809,851	6,046,749
Sindh sales tax on remuneration of the Management Company	492,769	269,991	495,282	786,077
Allocated expenses	331,485	-	-	-
Selling and marketing expenses	10,201	182,500	2,156,832	2,842,501

Bank Alfalah Limited

Profit on savings account with banks	265,331	5,771,659	1,376,449	3,167,396
Bank charges	12,154	58	-	2,749

	For the period from September 1, 2022 to June 30, 2023	For the period from December 8, 2022 to June 30, 2023	For the period from April 13, 2023 to June 30, 2023	For the period from March 9, 2023 to June 19, 2023
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
----- (Rupees) -----				
Alfalsh GHP Sovereign Fund				
Market Treasury Bills - sold (Face value : Rs 5,600,000)	5,024,732	-	-	-
Alfalsh GHP Income Fund				
Pakistan Investment Bonds - sold	-	-	7,664,218	-
Alfalsh GHP Money Market Fund				
Market Treasury Bills - sold (Face value: Rs 2,610,000 for ASRP - I , and Rs. 1,230,000 for ASRP - 2)	2,507,466	1,111,525	-	-
Pakistan Investment Bonds - sold (Face value Rs. 240,000,000 For ASRP - I , and Rs. 2,800,000 for ASRP - II)	-	-	237,525,600	2,783,497
Alfalsh Stable Return Plan I				
Market Treasury Bills - purchased (Face value Rs 3,900,000)	-	3,577,981	-	-
Alfalsh Stable Return Plan II				
Market Treasury Bills - sold (Face value Rs 3,900,000)	3,577,981	-	-	-
Alfalsh Cash Fund				
Pakistan Investment Bonds - sold (Face value Rs. 650,000,000)	-	-	-	642,296,650
Other related party				
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of Central Depository Company of Pakistan Limited - Trustee	552,533	342,788	306,938	554,277
Sindh sales tax on remuneration of the Trustee	71,829	44,563	39,901	72,055

18.3 Amounts outstanding as at period end

	As at June 30, 2023			
	Stable Return Plan - I	Stable Return Plan - II	Stable Return Plan - V	Stable Return Plan - III
----- (Rupees) -----				
Associated Companies / Undertakings				
Alfalsh Asset Management Limited				
Management remuneration payable	2,249,817	1,521,231	3,809,851	6,046,749
Sindh sales tax payable on management	294,863	197,756	495,282	786,077
Allocated expenses payable	331,485	182,500	2,156,832	2,842,501
Selling and marketing expenses payable	10,201	10,201	10,201	10,201
Other payable	200,000	110,000	100,000	110,000
Bank Alfalah Limited				
Bank balances	1,248,338	45,778	839,594	1,085,007,875
Profit receivable on bank balances	117,380	30,505	283,876	1,885,557
Other related party				
Central Depository Company of Pakistan				
Trustee remuneration payable	310,587	270,118	306,938	554,277
Sindh sales tax payable on Trustee remuneration	41,101	35,116	39,901	72,055

19 FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets and liabilities carried on the Statement of Assets and Liabilities are categorised as follows:

19.1 Alfalah Stable Return Plan - I

Particulars	As at June 30, 2023		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Bank balances	1,310,871	-	1,310,871
Investments	-	1,086,378,649	1,086,378,649
Profit receivable	119,376	-	119,376
	<u>1,430,247</u>	<u>1,086,378,649</u>	<u>1,087,808,896</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited	3,921,366	-	3,921,366
Payable to Central Depository Company of Pakistan Limited - Trustee	351,688	-	351,688
Accrued expenses and other liabilities	160,682	-	160,682
	<u>4,433,736</u>	<u>-</u>	<u>4,433,736</u>

19.2 Alfalah Stable Return Plan - II

Particulars	As at June 30, 2023		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Bank balances	261,163	-	261,163
Investments	-	858,654,556	858,654,556
Profit receivable	4,681	-	4,681
	<u>265,844</u>	<u>858,654,556</u>	<u>858,920,400</u>
Financial liabilities			
Payable to Alfalah Asset Management	2,011,487	-	2,011,487
Payable to Central Depository Company of Pakistan Limited - Trustee	305,234	-	305,234
Accrued expenses and other liabilities	173,222	-	173,222
	<u>2,489,943</u>	<u>-</u>	<u>2,489,943</u>

19.3 Alfalah Stable Return Plan - V

Particulars	As at June 30, 2023		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Bank balances	839,777	-	839,777
Investments	-	2,632,421,441	2,632,421,441
Profit receivable	283,876	-	283,876
	<u>1,123,653</u>	<u>2,632,421,441</u>	<u>2,633,545,094</u>
Financial liabilities			
Payable to the Management Company	6,561,965	-	6,561,965
Payable to Central Depository Company of Pakistan Limited - Trustee	346,839	-	346,839
Accrued expenses and other liabilities	549,676	-	549,676
	<u>7,458,480</u>	<u>-</u>	<u>7,458,480</u>

19.4 Alfalah Stable Return Plan - III

Particulars	As at June 30, 2023		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Bank balances	1,085,060,891	-	1,085,060,891
Profit receivable	1,885,835	-	1,885,835
	<u>1,086,946,726</u>	<u>-</u>	<u>1,086,946,726</u>
Financial liabilities			
Payable to the Management Company	9,785,327	-	9,785,327
Payable to Central Depository Company of Pakistan Limited - Trustee	626,332	-	626,332
Accrued expenses and other liabilities	262,922	-	262,922
	<u>10,674,581</u>	<u>-</u>	<u>10,674,581</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risks to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk and profit rate risk), credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulation, and the directives issued by the SECP.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises of three types of risks: currency risk, profit rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund has no exposure to currency risk as there are no financial assets or financial liabilities denominated in foreign currencies.

20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks and Market treasury bills. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in savings accounts on which interest rate is 22.25% per annum.

In case of 100 basis points increase / decrease in interest rates on June 19, 2023 and June 30, 2023, with all other variables held constant, the net income for the period and the net assets would have been higher / lower by Rs. 13,102 for ASRP - I, Rs. 2,612 for ASRP - II, Rs. 8,396 for ASRP - V, Rs. 10,850,604 for ASRP - III.

b) Sensitivity analysis for fixed rate instruments

The Fund's fixed rate risk arises from investment in Market treasury bills. As of June 30, 2023, in case of 100 basis points increase / decrease in interest rates, with all other variables held constant, the net income for the period and the net assets would have been higher / lower by Rs. 10.86 million for ASRP - I, Rs 8.59 million for ASRP - II, Rs 26.32 million for ASRP - V, Nil for ASRP - III,

