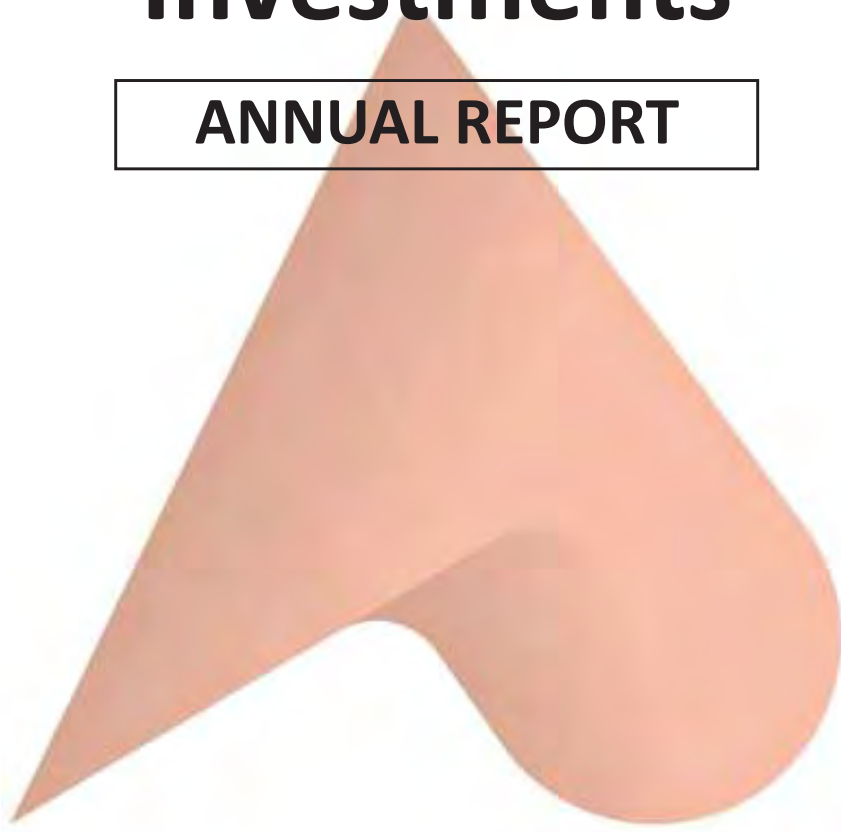


ALFALAH Investments

ANNUAL REPORT



**JUNE 30,
2018**



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MISSION STATEMENT

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

VISION STATEMENT

"To be the leading wealth management firm by offering global investment advice 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, 2018

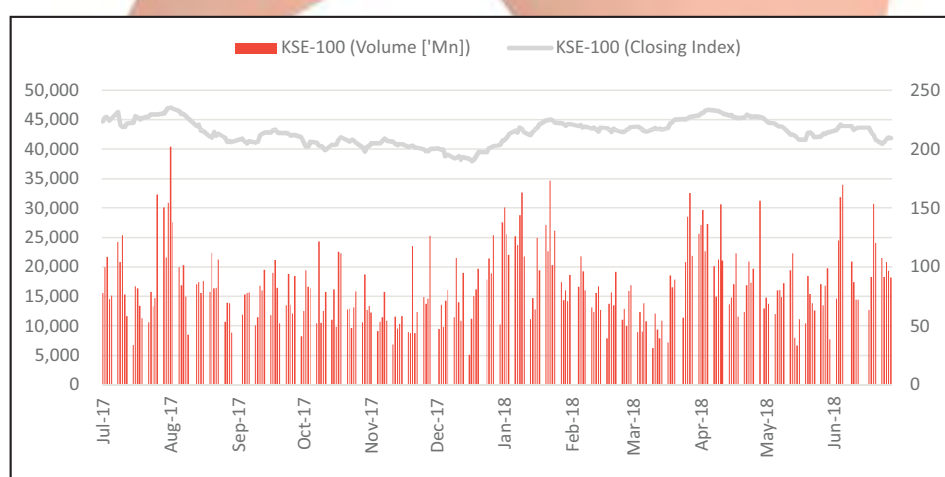
On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Income Multiplier Fund (AGIMF), Alfalah GHP Cash Fund (AGCF), Alfalah GHP Islamic Stock Fund (AGISTF), Alfalah GHP Alpha Fund (AGAF), Alfalah GHP Value Fund (AGVF), Alfalah GHP Sovereign Fund (AGSOF), Alfalah GHP Income Fund (AGIF), Alfalah GHP Stock Fund (AGSTF), Alfalah GHP Money Market Fund (AGMMF), Alfalah GHP Islamic Income Fund (AGIIF), Alfalah GHP Prosperity Planning Fund (AGPPF), Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF), Alfalah GHP Dedicated Equity Fund (AGIDEF), Alfalah GHP Islamic Value Fund, Alfalah Capital Preservation Fund II (AGCPF II), for the year ended June 30, 2018.

Economy Overview

Growth of large scale manufacturing (LSM) slowed during April to just 4.14% YoY, which brought the 10MFY18 growth to 5.76%. Compared to the previous month, LSM Index declined 16.08% in April mostly due to a contraction in the Pharmaceutical and Iron and Steel Industries. In its rating update issued in June, Moody's downgraded the outlook on its rating for Pakistan (B3) to "Negative" from "Stable" previously. The update, however, stated that Pakistan continues to have robust growth potential due to ongoing improvements in energy supply and physical infrastructure. On the other hand, the World Bank in its report issued in June commented that Pakistan's growth in FY19 is likely to moderate to 5.0% (against 5.8% estimated for FY18) due to tighter policies to improve macroeconomic stability. Going forward, the trade war between USA and China may also affect Pakistan due to its trade with China. Inflation was recorded at 5.21% YoY in June, which is the highest since October 2014. CPI growth is expected to remain north of 5.5% for the remainder of the year due to the base effect as well as high fuel prices. Going forward oil prices are expected to remain at an elevated level due to the upcoming sanctions on Iran, which will affect a majority of the 2.5m b/d of oil that Iran currently exports. Pakistan's external position remains precarious, with foreign exchange reserves at USD 16.2bn (SBP reserves under USD 10bn), which is about 2x import cover. Moreover, PKR depreciated by 5.1% during the month to reach PKR 121.4972/USD. In order to stabilize the external position, the government is considering several options. The interim government cannot make a long-term commitment like entering into an IMF program; hence, it is currently considering other solutions, for example borrowing from China. Moreover, the GoP remains upbeat over attracting foreign exchange through its amnesty scheme, the deadline for which has been extended till the end of Jul'18. According to news sources, revenue worth PKR 80-100bn has been generated through this scheme by the end of June.

Equity Market Review

The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of July, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Formal elections campaigns have kicked off ahead of the Jul 25'18 general elections that are mainly a contest between PML-N and PTI. Key province remains Punjab that accounts for 50%+ of directly contested NA seats, and momentum appears to be with PTI as PML-N faces defections. A decision in the NAB references against ex-PM Nawaz Sharif is a potential major event ahead of elections. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.