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

20.1.2.1 Alfalah Stable Return Plan - I

Particulars	June 30, 2023					Total
	Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	
		Up to three months	More than three months and up to one year	More than one year		
(Rupees)						
Financial assets						
Bank balances	13.50% - 22.95%	1,310,200	-	-	671	1,310,871
Investments	15.87%	1,086,378,649	-	-	-	1,086,378,649
Profit receivable		-	-	-	119,376	119,376
Sub total		1,087,688,849	-	-	120,047	1,087,808,896
Financial liabilities						
Payable to Alfalah Asset Management		-	-	-	3,921,366	3,921,366
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	351,688	351,688
Accrued expenses and other liabilities		-	-	-	160,682	160,682
Sub total		-	-	-	4,433,736	4,433,736
On-balance sheet gap (a)		1,087,688,849	-	-	(4,313,689)	1,083,375,160
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a) + (b)		1,087,688,849	-	-	-	1,087,688,849
Cumulative profit rate sensitivity gap		1,087,688,849	1,087,688,849	1,087,688,849	-	1,087,688,849

20.1.2.2 Alfalah Stable Return Plan - II

Particulars	June 30, 2023					Total
	Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	
		Up to three months	More than three months and up to one year	More than one year		
(Rupees)						
Financial assets						
Bank balances	13.50% - 22.95%	839,777	-	-	-	839,777
Investments	21.78%	2,632,421,441	-	-	-	2,632,421,441
Profit receivable		-	-	-	283,876	283,876
Sub total		2,633,261,218	-	-	283,876	2,633,545,094
Financial liabilities						
Payable to Alfalah Asset Management		-	-	-	6,561,965	6,561,965
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	346,839	346,839
Accrued expenses and other liabilities		-	-	-	549,676	549,676
Sub total		-	-	-	7,458,480	7,458,480
On-balance sheet gap (a)		2,633,261,218	-	-	(7,174,604)	2,626,086,614
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a) + (b)		2,633,261,218	-	-	-	2,633,261,218
Cumulative profit rate sensitivity gap		2,633,261,218	2,633,261,218	2,633,261,218	-	2,633,261,218

20.1.2.3 Alfalah Stable Return Plan - V

Particulars	June 30, 2023					Total
	Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	
		Up to three months	More than three months and up to one year	More than one year		
(Rupees)						
Financial assets						
Bank balances	13.50% - 22.95%	839,777	-	-	-	839,777
Investments	21.78%	2,632,421,441	-	-	-	2,632,421,441
Profit receivable		-	-	-	283,876	283,876
Sub total		2,633,261,218	-	-	283,876	2,633,545,094
Financial liabilities						
Payable to Alfalah Asset Management		-	-	-	6,561,965	6,561,965
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	346,839	346,839
Accrued expenses and other liabilities		-	-	-	549,676	549,676
Sub total		-	-	-	7,458,480	7,458,480
On-balance sheet gap (a)		2,633,261,218	-	-	(7,174,604)	2,626,086,614
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a) + (b)		2,633,261,218	-	-	-	2,633,261,218
Cumulative profit rate sensitivity gap		2,633,261,218	2,633,261,218	2,633,261,218	-	2,633,261,218

20.1.2.4 Alfalah Stable Return Plan - III

Particulars	June 30, 2023					Total
	Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	
		Up to three months	More than three months and up to one year	More than one year		
(Rupees)						
Financial assets						
Bank balances	13.50% - 22.95%	1,085,060,891	-	-	-	1,085,060,891
Investments		-	-	-	-	-
Profit receivable		-	-	-	1,885,835	1,885,835
Sub total		1,085,060,891	-	-	1,885,835	1,086,946,726
Financial liabilities						
Payable to Alfalah Asset Management		-	-	-	9,785,327	9,785,327
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	626,332	626,332
Accrued expenses and other liabilities		-	-	-	262,922	262,922
Sub total		-	-	-	10,674,581	10,674,581
On-balance sheet gap (a)		1,085,060,891	-	-	(8,788,746)	1,076,272,145
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a) + (b)		1,085,060,891	-	-	-	1,085,060,891
Cumulative profit rate sensitivity gap		1,085,060,891	1,085,060,891	1,085,060,891	-	1,085,060,891

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2023.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

Management of liquidity risk

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

20.2.1 Alfalah Stable Return Plan - I

June 30, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	1,310,871	-	-	-	-	1,310,871
Investments	-	1,086,378,649	-	-	-	1,086,378,649
Profit receivable	119,376	-	-	-	-	119,376
	1,430,247	1,086,378,649	-	-	-	1,087,808,896
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	3,921,366	-	-	-	-	3,921,366
Payable to Central Depository Company of Pakistan Limited - Trustee	351,688	-	-	-	-	351,688
Accrued expenses and other liabilities	160,682	142,393	-	-	-	303,075
	4,433,736	142,393	-	-	-	4,576,129

20.2.2 Alfalah Stable Return Plan - II

June 30, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	261,163	-	-	-	-	261,163
Investments	-	858,654,556	-	-	-	858,654,556
Profit receivable	4,681	-	-	-	-	4,681
	265,844	858,654,556	-	-	-	858,920,400
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	2,011,487	-	-	-	-	2,011,487
Payable to Central Depository Company of Pakistan Limited - Trustee	305,234	-	-	-	-	305,234
Accrued expenses and other liabilities	60,450	112,772	-	-	-	173,222
	2,377,171	112,772	-	-	-	2,489,943

20.2.3 Alfalah Stable Return Plan - V

June 30, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	839,777	-	-	-	-	839,777
Investments	-	2,632,421,441	-	-	-	2,632,421,441
Profit receivable	283,876	-	-	-	-	283,876
	1,123,653	2,632,421,441	-	-	-	2,633,545,094
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	6,561,965	-	-	-	-	6,561,965
Payable to Central Depository Company of Pakistan Limited - Trustee	346,839	-	-	-	-	346,839
Accrued expenses and other liabilities	202,802	346,874	-	-	-	549,676
	7,111,606	346,874	-	-	-	7,458,480

20.2.4 Alfalah Stable Return Plan - III

June 19, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	1,085,060,891	-	-	-	-	1,085,060,891
Investments	-	-	-	-	-	-
Profit receivable	1,885,835	-	-	-	-	1,885,835
	1,086,946,726	-	-	-	-	1,086,946,726
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	9,785,327	-	-	-	-	9,785,327
Payable to Central Depository Company of Pakistan Limited - Trustee	626,332	-	-	-	-	626,332
Accrued expenses and other liabilities	123,053	139,869	-	-	-	262,922
	10,534,712	139,869	-	-	-	10,674,581

20.3 Credit risk

20.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The table below analyses the Fund's maximum exposure to credit risk:

	June 30, 2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- (Rupees) -----	
20.3.1.1 Alfalah Stable Return Plan - I		
Bank balances	1,310,871	1,310,871
Investments	1,086,378,649	-
Profit receivable	119,376	119,376
	1,087,808,896	1,430,247
20.3.1.2 Alfalah Stable Return Plan - II		
Bank balances	261,163	261,163
Investments	858,654,556	-
Profit receivable	4,681	4,681
	858,920,400	265,844
20.3.1.3 Alfalah Stable Return Plan - V		
Bank balances	839,777	839,777
Investments	2,632,421,441	-
Profit receivable	283,876	283,876
	2,633,545,094	1,123,653
20.3.1.4 Alfalah Stable Return Plan - III		
Bank balances	1,085,060,891	1,085,060,891
Investments	-	-
Profit receivable	1,885,835	1,885,835
	1,086,946,726	1,086,946,726

The maximum exposure to credit risk before any enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in Market Treasury Bills, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

20.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its balances with banks and profit accrued on bank balances.