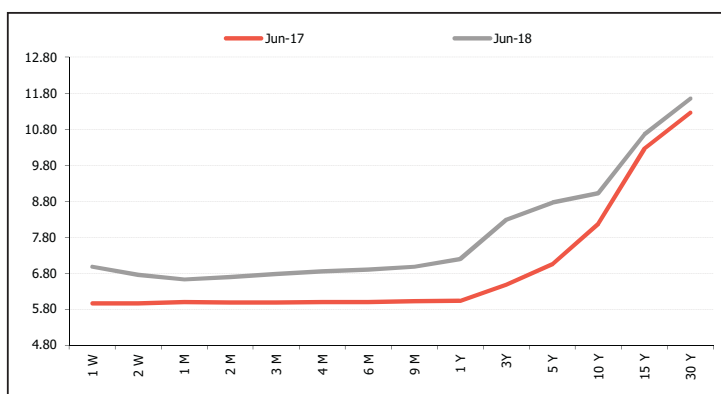
Money Market

Pakistan's GDP posted a growth of 5.79% in FY 18 as compared to 5.37% in FY 17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

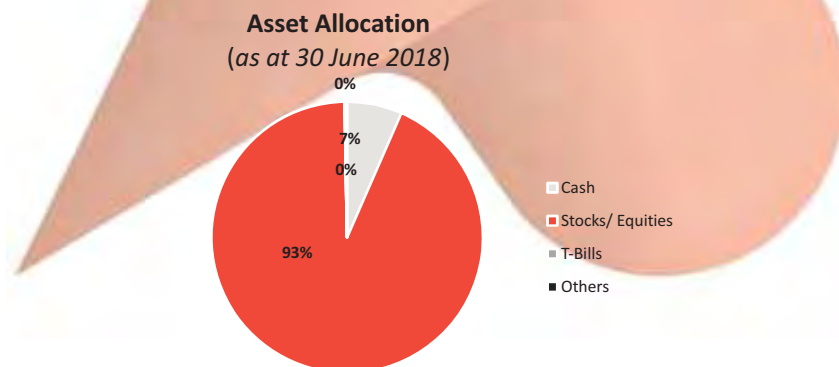
The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.



Fund Operations and Performance

Alfalah GHP Alpha Fund

During FY18, AGAF earned a return of -14.18% versus the benchmark (KSE-100) return of -10.00% during the same period.



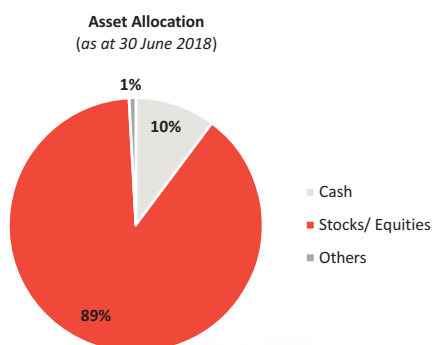
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	1,821.60	1,667.60
Gross (loss) / income	-234.71	416.58
Total Comprehensive Income	-296.39	342.35
Net Assets Value per Unit (PKR)	72.52	84.50
Issuance of units during the period	960.07	2,043.07
Redemption of units during the period	-265.03	-1,879.75

Alfalsh GHP Islamic Stock Fund

In FY18, AGISTF earned a return of -14.43% while its benchmark earned a return of -9.59% during the same period.



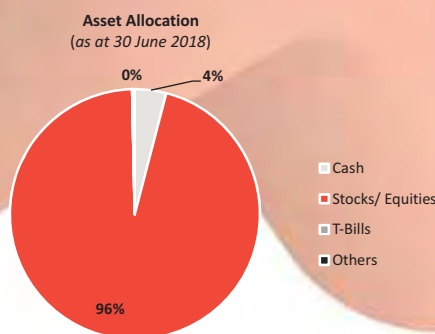
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	5,919.37	6,533.29
Gross (loss) / income	-1,132.34	1,346.79
Total Comprehensive Income	-1,335.15	1,904.36
Net Assets Value per Unit (PKR)	62.3088	72.8229
Issuance of units during the period	2,213.02	10,923.38
Redemption of units during the period	-5,625.08	-4,102.21

Alfalsh GHP Stock Fund

During FY18, AGSF earned a return of -14.61% versus the benchmark (KSE-100) return -10.00% during the same period.



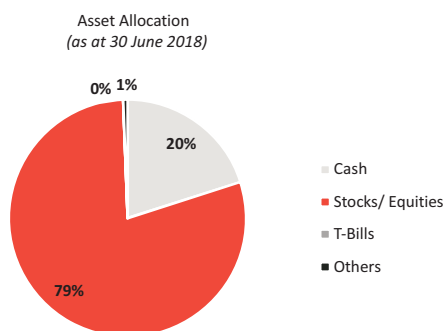
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	2,663.39	2,720.74
Gross (loss) / income	-404.65	644.73
Total Comprehensive Income	-497.37	614.83
Net Assets Value per Unit (PKR)	133.9569	156.8824
Issuance of units during the period	2,102.41	3,965.14
Redemption of units during the period	-1,912.06	-3,016.84

Alfalsh GHP Value Fund

During FY18, AGVF underperformed its benchmark with a return of -12.04% versus the benchmark return of -6.76% during the same period.



Key Financial Data

(Rupees in Million)

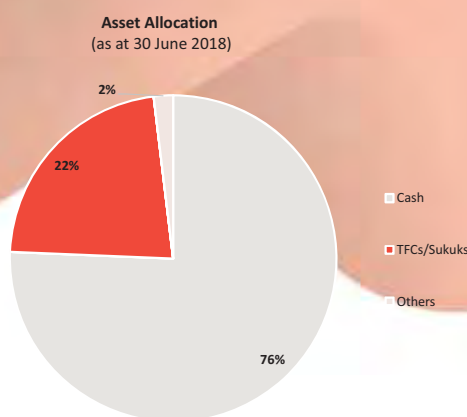
Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	2,353.78	1,544.048
Gross (loss) / income	-224.67	283.17
Total Comprehensive Income	-304.94	461.49
Net Assets Value per Unit (PKR)	61.9813	70.4655
Issuance of units during the period	1,368.91	3,530.23
Redemption of units during the period	-1,015.80	-2,068.79

Alfalsh GHP Income Fund

During the period under review, AGIF earned a return of 4.79% while the fund's benchmark stood at 6.35%.

Payout

Subsequent to the year end, the fund paid out cash dividend of PKR. 5.3659 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

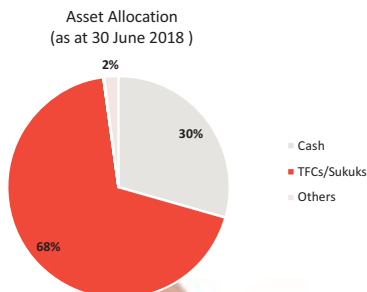
Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	730.92	1,256.978
Gross (loss) / income	48.47	93.42
Total Comprehensive Income	33.90	34.07
Net Assets Value per Unit (PKR)	117.3377	111.9719
Issuance of units during the period	1,282.75	3,012.47
Redemption of units during the period	-1,534.34	-2,929.27

Alfaluh GHP Income Multiplier Fund

During the period, Alfalah GHP Income Multiplier Fund generated a return of 4.90% while the benchmark stood at 6.69% during the same period.

Payout

Subsequent to the year end, the fund paid out cash dividend of PKR. 2.6124 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

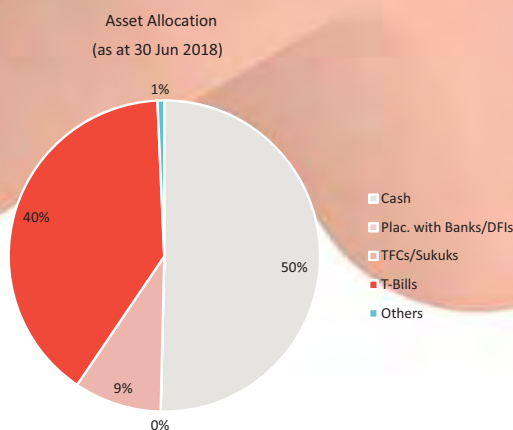
Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	1,583.75	2,276.115
Gross (loss) / income	108.07	175.35
Total Comprehensive Income	26.28	52.27
Net Assets Value per Unit (PKR)	55.8625	53.2500
Issuance of units during the period	1,760.83	4,299.03
Redemption of units during the period	-2,921.00	-4,147.55

Alfaluh GHP Sovereign Fund

During FY18, Alfalah GHP Sovereign Fund generated a return of 4.96% while the fund's benchmark returned 6.20% during the same period.

Payout

Subsequent to the year end, the fund paid out cash dividend of PKR. 5.2464 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

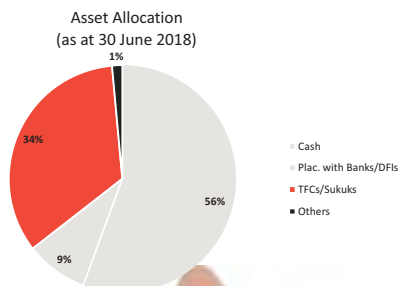
Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	1,235.94	3108.014
Gross (loss) / income	80.98	206.40
Total Comprehensive Income	59.88	40.18
Net Assets Value per Unit (PKR)	111.0050	105.7586
Issuance of units during the period	1,455.015	5,554.170
Redemption of units during the period	-1,898.730	-7,436.773

Alfaluh GHP Islamic Income Fund

Alfaluh GHP Islamic Income Fund during the period under review generated a return of 4.22% p.a. while the benchmark generated an average return of 2.44% p.a.

Payout

Subsequent to the year end, the fund paid out cash dividend of PKR. 4.2713 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

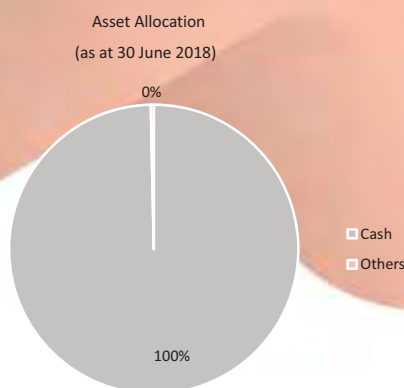
Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	6,022.53	3,654.929
Gross (loss) / income	346.99	241.30
Total Comprehensive Income	253.99	82.80
Net Assets Value per Unit (PKR)	105.5066	101.2353
Issuance of units during the period	7,735.66	9,442.35
Redemption of units during the period	-6,328.85	6,887.71

Alfaluh GHP Cash Fund

During FY18, Alfalah GHP Cash Fund (AGCF) generated a return of 4.71% while the benchmark of the fund generated 5.36% during the same period.

Payout

Subsequent to the year end, the fund paid out cash dividend of PKR. 23.36 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

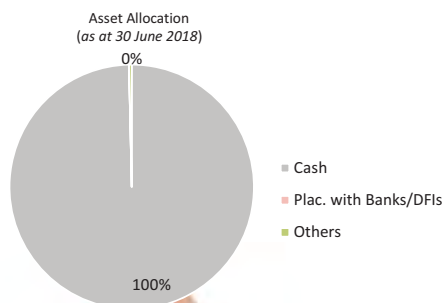
Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	131.44	838.590
Gross (loss) / income	9.32	70.16
Total Comprehensive Income	6.24	90.38
Net Assets Value per Unit (PKR)	520.20	496.75
Issuance of units during the period	276.41	2,874.25
Redemption of units during the period	-1,544.05	3,303.94

Alfaluh GHP Money Market Fund

During FY18, Alfalah GHP Money Market Fund (AGMMF) generated a return of 5.46% while the benchmark of the fund generated 5.36% during the same period.

Payout

Subsequent to the year end, the fund paid out cash dividend of PKR. 5.3241 Per unit to the unit holders.



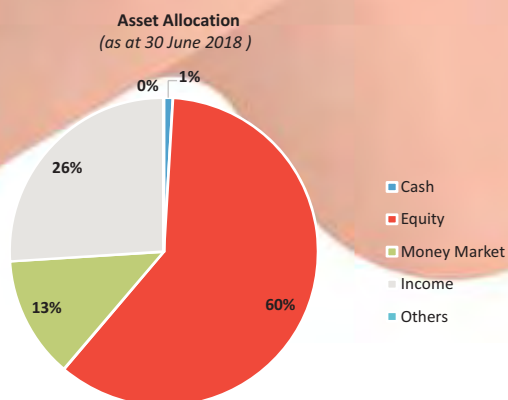
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2018	For the year ended June 30, 2017
Average Net Assets	2,689.43	1,394.236
Gross (loss) / income	171.59	92.94
Total Comprehensive Income	145.34	9.940
Net Assets Value per Unit (PKR)	102.7407	97.4166
Issuance of units during the period	11,232.95	7,625.02
Redemption of units during the period	-7,467.26	-10,299.52

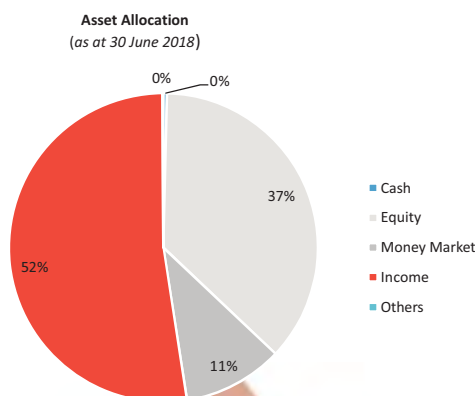
Alfaluh GHP Prosperity Planning Fund- Active Allocation Plan

The fund's return stood at -8.88% against the benchmark return of -4.49%.



Alfalah GHP Prosperity Planning Fund- Moderate Plan

The fund's return stood at of -2.63% against the benchmark return of 0.95%.

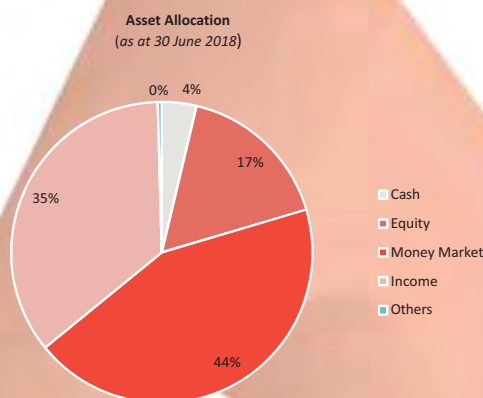


Alfalah GHP Prosperity Planning Fund- Conservative Plan

The fund generated a return of 0.98% against the benchmark which generated 3.76%.

Payout

Subsequent to the year end, the fund paid out cash dividend of PKR. 0.8922 Per unit to the unit holders.



Key Financial Data

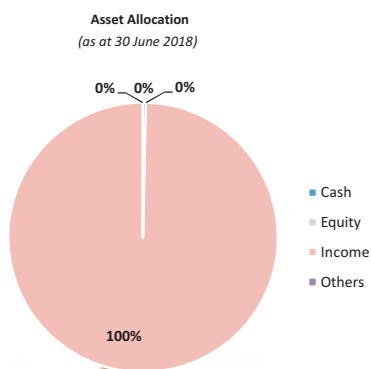
Alfalah GHP Prosperity Planning Fund

(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 ,2018			For the year ended June 30 ,2017		
Average Net Assets	513.12	418.55	699.64	307.19	382.84	547.56
Gross income	-41.14	5.27	-25.04	38.72	31.17	49.65
Total Comprehensive Income	-42.90	3.01	-27.74	48.14	38.75	101.59
Net Assets Value per Unit (PKR)	106.9901	111.0195	104.1419	117.4231	109.9390	106.9507
Issuance of units during the period	248.44	49.04	111.03	202.84	457.38	998.95
Redemption of units during the period	-27.19	-149.29	-461.20	-114.44	-99.94	-331.85

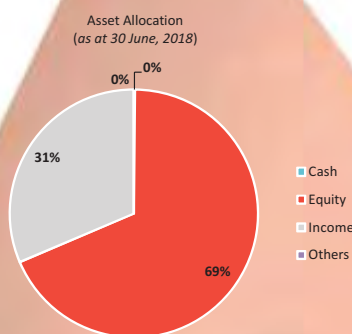
Alfalalah GHP Islamic Prosperity Planning Fund- Active Allocation Plan

The fund generated a return of -8.05% against the benchmark which generated -4.74%.