The credit rating profile of balances with banks and profit accrued on bank balances are as follows:

Alfalah Stable Return Plan - I

Bank balances and accrued profit

Banks	Rating agency	Rating (Short Term / Long Term)	% of financial assets exposed to credit risk
Bank Alfalah Limited	PACRA	A1+ / AA+	95%
Allied Bank Limited	PACRA	A1+ / AAA	5%
Central Depository Company of Pakistan Limited	N/A	N/A	0%

Alfalah Stable Return Plan - II

Bank balances and accrued profit

Banks	Rating agency	Rating	% of financial assets exposed to credit risk
Bank Alfalah Limited	PACRA	A1+ / AA+	18%
Allied Bank Limited	PACRA	A1+ / AAA	82%

Alfalah Stable Return Plan - V

Bank balances and accrued profit

Banks	Rating agency	Rating	% of financial assets exposed to credit risk
Bank Alfalah Limited	PACRA	A1+ / AA+	100%

Alfalah Stable Return Plan - III

Bank balances and accrued profit

Banks	Rating agency	Rating	% of financial assets exposed to credit risk
Bank Alfalah Limited	PACRA	A1+ / AA+	100%
Allied Bank Limited	PACRA	A1+ / AAA	0%

20.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk. Further investments in Market treasury bills are not exposed to credit risk.

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the Statement of Movement in Unit Holders' Fund.

The Fund's objectives when managing unit holders' fund are to safeguard the Fund's ability to continue as a going concern in order to provide returns for the benefits of the unit holders to maintain a strong base of assets to support the development of the investment activities of the Fund and to meet unexpected losses or opportunities. As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. In order to comply with the requirement and to maintain or adjust the Unit Holders' Fund, the Fund's policy is to monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders and to redeem and issue units in accordance with the constitutive documents of the Fund which includes the Fund's ability to restrict redemptions.

The Fund manager, Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators such as yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

22 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at market prices prevailing on the date of the statement of assets and liabilities. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

22.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 the Fund held the following financial instruments measured at fair value:

22.1.1 Alfalah Stable Return Plan - I

Investments 'at fair value through profit or loss'
Market Treasury Bills

June 30, 2023			
Level 1	Level 2	Level 3	Total
(Rupees)			
-	1,086,378,649	-	1,086,378,649
-	1,086,378,649	-	1,086,378,649

22.1.2 Alfalah Stable Return Plan - II

Investments 'at fair value through profit or loss'
Market Treasury Bills

June 30, 2023			
Level 1	Level 2	Level 3	Total
(Rupees)			
-	858,654,556	-	858,654,556
-	858,654,556	-	858,654,556

22.1.3 Alfalah Stable Return Plan - V

Investments 'at fair value through profit or loss'
Market Treasury Bills

June 30, 2023			
Level 1	Level 2	Level 3	Total
(Rupees)			
-	2,632,421,441	-	2,632,421,441
-	2,632,421,441	-	2,632,421,441

23 GENERAL

23.1 Figures have been rounded off to the nearest Pakistani rupee.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

Alfalah Stable Rturn Fund Plan I

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of	Number of	Amount	% of total
		units held	Rupees	
Individuals	37	2,227,995	223,352,510	21%
Associated Co./ Directors	1	873,758	87,592,651	8%
Insurance Co.				0%
Retirement & Other Funds	1	324,648	32,545,406	3%
Others	7	7,272,004	729,005,273	68%
	46	10,698,405	1,072,495,840	100%

Alfalah Stable Rturn Fund Plan II

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of	Number of	Amount	% of total
		units held	Rupees	
Individuals	30	283,870	28,387,040	3%
Associated Co./ Directors				0%
Insurance Co.				0%
Retirement & Other Funds	2	1,741,974	174,197,947	21%
Others	4	6,468,119	646,813,885	76%
	36	8,493,963	849,398,872	100%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenure also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

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 tenure 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.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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PERFORMANCE TABLE - ASRF

	ASRF I	ASRF II
	30 June 2023	30 June 2023
	(Rupees in '000)	(Rupees in '000)
Net Assets	<u>1,072,496</u>	<u>849,399</u>
NAV per unit	<u>100.2482</u>	<u>100.0003</u>
Selling price per unit	<u>0.0000</u>	<u>0.0000</u>
Redemption price per unit	<u>100.2482</u>	<u>100.0003</u>
Highest selling price per unit	<u>106.9315</u>	<u>106.7834</u>
Highest redemption price per unit	<u>106.9315</u>	<u>106.7834</u>
Lowest selling price per unit	<u>100.0000</u>	<u>99.8328</u>
Lowest redemption price per unit	<u>100.0000</u>	<u>99.8328</u>
1st interim distribution per unit	<u>3.6974</u>	<u>6.7834</u>
1st interim distribution date	<u>26-Dec-22</u>	<u>26-Dec-22</u>
2nd interim distribution per unit	<u>6.3915</u>	<u>NIL</u>
2nd interim distribution date	<u>23-Jun-23</u>	<u>NIL</u>
Final distribution per unit	<u>NIL</u>	<u>NIL</u>
Final distribution date	<u>NIL</u>	<u>NIL</u>
Annualized returns %	<u>13.42%</u>	<u>12.08%</u>
Income distribution %	<u>10.09%</u>	<u>6.78%</u>
Weighted avg. portfolio duration (Days)	<u>0.15</u>	<u>0.46</u>

Key Financial Data**Alfalab GHP Prosperity Planning Fund**

(Rupees in Million)

Description	Alfalab GHP Active Allocation Plan	Alfalab GHP Conservative Allocation Plan	Alfalab GHP Moderate Allocation Plan	Alfalab GHP Active Allocation Plan	Alfalab GHP Conservative Allocation Plan	Alfalab GHP Moderate Allocation Plan
	For the year ended June 30, 2023			For the year ended June 30, 2022		
Average Net Assets	75.1041	213.7342	65.9845	176.274	198.889	175.028
Gross (loss) / income	7.52	31.39	7.94	-13.72	11.15	1.19
Total Comprehensive (loss) / Income	6.91	30.51	7.51	-12.24	12.29	4.07
Net Assets Value per Unit (PKR)	93.1710	104.2147	98.7278	93.1710	103.6268	97.7938
Issuance of units during the year	3.03	20.51	2.97	1.90	21.10	5.77
Redemption of units during the year	-127.70	-1.00	-145.14	-1.91	-12.40	-4.28

اعتراف

ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان کے شکر گزار ہیں۔ بورڈ ممبران اور منت پر مشینٹ کمپنی کے ملازمین اور سٹریٹجی کا اور مشینٹ میں اعتماد پر یونٹ ہولڈرز کا بھی شکر یہ ادا کرتے ہیں۔