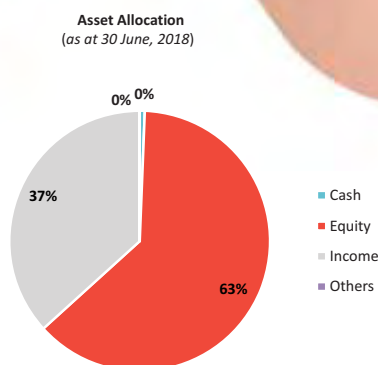
Alfalalah GHP Islamic Prosperity Planning Fund- Active Allocation Plan II

The fund generated a return of -8.36% against the benchmark which generated -5.87%.



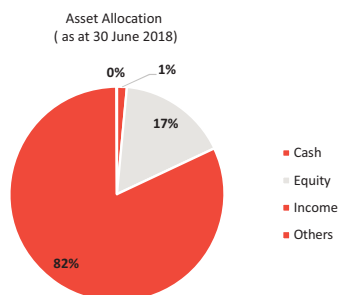
Alfalalah GHP Islamic Prosperity Planning Fund - Active Allocation Plan III

The fund generated a return of -4.44% against the benchmark which generated -3.37%, the Fund is launched on June 22, 2017.



Alfalah GHP Islamic Prosperity Planning Fund - Balance Allocation Plan

The fund generated a return of 0.80% against the benchmark which generated 0.52%.



Key Financial Data

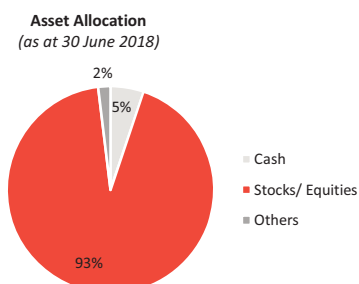
Alfalah GHP Islamic Prosperity Planning Fund (Rupees in Million)

Description	Active Allocation Plan	Balance Allocation Plan	Active Allocation Plan - II	Active Allocation Plan - III
	For the year ended June 30 ,2018			
Average Net Assets	1,465.82	2,403.43	1,883.99	1,047.91
Gross Loss	-133.18	-0.502	-164.68	-44.83
Total Comprehensive Income	-140.04	-8.30	-170.76	-48.82
Net Assets Value per Unit (PKR)	97.9444	105.4376	92.4122	95.2688
Issuance of units during the period	0.09	651.59	-	-
Redemption of units during the period	-738.40	-2,797.31	-197.14	-69.01

Description	Active Allocation Plan	Balance Allocation Plan	Active Allocation Plan - II	Active Allocation Plan - III
	For the year ended June 30 ,2017			
Average Net Assets	1,716.651	2,897.981	2,204.806	1,101.757
Gross income	244.80	231.83	165.40	-2.37
Total Comprehensive Income	231.61	250.17	146.21	3.38
Net Assets Value per Unit (PKR)	106.5153	104.8977	100.8383	99.6929
Issuance of units during the period	164.06	5,149.55	2,191.81	1,101.16
Redemption of units during the period	98.68	3873.04	120.74	-

Alfalah GHP Islamic Dedicated Equity Fund

The fund generated a return of -12.45% against the benchmark which generated -9.59%.



Key Financial Data

(Rupees in Million)

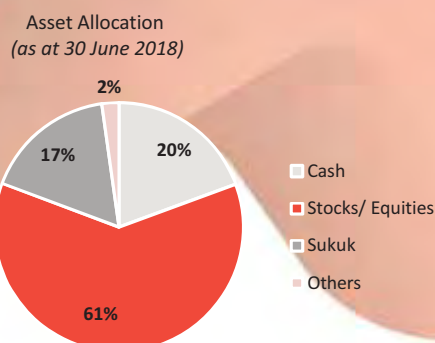
Description	For the year ended June 30, 2017
Average Net Assets	1,179.74
Gross (Loss) / income	-58.69
Total Comprehensive Income / (loss)	-89.51
Net Assets Value per Unit (PKR)	84.8112
Issuance of units during the period	2,104.78
Redemption of units during the period	-1,061.07

Alfalah GHP Islamic Value Fund

The fund generated a return of 0.53% against the benchmark which generated 1.52%.

Payout

Subsequent to the year end, the fund paid out cash dividend of PKR. 0.236 Per unit to the unit holders.



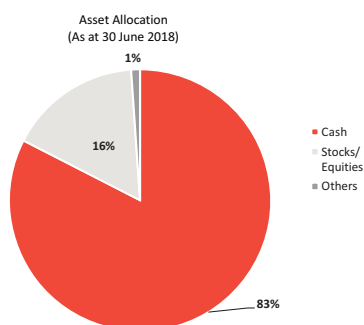
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2017
Average Net Assets	263.61
Gross (Loss) / income	8.38
Total Comprehensive Income / (loss)	0.25
Net Assets Value per Unit (PKR)	100.5306
Issuance of units during the period	581.31
Redemption of units during the period	-291.13

Alfalsh Capital Preservation Fund II

The fund generated a YTD return of -0.20% against benchmark of 0.10%.



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2017
Average Net Assets	1,132.07
Gross (Loss) / income	2.15
Total Comprehensive Income / (loss)	-2.19
Net Assets Value per Unit (PKR)	99.8056
Issuance of units during the period	1,121.08
Redemption of units during the period	-0.105

Future Outlook

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

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 16, 2018



**Alfalah
GHP Cash Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	MCB Financial Services Limited 4th Floor, Pardasi House, 2/1 R-Y old Queens Road, 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:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA+ (f) by PACRA

Alfalah GHP Cash Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Money Market Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review

Pakistan's GDP posted a growth of 5.79% in FY 18 as compared to 5.37% in FY 17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

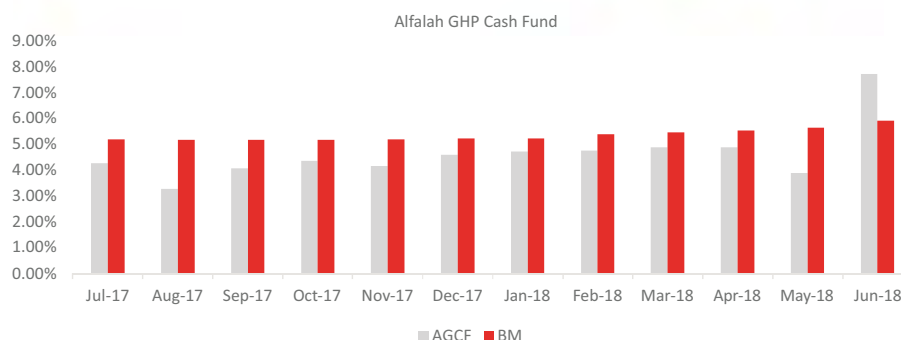
The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

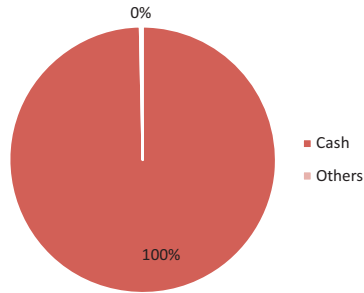
The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.

Fund Performance

For the year ended June 30, 2018 the fund posted a return of 4.71% against the target benchmark of 5.36%. During the period, the fund maintained its strategy of parking funds at premium rates and trading in government securities; however due to higher expense ratio due to lower fund size resulted in subdued performance.



Asset Allocation
(as at 30 June 2018)



Credit Quality (as % of Total Assets)			
Govt. Guar.	0.00%	A	0.00%
AAA	0.00%	A-	0.00%
AA+	99.69%	BBB+	0.00%
AA	0.00%	BBB	0.00%
AA-	0.00%	Below IG	0.00%
A+	0.00%	NR/UR	0.30%

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.



MCB FINANCIAL SERVICES LIMITED

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

ALFALAH GHP CASH FUND

Report of the Trustee Pursuant to Regulation 4(f)(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Alfalakh GHP Cash Fund, an open-end Scheme established under a Trust Deed dated October 23, 2009 executed between Alfalakh GHP Investment Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Scheme was authorized by Securities and Exchange Commission of Pakistan (Commission) on October 07, 2009.

CDC retired as the Trustee of the Fund and MCB Financial Services Limited (MCBFSL) was appointed as the new trustee with effect from June 21, 2012.

- i. Alfalakh GHP Investment Management Limited, the Management Company of Alfalakh GHP Cash Fund has in all material respects managed Alfalakh GHP Cash Fund during the year ended 30th June 2018 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement.

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: September 24, 2018

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah GHP Cash Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Cash Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds 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, 2018, and of its financial performance, its cash flows and transactions 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	Amendments to NBFC Regulations, 2008 (Refer note 3.13 to the annexed financial statements)	
	The Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756(I) / 2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impacts of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly includes changes with respect to recognition, measurement and presentation of "element of income", addition of certain disclosures with respect to	Our audit procedures included the following: <ul style="list-style-type: none">understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income.performed walkthrough tests for ensuring compliance with the revised requirements and in this respect obtained reports of distribution

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund'.</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.40.</p> <p>The SECP notification also stipulates that the accounting income available for distribution as appearing in the "Income Statement" excludes income already paid on units redeemed during the year. Accordingly, the net amount appearing on the "Income Statement" after deducting the income already paid on units redeemed is to be considered as the distributable amount.</p> <p>In order to avail tax exemption, the Fund has to distribute 90 percent of its accounting income (excluding realised and unrealised capital gains). However, at the time of distribution of income, the element of income contributed on issue of units recognized in the equity during the year is required to be refunded on the units in the same proportion in which income is distributed from the Income Statement i.e. after taking into account the amount of income already paid on units redeemed. Management has developed a system for carrying out the calculations for such distributions.</p> <p>These calculations are important from the point of view of ensuring compliance with the applicable requirements. The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<p>of income and refund of capital by the Fund.</p> <ul style="list-style-type: none"> • verified transactions on a test basis with the underlying records of the reports provided by the management to assess their compliance with the revised regulations. • recalculated the amount available for distribution taking into account amount already distributed at the time of redemption. • verified the accuracy of the management report for allocation of distributable amount between "distribution out of income" and "refund of capital". This included testing the parameters of the report. • verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value</p> <p>(Refer note 4 to the annexed financial statements)</p> <p>The bank balances constitute the most significant component of the net asset value (NAV). The bank balances of the Fund as at June 30, 2018 aggregated to Rs 159 million.</p> <p>The proper valuation of bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • obtained independent confirmations for verifying the existence of the bank balances as at June 30, 2018 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed. • obtained approval of Board of Directors of the management company in relation to opening and closing of bank accounts. • obtained bank reconciliation statements and

S. No.	Key Audit Matters	How the matter was addressed in our audit
		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 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.

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 Requirement

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

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

Chartered Accountants
Karachi
Date: September 24, 2018

ALFALAH GHP CASH FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017 -----
Assets			
Bank balances	4	159,000,078	1,417,567,939
Investments	5	-	1,989,212
Profit receivable on bank balances		41,686	2,051,085
Prepayments		29,368	197,669
Receivable from the Management Company - net	6.3	210,184	-
Total assets		<u>159,281,316</u>	<u>1,421,805,905</u>
Liabilities			
Payable to the Management Company	6	11,273,028	11,796,407
Payable to the Trustee	7	28,046	56,892
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	8	98,605	628,786
Accrued and other liabilities	9	3,043,666	3,083,796
Total liabilities		<u>14,443,345</u>	<u>15,565,881</u>
Net assets attributable to unit holders		<u>144,837,971</u>	<u>1,406,240,024</u>
Unit holders' fund (as per the statement attached)		<u>144,837,971</u>	<u>1,406,240,024</u>
Contingencies and commitments	10		
		----- (Number of units) -----	
Number of units in issue		<u>278,429</u>	<u>2,830,898</u>
		----- (Rupees) -----	
Net asset value per unit		<u>520.20</u>	<u>496.75</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017 -----
Income			
Profit / mark-up income	11	9,394,464	52,678,337
Loss on sale of investments - net		(77,501)	(308,536)
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss'		-	(97)
Reversal of provision against Workers' Welfare Fund		-	17,794,505
Total income		<u>9,316,963</u>	<u>70,164,209</u>
Expenses			
Remuneration of the Management Company	6.1	1,032,115	8,385,730
Sindh sales tax on remuneration of the Management Company	6.2	134,175	1,090,135
Remuneration of the Trustee	7.1	511,024	983,117
Sindh sales tax on Trustee remuneration	7.2	66,395	127,805
Annual fee to the Securities and Exchange Commission of Pakistan	8	98,605	628,786
Bank and settlement charges		44,602	36,712
Legal and professional charges		-	98,087
Auditors' remuneration	12	633,830	625,680
Brokerage expense		11,622	91,996
Provision for Sindh Workers' Welfare Fund	9.1	127,316	2,164,215
Fees and subscriptions		341,554	453,249
Printing charges		77,231	51,316
Total expenses		<u>3,078,469</u>	<u>14,736,828</u>
Net income for the year before element of income and capital gains included in prices of units issued less those in units redeemed - net		<u>6,238,494</u>	<u>55,427,381</u>
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	34,954,851
Net income for the year before taxation		<u>6,238,494</u>	<u>90,382,232</u>
Taxation	11	-	-
Net income for the year after taxation		<u>6,238,494</u>	<u>90,382,232</u>
Allocation of net income for the year			
Net income for the year after taxation		6,238,494	-
Income already paid on units redeemed		(1,768,366)	-
		<u>4,470,128</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		4,470,128	-
		<u>4,470,128</u>	<u>-</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