منجانب بورڈ

چیف ایگزیکٹو آفیسر

--- اگست 2023ء

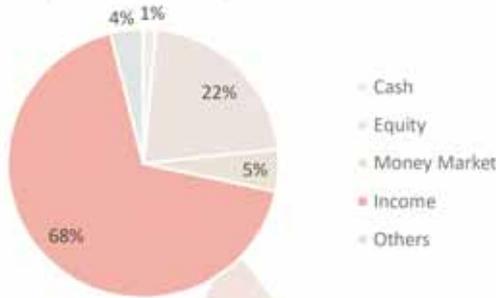
الفلاح GHP پراسپیریٹی پلاننگ فنڈ - ماڈریٹ پلان

فنڈ کارٹیرن 15.15 فیصد بیچ مارک ریٹرن کے برعکس 11.92 فیصد پر قائم رہا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 10.617 روپے فی یونٹ کا نقد منافع تقسیم ادا کیا۔

Asset Allocation - Moderate
(as at 30 June 2023)



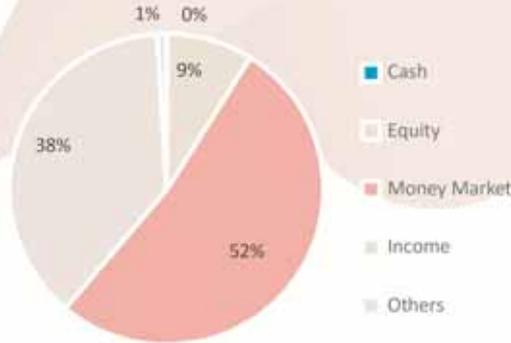
الفلاح GHP پراسپیریٹی پلاننگ فنڈ - کنزرویٹو پلان

فنڈ نے بیچ مارک جو 17.75 فیصد کمایا کے برعکس 15.25 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 15.1342 روپے فی یونٹ کا نقد منافع تقسیم ادا کیا۔

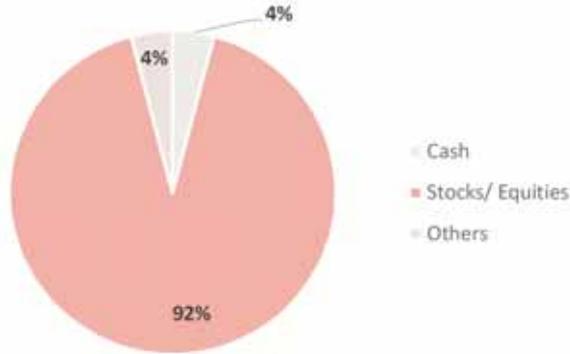
Asset Allocation - Conservative
(as at 30 June 2023)



الفلاح GHP کز یو مرائٹیکس کیپیٹل ٹریڈ فنڈ

فنڈ نے بیج مارک جو 14.36 - فیصد کمایا جبکہ اپنے آٹاز سے اب تک 15.72 - فیصد ریٹرن کمایا۔

Asset Allocation
(as at 30 June 2023)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023
Average Net Assets	47.121
Gross (loss)	-6.86
Total Comprehensive Loss	-7.98
Net Assets Value per Unit (PKR)	6.70
Issuance of units during the year	0.64
Redemption of units during the year	-5.24

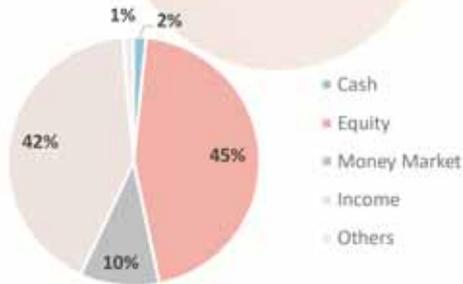
الفلاح GHP پرائیمری پیپٹک فنڈ - ایکٹو ایلوکیشن پلان

فنڈ کار بیٹرن 12.09 فیصد بیج مارک ریٹرن کے برعکس 10.20 فیصد پر قائم رہا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 7.8311 روپے فی یونٹ کا نقد منافع تقسیمہ ادا کیا۔

Asset Allocation
(as at 30 June 2023)



الفلاح اسٹیبل ریٹرن فنڈ - پلان 2

مالی سال 23 کے دوران، الفلاح اسٹیبل ریٹرن فنڈ - پلان 2 (ASRF-2) نے 12.08 فیصد ریٹرن کمایا جبکہ فنڈ کا بیج مارک 18.69 فیصد کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 6,7838 روپے فی یونٹ کا نقد منافع تقسیمہ ادا کیا۔

Asset Allocation
(as at 30 June 2023)



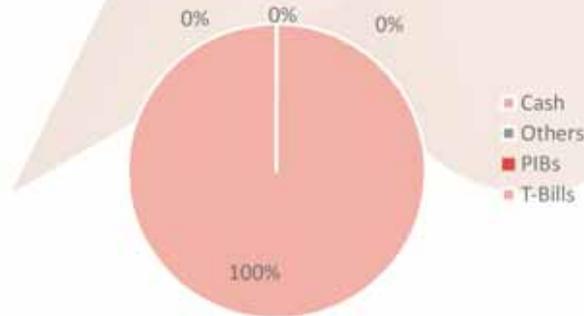
الفلاح اسٹیبل ریٹرن فنڈ - پلان 5

مالی سال 23 کے دوران، الفلاح اسٹیبل ریٹرن فنڈ - پلان 5 (ASRF-5) نے 19.71 فیصد ریٹرن کمایا جبکہ فنڈ کا بیج مارک 20.75 فیصد کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 4,4163 روپے فی یونٹ کا نقد منافع تقسیمہ ادا کیا۔

Asset Allocation
(as at 30 June 2023)



Key Financial Data

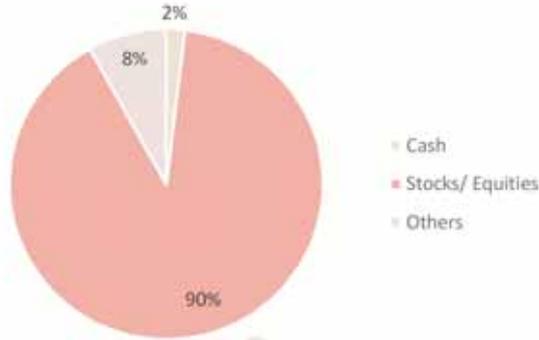
For the year ended June 30, 2023

Description	Alfalah Stable Return Fund - Plan 1	Alfalah Stable Return Fund - Plan 2	Alfalah Stable Return Fund - Plan 3
Average Net Assets	1,032,6679	848,5125	2,578,3124
Gross income	115,952	59,165	119,087
Total Comprehensive Income	109,674	55,979	111,617
Net Assets Value per Unit (PKR)	100,2482	100,0003	100,0000
Issuance of units during the period	1,205,377	1,078,765	6,253,042
Redemption of units during the period	-135,799	-230,906	-3,640,987