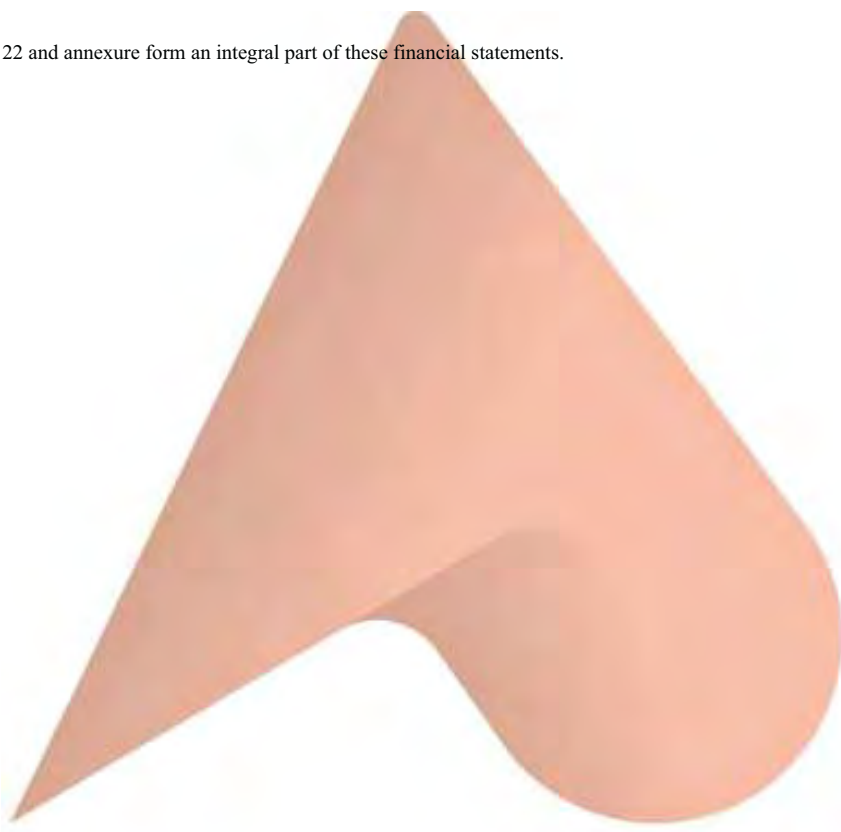
Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u>	<u>2017</u>
	----- (Rupees) -----	
Net income for the year after taxation	6,238,494	90,382,232
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>6,238,494</u>	<u>90,382,232</u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018		
	(Rupees)		
	Capital Value	Undistributed income / (loss)	Total
Capital value	1,397,355,269		1,397,355,269
Undistributed income brought forward			
- Realised income	-	8,884,852	8,884,852
- Unrealised income	-	(97)	(97)
Net assets at beginning of the year (Rs 496.75 per unit)	1,397,355,269	8,884,755	1,406,240,024
Issuance of 550,273 units			
- Capital value (at net asset value per unit at the beginning of the year)	273,348,113	-	273,348,113
- Element of income	3,065,183	-	3,065,183
Total proceeds on issuance of units	276,413,296	-	276,413,296
Redemption of 3,102,742 units			
- Capital value (at net asset value per unit at the beginning of the year)	1,541,287,088	-	1,541,287,088
- Element of loss	998,389	1,768,366	2,766,755
Total payments on redemption of units	1,542,285,477	1,768,366	1,544,053,843
Total comprehensive income for the year	-	6,238,494	6,238,494
Distribution during the year	-	-	-
Net income for the year less distribution	-	6,238,494	6,238,494
Net assets at end of the year (Rs 520.20 per unit)	131,483,088	13,354,883	144,837,971
Undistributed income carried forward			
- Realised income		13,354,883	
- Unrealised loss		-	
Accounting income available for distribution		13,354,883	
- Relating to capital gain		-	
- Excluding capital gain		4,470,128	
		4,470,128	
			June 30, 2017
			(Rupees)
Capital value			1,860,131,194
Undistributed income brought forward			
- Realised income			7,472,415
- Unrealised income			45,658
Net assets at beginning of the year (Rs 495.60 per unit)			1,867,649,267
Issue of 5,531,234 units			2,874,252,481
Redemption of 6,468,776 units			(3,303,943,960)
			1,437,957,788
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net			
- transferred to income statement			(34,954,851)
- transferred to distribution statement			1,870,405
			(33,084,446)
Element of loss and capital losses included in prices of units issued less those in units redeemed - transferred to distribution statement - net			(1,870,405)
Loss on sale of investments - net			(308,536)
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net			(97)
Other income (net of expenses) for the year			90,690,865
Total comprehensive income for the year			90,382,232
Distribution during the year			
Distribution of cash dividend @ Rs 32.8386 per unit approved on June 29, 2017			(87,145,145)
Net total comprehensive income less distribution during the year			3,237,087
Net assets at end of the year (Rs 496.75 per unit)			1,406,240,024
Represented by			
Capital value			1,397,355,269
Undistributed income carried forward			
- Realised income			8,884,852
- Unrealised loss			(97)
			1,406,240,024

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		6,238,494	90,382,232
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net		-	97
Reversal of provision against Workers' Welfare Fund		-	(17,794,505)
Provision against Sindh Workers' Welfare Fund		127,316	2,164,215
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	(34,954,851)
		6,365,810	39,797,188
Decrease / (increase) in assets			
Investments - net		1,989,212	226,368,650
Profit receivable on bank balances		2,009,399	(925,597)
Prepayments		168,301	489
Receivable from the Management Company		(210,184)	-
		3,956,728	225,443,542
Increase / (decrease) in liabilities			
Payable to the Management Company		(523,379)	(738,498)
Payable to the Trustee		(28,846)	(20,174)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(530,181)	1,211
Accrued and other liabilities		(167,446)	(1,372,411)
		(1,249,852)	(2,129,872)
Net cash flows generated from operating activities		9,072,686	263,110,858
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		276,413,296	2,874,252,481
Amount paid against redemption of units		(1,544,053,843)	(3,303,943,960)
Dividend paid		-	(87,145,145)
Net cash flows used in financing activities		(1,267,640,547)	(516,836,624)
Net (decrease) in cash and cash equivalents during the year		(1,258,567,861)	(253,725,766)
Cash and cash equivalents at beginning of the year		1,417,567,939	1,671,293,705
Cash and cash equivalents at end of the year	4	159,000,078	1,417,567,939

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Cash Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on October 23, 2009 between Alfalah GHP Investment Management Limited (the Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984. In 2012, the first supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed and MCB Financial Services Limited was appointed as the new Trustee. The Securities and Exchange Commission of Pakistan authorised the constitution of the Trust Deed on June 13, 2012 and it was executed on June 21, 2012 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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.

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.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 (stable outlook) to the Management Company on December 22, 2017 and has maintained the stability rating of the Fund at AA+(f) on June 30, 2018.

Title to the assets of the Fund are held in the name of MCB Financial Services 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 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.

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

There are certain amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to 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 approved accounting standards that are not yet effective

2.3.1 The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	July 1, 2018
- IFRS-15 Revenue from contracts with customers	July 1, 2018
- IFRS-16 Leases	January 1, 2019

These standards may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

2.3.2 There are certain new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2018 but are considered not to be relevant or to 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 accordance with the approved accounting 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 follows:

- i. Classification and valuation of financial assets (notes 3.3.1, 3.3.4 and 5)
- ii. Impairment of financial assets (note 3.3.5)
- iii. Taxation (note 3.7 and 14)
- iv. Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 6.4 and 9.1 respectively)

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except for the change in accounting policy as explained in note 3.10 below.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices.

3.3.2 Regular way contracts

Regular 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.

3.3.3 Initial recognition and measurement

Financial assets 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 the related transaction costs are expensed out in the income statement.

3.3.4 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

3.3.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership.

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.

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

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 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 section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Dividend distribution and appropriations

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 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 the prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been higher by Rs 0.292 million net off charge for SWWF with immaterial effect on the 'net assets attributable to the unit holders' and NAV per unit of the Fund as disclosed in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' respectively. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

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 loss on sale of investments is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Profit / mark-up income on bank balances, letter of placement, term deposit receipts, certificate of investment and government securities is recognised on an accrual basis using the effective yield method.

3.13 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

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

	Note	2018 ----- (Rupees) -----	2017
4 BANK BALANCES			
In saving accounts	4.1	<u>159,000,078</u>	<u>1,417,567,939</u>

4.1 The rate of return on these accounts ranges from 5.3% to 7.35% (2017: 5.3% to 6.6%) per annum. It includes bank balance of Rs 158.84 million (2017: Rs 2.22 million) maintained with Bank Alfalah Limited (a related party).

	Note	2018 ----- (Rupees) -----	2017
5 INVESTMENTS			
At fair value through profit or loss - held-for-trading			
Market Treasury Bills	5.1	<u>-</u>	<u>1,989,212</u>

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

Particulars	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investment
	----- (No. of certificates) -----				----- (Rupees) -----			---- (%) ----	
Market treasury bills - 3 months	-	7,240,000	7,240,000	-	-	-	-	-	-
Market treasury bills - 6 months	20,000	1,830,000	1,850,000	-	-	-	-	-	-
Market treasury bills - 12 months	-	1,000,000	1,000,000	-	-	-	-	-	-
Total as at June 30, 2018	<u>20,000</u>	<u>10,070,000</u>	<u>10,090,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2017	<u>5,500,000</u>	<u>50,175,000</u>	<u>55,655,000</u>	<u>20,000</u>	<u>1,989,309</u>	<u>1,989,212</u>	<u>(97)</u>	<u>0.14%</u>	<u>100.00%</u>

	Note	2018 ----- (Rupees) -----	2017
6 PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	6.1, 6.3 & 6.4	-	474,656
Sindh sales tax payable on management remuneration	6.2	1,462,501	1,511,224
Federal excise duty payable on management remuneration	6.5	<u>9,810,527</u>	<u>9,810,527</u>
		<u>11,273,028</u>	<u>11,796,407</u>

6.1 The Management Company has charged remuneration at a rate of 1% (2017: 1%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 During the year, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (2017: 13%).

	2018 ----- (Rupees) -----	2017
6.3 Management remuneration receivable / payable - net		
Management remuneration payable	99,816	474,656
Less: reimbursement from the management company	<u>310,000</u>	<u>-</u>
(Receivable from) / payable to the Management Company - net	<u>(210,184)</u>	<u>474,656</u>

The Total Expense Ratio (TER) of the Fund shall be within the maximum limit of 2% as prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme. However, the TER of the Fund exceeded the above limit. As a result, the Fund has recorded reversal of remuneration of the management company to comply with TER.

- 6.4 The Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.
- 6.5 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 were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 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 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 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.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 9.81 million (2017: Rs. 9.81 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re 35.24 per unit (2017: Re 3.47 per unit).

	Note	2018 ----- (Rupees) -----	2017 -----
7 PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	7.1	22,742	48,235
Sindh Sales Tax payable on trustee remuneration	7.2	5,304	8,657
		28,046	56,892

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	Rs.0.5 million or 0.12% p.a. of net assets whichever is higher.
Over Rs. 1 billion	Rs.1.2 million plus 0.06% p.a. of net assets exceeding Rs.1 billion.

The same level of trustee fee was charged during the year 2017.

- 7.2 During the year, Sindh Sales Tax on trustee remuneration has been charged at the rate of 13% (2017: 13%).

	Note	2018 ----- (Rupees) -----	2017 -----
8 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to the SECP	8.1	98,605	628,786

- 8.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 (2017: 0.075) percent of the average annual net assets of the Fund.

	Note	2018 ----- (Rupees) -----	2017 -----
9 ACCRUED AND OTHER LIABILITIES			
Provision against Sindh Workers' Welfare Fund (SWWF)	9.1	2,291,531	2,164,215
Auditors' remuneration payable		385,996	391,616
Withholding tax payable		5,095	485,022
Brokerage payable		11,068	28,682
Printing charges payable		36,035	14,261
Annual rating fee payable		116,383	-
Dividend payable		197,173	-
Other payables		385	-
		3,043,666	3,083,796

9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

The Management Company has recognised SWWF charge for the period from July 1, 2017 to June 30, 2018, amounting to Rs. 0.13 million. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs 8.23 (2017: Re 0.76) per unit.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2018 and June 30, 2017.

11 PROFIT / MARK-UP INCOME

Profit / mark-up income on:

'At fair value through profit or loss' - held-for-trading

	2018	2017
	----- (Rupees) -----	
Market Treasury Bills	4,028,482	22,490,194
Loans and receivables		
Letter of placement	-	213,795
Term deposit receipts	-	1,663,763
Certificate of investment	-	1,817,178
Bank balances	5,365,982	26,493,407
	<u>9,394,464</u>	<u>52,678,337</u>

12 AUDITORS' REMUNERATION

Audit fee	315,000	315,370
Review and other certifications	211,000	212,630
Sindh sales tax	42,080	31,680
Out of pocket expenses	65,750	66,000
	<u>633,830</u>	<u>625,680</u>

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2018 is 2.34% which includes 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. 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.

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 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 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. The Management Company has distributed, subsequent to the year end, the income earned by the Fund for the year to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment 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 MCB Financial Services Limited (MCBFSL) 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, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Details of transactions and balances 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

Note	June 30, 2018										
	As at July 01, 2017	Issued for cash/conversion in transferred	Dividend reinvestment	Redeemed/conversion out/transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash/conversion in/transferred	Dividend reinvestment	Redeemed/co nversion out/transfer out	Amount outstanding as at June 30, 2018	
	(Units)				(Rupees)						
Associated companies / undertakings											
Alfalsh GHP Investment Management Limited	15.1.1	19,322	-	-	19,322	4,598,432	-	-	-	10,051,243	
Alfalsh GHP Prosperity Planning Fund	15.1.1	-	187,989	-	17,816	170,173	-	94,000,000	-	9,000,000	88,523,458
Unit holder holding 10% or more units											
IGI Life Insurance Limited-ACF	15.1.1	-	50,807	-	50,807	-	26,359,406	-	-	26,429,868	
		June 30, 2017									
	As at July 01, 2016	Issued for cash/conversion in transferred	Dividend reinvestment	Redeemed/conversion out/transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash/conversion in/transferred	Dividend reinvestment	Redeemed/co nversion out/transfer out	As at June 30, 2017	
	(Units)				(Rupees)						
Associated companies / undertakings											
Alfalsh GHP Investment Management Limited	-	18,410	1,217	304	19,322	-	9,762,620	604,546	151,137	9,598,145	
Unit holder holding 10% or more units											
Nishat Mills Limited Employees Provident Fund	453,921	2,556,445	169,016	453,921	2,722,461	224,964,577	1,355,191,819	83,950,083	22,076,830	1,353,864,474	
Unit holder holding 10% or more units											
Nishat Mills Limited Employees Provident Fund	453,921	2,556,445	169,016	453,921	2,722,461	224,964,577	1,355,191,819	83,950,083	22,076,830	1,353,864,474	

15.1.1 This reflects the position of related party / connected party status as at June 30, 2018.

15.2 Other transactions

	2018	2017
	----- (Rupees) -----	
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	1,032,115	8,385,730
Sindh sales tax on remuneration of the Management Company	134,175	1,090,135
Bank Alfalah Limited		
Profit on bank balances	1,029,950	5,954,301
Profit on term deposit receipts	-	1,204,295
Bank charges	14,368	27,896
Market treasury bills - sold	-	545,701,200

	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Alfalsh GHP Income Multiplier Fund		
Market treasury bills - sold	-	44,557,950
Alfalsh GHP Sovereign Fund		
Market treasury bills - sold	-	262,806,405
Alfalsh GHP Income Fund		
Market treasury bills - sold	-	49,654,300
Alfalsh GHP Money Market Fund		
Market treasury bills - purchased	-	622,660,295
Other related parties		
MCB Financial Services Limited - Trustee		
Remuneration of the Trustee	511,024	983,117
Sindh sales tax on remuneration of the Trustee	66,395	127,805
15.3 Other balances		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Management remuneration (receivable) / payable	(210,184)	474,646
Sindh sales tax payable on management remuneration	1,462,501	1,511,224
Federal excise duty payable on management remuneration	9,810,527	9,810,527
Bank Alfalah Limited		
Bank balance	158,841,800	2,220,178
Profit receivable	43,333	482,219
Other related parties		
MCB Financial Services Limited - Trustee		
Trustee remuneration payable	22,742	48,235
Sindh Sales Tax payable on trustee remuneration	5,304	8,657

16 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
	----- (Rupees) -----			
Financial assets				
Bank balances	159,000,078	-	-	159,000,078
Investments	-	-	-	-
Mark-up receivable	41,686	-	-	41,686
Receivable from the Management Company - net	210,184	-	-	210,184
	<u>159,251,948</u>	<u>-</u>	<u>-</u>	<u>159,251,948</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	11,273,028	11,273,028
Payable to the Trustee	-	28,046	28,046
Accrued and other liabilities	-	747,040	747,040
	<u>-</u>	<u>12,048,114</u>	<u>12,048,114</u>

Particulars	June 30, 2017			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
(Rupees)				
Financial assets				
Bank balances	1,417,567,939	-	-	1,417,567,939
Investments	-	1,989,212	-	1,989,212
Mark-up receivable	2,051,085	-	-	2,051,085
	<u>1,419,619,024</u>	<u>1,989,212</u>	<u>-</u>	<u>1,421,608,236</u>

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	11,796,407	11,796,407
Payable to the Trustee	-	56,892	56,892
Accrued and other liabilities	-	434,559	434,559
	<u>-</u>	<u>12,287,858</u>	<u>12,287,858</u>