الفلاح GHP ڈیٹیکھیڈ ایجوکیشنل فنڈ

مالی سال 23 کے دوران، AGSF نے 3.46 فیصد شیڈ مارک (KSE-100) ریٹرن کے برعکس -0.97 فیصد ریٹرن کمایا۔

Asset Allocation
(as at 30 June 2023)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023
Average Net Assets	49.0770
Gross (loss) / profit	-60.58
Total Comprehensive income / (loss)	-69.01
Net Assets Value per Unit (PKR)	48.6897
Issuance of units during the year	25.09
Redemption of units during the year	-158.99

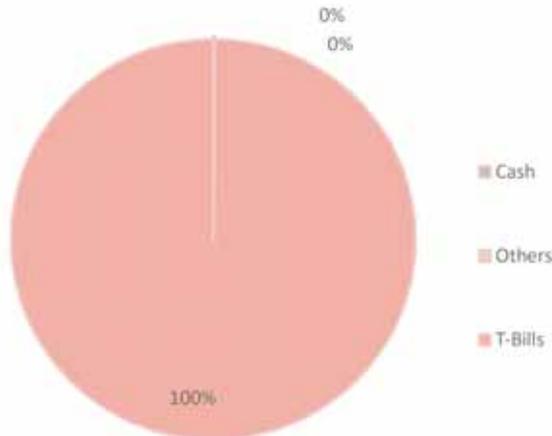
الفلاح اسٹیبل ریٹرن فنڈ - پلان 1

مالی سال 23 کے دوران، الفلاح اسٹیبل ریٹرن فنڈ - پلان 1 (ASRF-1) نے 13.42 فیصد ریٹرن کمایا جبکہ فنڈ کا شیڈ مارک 17.57 فیصد کمایا۔

ادائیگی

سال کے دوران، فنڈ نے پونے 7.2824 روپے فی یونٹ کا نقد منافع تقسیم ادا کیا۔

Asset Allocation
(as at 30 June 2023)



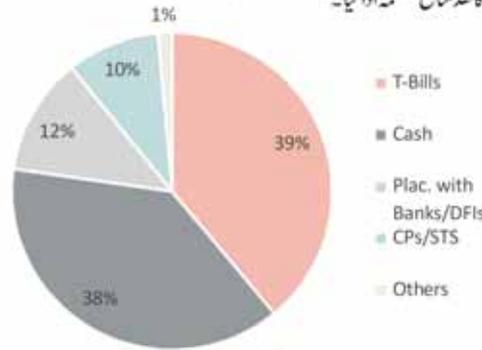
الفلاح GHP کیش فنڈ

مالی سال 23 کے دوران، الفلاح GHP کیش فنڈ (AGCF) نے 17.56 فیصد ریٹرن کمایا جبکہ فنڈ کا بیج مارک 17.07 فیصد تھا۔

ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونٹ ہولڈرز کو 80,932,900 روپے فی پونٹ کا نقد منافع تقسیمہ ادا کیا۔

Asset Allocation
(as at 30 June 2023)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	6,723.1798	7,864.9506
Gross income	1,108.17	870.29
Total Comprehensive Income	1,044.17	860.95
Net Assets Value per Unit (PKR)	503.0411	500.8549
Issuance of units during the year	25,785.79	33,593.53
Redemption of units during the year	-34,298.57	-26,339.91

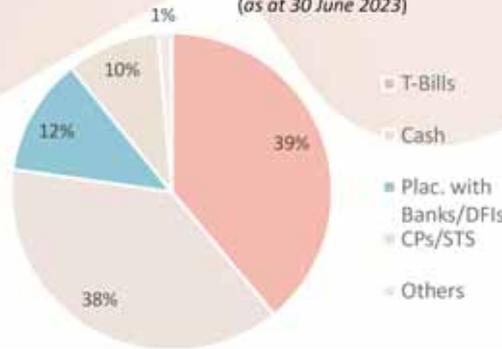
الفلاح GHP مٹی مارکیٹ فنڈ

مالی سال 23 کے دوران، الفلاح GHP مٹی مارکیٹ فنڈ (AGMMF) نے 17.70 فیصد ریٹرن کمایا جبکہ فنڈ کا بیج مارک 17.05 فیصد تھا۔

ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونٹ ہولڈرز کو 15,673,700 روپے فی پونٹ کا نقد منافع تقسیمہ ادا کیا۔

Asset Allocation
(as at 30 June 2023)



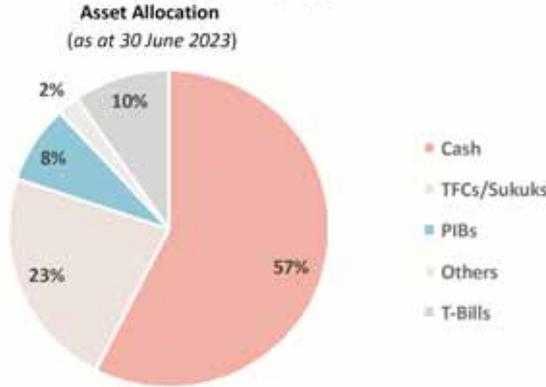
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	29,663.9372	24,538.1619
Gross income	5,111.395	2,534.36
Total Comprehensive Income	4,810.70	2,506.08
Net Assets Value per Unit (PKR)	98.8365	98.3719
Issuance of units during the year	117,388.44	94,454.56
Redemption of units during the year	-107,947.62	-92,941.32

الفلاح GHP انکم فنڈ

زیر جائزہ مدت کے دوران، AGIF نے 17.13 فیصد ریٹرن کمایا جبکہ فنڈ کا بیچ مارک 18.33 فیصد پر قائم رہا۔



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	487.1742	1,694.2748
Gross income	82.33	146.72
Total Comprehensive Income	75.29	126.19
Net Assets Value per Unit (PKR)	113.6112	113.1815
Issuance of units during the year	1,438.93	4,557.85
Redemption of units during the year	-2,429.22	-5,014.42

الفلاح GHP انکم ٹینی پائرفنڈ

سال کے دوران، الفلاح GHP انکم ٹینی پائرفنڈ نے 19.41 فیصد کار ریٹرن کمایا جبکہ بیچ مارک ریٹرن 18.61 فیصد پر قائم رہا۔

ادائیگی

سال کے دوران، فنڈ نے پونے ہولڈرز کو 10.3524 روپے فی یونٹ کا نقد منافع محسوسہ ادا کیا۔



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	2,095.5099	109.4885
Gross income	427.48	14.42
Total Comprehensive Income	414.44	5.66
Net Assets Value per Unit (PKR)	54.0379	53.9402
Issuance of units during the year	14,396.57	13.66
Redemption of units during the year	-6,190.17	-86.87

الغلام GHP اسٹاک فنڈ

مالی سال 23 کے دوران، AGSF نے اسی مدت کے دوران 0.21 فیصد شیئنگ مارک (KSE-100) ریٹرن کے برعکس 0.85 فیصد کارڈ ریٹرن کمایا۔



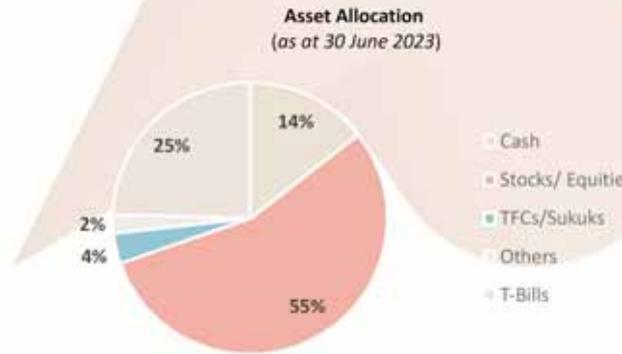
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	1,203.4809	1,969.2843
Gross (loss) / Profit	46.31	-311.05
Net Comprehensive Loss	-11.10	-377.21
Net Assets Value per Unit (Rs.)	89.8071	90.5762
Issuance of units during the year	180.74	558.91
Redemption of units during the year	-379.81	-1,036.81

الغلام GHP ویڈیو فنڈ

مالی سال 23 کے دوران، AGVF نے 7.08 فیصد شیئنگ مارک ریٹرن کے برعکس 4.27 فیصد ریٹرن کے ساتھ اپنی شیئنگ مارک کی اہتر کارڈ ریٹرن کی کا مظاہرہ کیا۔



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	356.2603	531.8269
Gross (loss) / profit	30.35	-60.58
Total Comprehensive income / (loss)	13.73	-69.01
Net Assets Value per Unit (PKR)	48.7598	48.6897
Issuance of units during the year	29.02	25.09
Redemption of units during the year	-167.71	-158.99

فنڈ کے آپریٹرز اور کارکردگی

الفلاح GHP الفانڈ

مالی سال 23 کے دوران، AGAF نے گزشتہ اسی مدت کے دوران -0.21 فیصد کی بیش مارک (KSE-100) ریٹرن کے برعکس -0.31 فیصد کار ریٹرن کمایا۔



Key Financial Data

(Rupees in Million)

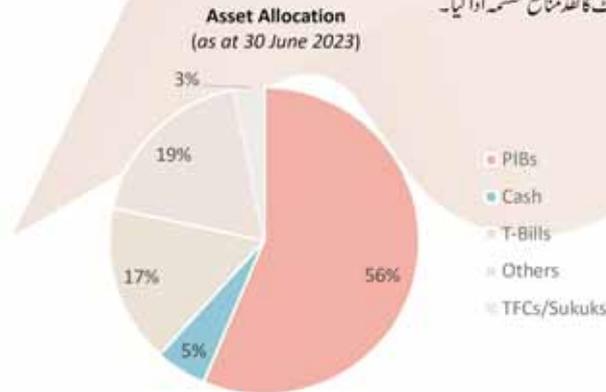
Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	569.4691	812.0516
Gross (loss)/ Profit	30.32	-129.97
Total Comprehensive Loss	2.92	-150.96
Net Assets Value per Unit (PKR)	48.93	49.08
Issuance of units during the year	40.86	203.18
Redemption of units during the year	-159.31	-399.34

الفلاح GHP سوکین فنڈ

مالی سال 23 کے دوران، الفلاح GHP سوکین فنڈ نے 18.20 فیصد کی بیش مارک ریٹرن کے برعکس 16.07 فیصد کار ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 16,73,88 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	530.3501	913.4234
Gross income	83.27	84.23
Total Comprehensive Income	75.98	76.52
Net Assets Value per Unit (PKR.)	107.1283	106.7648
Issuance of units during the year	533.96	319.52
Redemption of units during the year	-791.80	-793.80



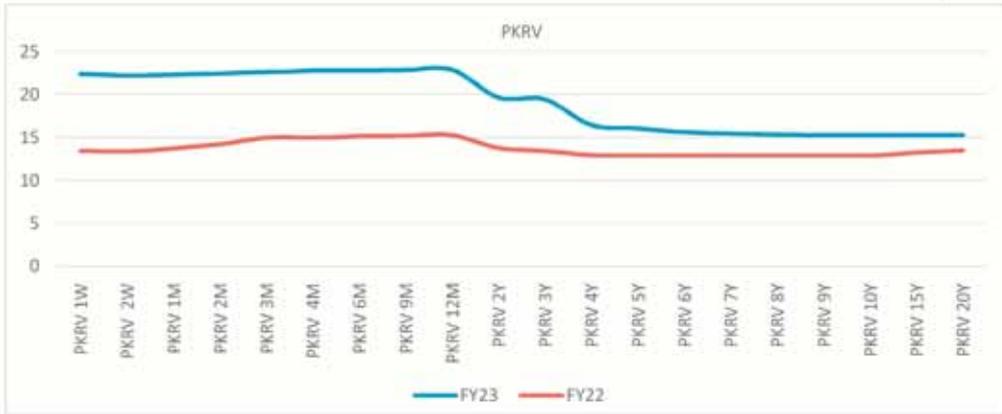
منی مارکیٹ

پاکستان کو مالی سال 22 میں 6.10 فیصد کے مقابلے میں مالی سال 23 کے دوران جی ڈی پی کی شرح نمو 0.29 فیصد متوقع ہے۔

مالی سال 23 کے لیے افراط زر کی اوسط 29.04% رہی، جس کی بنیادی وجہ پاکستانی روپیہ کی قدر میں حد سے زیادہ کمی ہے جس کے نتیجے میں پیٹرول اور دیگر تمام درآمدات سمیت مقامی قیمتیں بڑھ گئیں، جبکہ خوراک کی قیمتوں میں سیلاب کی وجہ سے ہونے والی تباہی کے باعث بہت زیادہ اضافہ ہو گیا، جب کہ مالی سال 24 کی توقع مالی سال 24 کی آخری ششماہی میں ہائی میں ایکٹ شروع ہونے تک 23%-24% کے درمیان ہے۔

پاکستانی روپیہ کی قدر میں کمی کی وجہ سے بڑھتے ہوئے افراط زر کے دباؤ کے جواب میں اور بڑھتی ہوئی معاشی سرگرمیوں کو کنٹرول کرنے کے لیے مرکزی بینک نے جون 2022 سے پالیسی شرح کو 825bps تک بڑھا کر 22% کر دیا (30 جون 2022 کو 13.75%)۔ اسی طرح کی حرکت ثانوی مارکیٹ کی پیداوار میں دیکھی گئی ہے کیونکہ ان میں 1W سے 12M مدتی بلوں کے لیے اوسطاً 8.14% اضافہ ہوا ہے۔ جبکہ مجموعی پیداوار کا منحنی خط اس وقت الٹا ہے جو طویل مدتی شرحوں میں کمی کی مارکیٹ شرکاء کی توقعات کو ظاہر کرتا ہے۔

اگلی مائٹری پالیسی 31 جولائی 2023 کو شیڈول ہے، جہاں پالیسی ریٹ میں مزید اضافہ کو مسترد کیا جاسکتا ہے کیونکہ یٹیلیٹی ٹیرف میں اضافے اور پاکستانی روپیہ کی قدر میں کمی کے باعث افراط زر فروری 2024 تک بلند رہنے کی توقع ہے۔



آئی ایم ایف پروگرام نے ہمارے اقتصادی منصوبے کے لیے انتہائی ضروری یقینی اور یقین دہانی فراہم کی ہے۔ اس کی رہنمائی اور حمایت نے پائیدار نمو اور خوشحالی کی راہ کو مضبوط کیا ہے۔

آگے بڑھتے ہوئے، مالی سال 2024 کی آخری ششماہی میں مانیٹری زمی شروع ہونے کے بعد معاشی سرگرمیوں میں اضافہ متوقع ہے کیونکہ آئی ایم ایف کے تخمینے کے مطابق مالی سال 24 اور مالی سال 25 میں جی ڈی پی میں بالترتیب 2.5 فیصد اور 3.6 فیصد نمو کی توقع ہے جس میں سیلاب کی وجہ سے مندی والے سال سے بحالی کے بعد زراعت اہم کردار ادا کرے گی۔

آئی ایم ایف پروگرام کے مطابق پیٹرولیم مصنوعات اور ٹیلیٹی ٹیرف میں ایڈجسٹمنٹ کے ساتھ، مالی سال 24 کے لیے افراط زر کی اوسط 23% - 24% کے درمیان متوقع ہے۔ افراط زر میں نرمی اور بتدریج کمی متوقع ہے، جس کی بنیادی وجہ پچھلے سال سے زیادہ بنیادی اثر ہے۔ تاہم، زیادہ ٹیکس اور بڑھتی ہوئی توانائی کی لاگت سمیت وہ اقدامات، جن کا مقصد آئی ایم ایف کے معاہدے کو محفوظ بنانا ہے، کسی حد تک افراط زر کے دباؤ میں حصہ ڈال سکتے ہیں۔

مانیٹری زمی سال کی آخری ششماہی میں شروع ہونے کی توقع ہے جس میں افراط زر 20% سے کم ہونے کی امید ہے۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 23 کے دوران، بیٹھ مارک انڈیکس زیادہ تر قلت رہا اور بگڑتے ہوئے معاشی اشاروں کی وجہ سے 0.21 فیصد کمی معمولی منفی ریٹرن درج کرائی۔ سال کے دوران انڈیکس ریٹج باؤنڈری کیونکہ اگست 22 میں یہ 43,676 کی انتہائی سطح پر پہنچ گیا تھا، تاہم 41,453 پوائنٹس کی ٹھیلی سطح پر بند ہوا۔

میکرو اکنامک اشاروں میں گراؤت جیسے کہ الف) بہت زیادہ بلند افراط زر اور شرح سود کی وجہ سے معاشی سرگرمیوں میں سست روی؛ ب) غیر ملکی زرمبادلہ کے ذخائر کا کم ہونا اور بیرونی قرضوں کی بڑے پیمانے پر ادائیگیوں کی وجہ سے پاکستانی روپیہ کی گراؤت اور ج) قحط کے شکار آئی ایم ایف پروگرام کو دوبارہ شروع کرنے میں ناکامی، سرمایہ کاروں کے جذبات کی پستی اور اس کے نتیجے میں سرمایہ کار کم رسک مٹی مارکیٹ سرمایہ کاری کی طرف متوجہ ہونے پر مجبور ہو گئے۔

مالی سال 23 نومبر میں بیٹھ مارک انڈیکس میں کمپنیوں کی طرف سے درج کردہ ریکارڈ منافع کے باوجود، مذکورہ عوامل نے سرمایہ کاروں کو ایکویٹی مارکیٹ سے دور رکھا کیونکہ KSE-100 انڈیکس کا اوسط تجارتی حجم بھی 21% سالانہ سے کم ہو کر 90.65 ملین شیئرز پر آ گیا۔ پاور جنریشن اور فریڈا نڈریکٹرز نے انڈیکس میں سب سے زیادہ حصہ ڈالا، کیونکہ سرمایہ کاروں نے پاور سیکٹرز میں مستحکم طلب، ڈیویڈنڈ کی زیادہ پیداوار اور امریکی ڈالر کی متوقع آمدنی والے شعبوں میں داخل ہو گئے، جبکہ گرین بیک کے برعکس پاکستانی روپیہ کی قدر میں بڑے پیمانے پر کمی کی وجہ سے فارماسیوٹیکلز نے انڈیکس میں سب سے زیادہ منفی حصہ ڈالا۔

مالی سال 23 میں غیر ملکی خالص خریدار رہے، کیونکہ خالص غیر ملکی آمدنی مالی سال 22 کے دوران 295 ملین امریکی ڈالر خالص اخراج کے مقابلے میں 4 ملین امریکی ڈالر رہی۔

آگے بڑھتے ہوئے، ہمارا خیال ہے کہ قحط کے شکار آئی ایم ایف پروگرام کی بحالی اور گراؤت حکومت کی، بھمکے طور پر توجہ معاشی استحکام کو برقرار رکھنے پر ہوگی، جس سے محتاط مالیاتی پالیسی کو یقینی، مالیاتی زوال سے بچاؤ اور مارکیٹ کی بنیاد پر شرح مبادلہ کو برقرار رکھا جائے گا۔ یہ اقتصادی منصوبے کے لیے انتہائی ضروری وضاحت اور یقین دہانی فراہم کرے گا۔

سازگار میکرو اکنامک نقطہ نظر یعنی گرتی ہوئی افراط زر، شرح سود کی بلندی، ذخائر میں بہتری اور پاکستانی روپیہ کا استحکام، ایکویٹی مارکیٹ کے لیے ایک بہت بڑے بوسٹر کا کام کرے گا جو اس وقت تاریخی کم ملٹیپلر (3.7x کی فارورڈ PE) پر تجارت کر رہی ہے، جس کے لیے اہم امکانات پیش کیے جا رہے ہیں۔ 2024 میں متوقع آمدنی میں دوہرے ہندسوں کی نمو کے ساتھ، ہم توقع کرتے ہیں کہ مقامی اسٹاک مارکیٹ مالی سال 24 میں مضبوط کارکردگی پیش کرے گی۔

ڈائریکٹرز کی یونٹ ہولڈرز زکوریٹ برائے نکلتمہ سال 30 جون 2023

بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2023 کو ختم ہونے والے سال کے لئے میں الفلاح GHP اگم ٹی پائرفنڈ (AGIMF)، الفلاح GHP کیش فنڈ (AGCF)، الفلاح GHP الفانڈ (AGAF)، الفلاح GHP ویلوفنڈ (AGVF)، الفلاح GHP سورجین فنڈ (AGSOF)، الفلاح GHP اگم فنڈ (AGIF)، الفلاح GHP اسٹاک فنڈ (AGSTF)، الفلاح GHP منی مارکیٹ فنڈ (AGMMF)، الفلاح اسٹیبل ریٹرن فنڈ پلان 1، الفلاح اسٹیبل ریٹرن فنڈ پلان 2، الفلاح اسٹیبل ریٹرن فنڈ پلان 5، الفلاح GHP پراسپیئرٹی پائنگ فنڈ (AGPPF)، الفلاح GHP ڈیڈ ویگنڈ (AGDEF) اور الفلاح کنزیومر انڈیکس ایکسیچنجر ٹریڈ فنڈ (ACIETF) کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

معاشی جائزہ

حکومت نے مالی سال 22 میں 6.10 فیصد کے مقابلے میں مالی سال 23 کے لیے جی ڈی پی کی شرح نمو 0.29 فیصد رہنے کا تخمینہ لگایا ہے۔ جی ڈی پی نمو کم رہنے کی بنیادی وجہ الف) اقتصادی سرگرمیوں میں سست روی جو کہ مرکزی بینک کی طرف سے معیشت کی اوور ہیٹنگ پر قابو پانے اور تیزی سے کم ہوتے غیر ملکی زرمبادلہ کے ذخائر کو بچانے کے لیے درآمدی پابندیوں کی وجہ سے ہوئی اور ب) سیلابوں کی وجہ سے اہم زرعی فصلوں اور مویشیوں کی بڑے پیمانے پر تباہی، جس کے نتیجے میں بہت زیادہ افراط زر اور شرح سود میں اضافہ ہوا۔

درآمدات میں 27% کی کافی کمی نے بیرونی کھاتوں میں لکچر کو کم کرنے میں مدد کی، جیسا کہ مالی سال 23 کے لیے کرنٹ اکاؤنٹ خسارہ 2.56 بلین امریکی ڈالر باوجود پچھلے سال کی اسی مدت میں 17.48 بلین امریکی ڈالر تھا (کافی حد تک 85% کی کمی ہوئی)۔ مزید برآں، ترسیلات زر، جو کہ سفری پابندیوں کے پس منظر میں ایک کلیدی معاون رہیں، مالی سال 23 میں رفتار کم ہونا شروع ہو گئی، کیونکہ ماہانہ ترسیلات زر کی اوسط مالی سال 22 میں 2.6 بلین امریکی ڈالر جبکہ رواں سال میں 2.2 بلین امریکی ڈالر رہی۔

بیرونی قرضوں کی بھاری ادائیگیوں کی وجہ سے، غیر ملکی زرمبادلہ کے ذخائر جون کے اختتام میں بڑے پیمانے پر کم ہو کر 9.18 بلین امریکی ڈالر ہو گئے جو پچھلے سال کے اختتام پر 15.45 بلین امریکی ڈالر تھے۔ زرمبادلہ کی شرح کو بہت زیادہ دباؤ کا سامنا کرنا پڑا کیونکہ 30 جون 2022 کو پاکستانی روپے کی قدر 204.85 پاکستانی روپے سے تقریباً 28% کم ہو کر 285.99 پاکستانی روپے ہو گئی۔ مئی 2023 میں، پاکستانی روپیہ 298.93 کی ہمد وقتی کم سطح پر آ گیا، تاہم، IMF پروگرام کو دوبارہ شروع کرنے پر اس نے کچھ بنیادیں بحال ہو گئیں۔ آگے بڑھتے ہوئے، پاکستانی روپیہ سالانہ بنیادوں پر 5%-6% کی نامٹل سطح پر لاسکتا ہے کیونکہ دوست ممالک سے ممکنہ آمد اور ملٹی لیٹرنل پاکستانی روپیہ کی سلائڈ کو کنٹرول میں رکھیں گے۔

مالی سال 23 کے لیے افراط زر کی اوسط 29.04% رہی، جس کی بنیادی وجہ پاکستانی روپیہ کی قدر میں حد سے زیادہ کمی ہے جس کے نتیجے میں پیٹرول اور دیگر تمام درآمدات سمیت مقامی قیمتیں بڑھ گئیں، جب کہ سیلاب سے ہونے والی تباہی کی وجہ سے خوراک کی قیمتوں میں بہت زیادہ اضافہ ہوا۔

پاکستانی روپیہ کی قدر میں کمی کی وجہ سے بڑھتے ہوئے افراط زر کے دباؤ کے جواب میں اور بڑھتی ہوئی معاشی سرگرمیوں کو کنٹرول کرنے کے لیے، مرکزی بینک نے جون 2023 سے پالیسی شرح کو 825bps تک بڑھا کر 22% کر دیا (30 جون 2022 کو 13.75%)۔

مالیاتی محاذ پر، گزشتہ سال کے مقابلے میں مالی سال 23 میں ٹیکس ریونیو میں 16 فیصد کا شاندار اضافہ ہوا ہے، جبکہ ایف بی آر کے ہدف میں 6 فیصد کمی رہی۔ مالی سال 22 کے ٹیکس ریونیو بریک اپ کے مطابق، براہ راست ٹیکس ریونیو میں 43 فیصد کا اضافہ ہوا ہے، جبکہ ڈیوٹی اور سیلز ٹیکس سمیت بالواسطہ ٹیکسوں میں 1 فیصد کا اضافہ ہوا ہے جس کی بنیادی وجہ درآمدات میں کمی ہے۔ مزید برآں، سیلاب سے متعلقہ زیادہ مارک اپ اخراجات اور بحالی کے اخراجات کے نتیجے میں مالیاتی خسارہ مالی سال 23 کے لیے جی ڈی پی کے 7.7 فیصد تک پہنچ گیا ہے جو کہ گزشتہ سال کی اسی مدت کے لیے 7.9 فیصد تھا۔

جولائی 2023 میں، پاکستان نے آئی ایم ایف کے ساتھ اسٹینڈ بائی معاہدہ کیا، جس میں 9 ماہ کے عرصے میں 3 بلین امریکی ڈالر کی مالی امداد، جبکہ 1.2 بلین امریکی ڈالر کی ابتدائی تقسیم شامل ہے۔ مزید برآں، ملک کو سعودی عرب اور متحدہ عرب امارات سمیت اپنے دو طرفہ شراکت داروں سے 3 بلین امریکی ڈالر کی مالی مدد بھی حاصل ہوئی، جبکہ مالی سال 24 میں واجب الادا ادائیگیوں کا 50% ادا ہونے کی توقع ہے۔ آئی ایم ایف کے معاہدے کے ساتھ ساتھ ان آمدورفت کے نتیجے میں جون 2023 میں ایف ایکس کے ذخائر 4.4 بلین امریکی ڈالر سے بڑھ کر 8.2 بلین امریکی ڈالر ہو گئے ہیں اور یہ دو طرفہ اور کثیر جہتی ایجنسیوں سے مزید رقم کوراغب کرنے کی صلاحیت رکھتا ہے جو بالآخر مالی سال 24 میں واجب الادا بیرونی قرضوں کی ادائیگی کے انتظام میں ملک کی مدد کرے گا۔