17 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

17.1 Market risk

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

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

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

17.1.1 Currency risk

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

17.1.2 Interest rate risk

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

	Note	2018	2017
-----Rupees-----			
Variable rate instrument (financial asset)			
Bank balance	4	<u>159,000,078</u>	<u>1,417,567,939</u>
Fixed rate instrument (financial asset)			
Market Treasury Bills		<u>-</u>	<u>1,989,212</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 0.0004 million (2017: Rs 0.0205 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 and statement of comprehensive income by Rs Nil (2017: Rs 0.02 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, 2018 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	As at June 30, 2018					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.3%-7.35%	159,000,078	-	-	-	159,000,078
Investments	-	-	-	-	-	-
Mark-up receivable	-	-	-	-	41,686	41,686
Receivable from the Management Company - net	-	-	-	-	210,184	210,184
Sub total		159,000,078	-	-	251,870	159,251,948
Financial liabilities						
Payable to the Management Company	-	-	-	-	11,273,028	11,273,028
Payable to the Trustee	-	-	-	-	28,046	28,046
Accrued and other liabilities	-	-	-	-	747,040	747,040
Sub total		-	-	-	12,048,114	12,048,114
On-balance sheet gap		159,000,078	-	-	(11,796,244)	147,203,834
Total interest rate sensitivity gap		159,000,078	-	-	(11,796,244)	147,203,834
Cumulative interest rate sensitivity gap		159,000,078	159,000,078	159,000,078		

Particulars	As at June 30, 2017					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.3%-6.6%	1,417,567,939	-	-	-	1,417,567,939
Investments	5.98%	-	-	-	1,989,212	1,989,212
Mark-up receivable	-	-	-	-	2,051,085	2,051,085
Sub total		1,417,567,939	-	-	4,040,297	1,421,608,236
Financial liabilities						
Payable to the Management Company	-	-	-	-	11,796,407	11,796,407
Payable to the Trustee	-	-	-	-	56,892	56,892
Accrued and other liabilities	-	-	-	-	434,559	434,559
Sub Total		-	-	-	12,287,858	12,287,858
On-balance sheet gap		1,417,567,939	-	-	(8,247,561)	1,409,320,378
Total interest rate sensitivity gap		1,417,567,939	-	-	(8,247,561)	1,409,320,378
Cumulative interest rate sensitivity gap		1,417,567,939	1,417,567,939	1,417,567,939		

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 interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

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, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees) -----				
Bank balances	159,000,078	159,000,078	1,417,567,939	1,417,567,939
Investments	-	-	1,989,212	-
Mark-up receivable	41,686	41,686	2,051,085	2,051,085
Receivable from the Management Company - net	210,184	210,182	-	-
	<u>159,251,948</u>	<u>159,251,946</u>	<u>1,421,608,236</u>	<u>1,419,619,024</u>

No financial assets were considered to be either past due or impaired at June 30, 2018 and June 30, 2017.

17.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating Agency	Rating	2018	2017
			----- (%) -----	
Bank Alfalah Limited	PACRA	A1+	99.9004	0.1567
Allied Bank Limited	PACRA	A1+	0.0917	99.8433
Bank AL Habib Limited	PACRA	A1+	0.0031	-
Zarai Taraqiyati Bank Limited	JCR-VIS	A-1+	0.0048	-
			<u>100.00</u>	<u>100.00</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

17.2.3 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 having reasonably high credit rating.

17.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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

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

The table below 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.

2018	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
----- Rupees -----					
Financial assets					
Bank balances	159,000,078	-	-	-	159,000,078
Investments	-	-	-	-	-
Mark-up receivable	41,686	-	-	-	41,686
Receivable from the Management Company - net	210,184	-	-	-	210,184
	159,251,948	-	-	-	159,251,948
Financial liabilities					
Payable to the Management Company	11,273,028	-	-	-	11,273,028
Payable to the Trustee	28,046	-	-	-	28,046
Accrued and other liabilities	747,040	-	-	-	747,040
	12,048,114	-	-	-	12,048,114
Net assets	147,203,834	-	-	-	147,203,834
----- Rupees -----					
2017	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
----- Rupees -----					
Financial assets					
Bank balances	1,417,567,939	-	-	-	1,417,567,939
Investments	-	1,989,212	-	-	1,989,212
Mark-up receivable	2,051,085	-	-	-	2,051,085
	1,419,619,024	1,989,212	-	-	1,421,608,236
Financial liabilities					
Payable to the Management Company	11,796,407	-	-	-	11,796,407
Payable to the Trustee	56,892	-	-	-	56,892
Accrued and other liabilities	434,559	-	-	-	434,559
	12,287,858	-	-	-	12,287,858
Net assets	1,407,331,166	1,989,212	-	-	1,409,320,378

17.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3.4 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

	----- As at June 30, 2018 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss - held for trading				
Market Treasury Bills	-	-	-	-
	-----	-----	-----	-----
	----- As at June 30, 2017 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss - held for trading				
Market Treasury Bills	-	1,989,212	-	1,989,212
	-----	-----	-----	-----

During the year ended June 30, 2018, 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.

17.5 Unit Holders' Fund risk management

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

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

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

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

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. During the year, the Fund remained below one hundred million rupees on certain days, however the same was complied within the time limit as specified in the NBFC Regulations.

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 the Annexure I to the financial statements.

19 NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company on July 02, 2018 approved a final distribution of Rs. 23.36 per unit on the face value of Rs. 500 each (i.e 4.7%) amounting to Rs. 6.50 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

20 CORRESPONDING FIGURES

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

21 GENERAL

Figures have been rounded off to the nearest rupee.

22 DATE OF AUTHORISATION FOR ISSUE

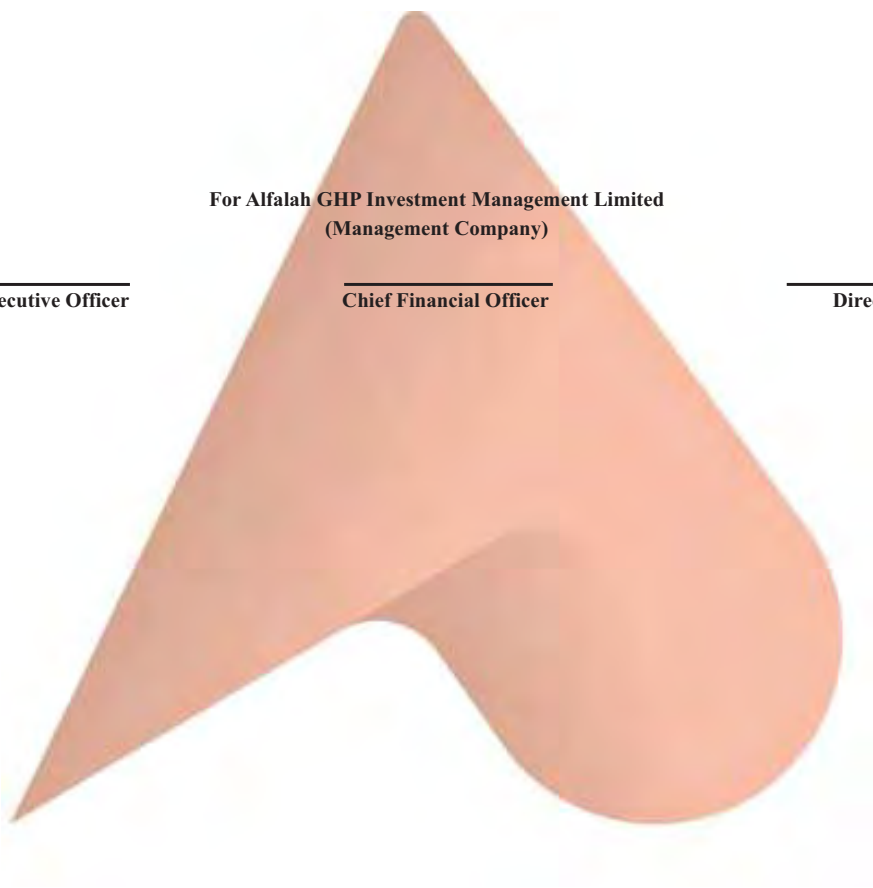
These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director



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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	34	13,879	7,219,841	5%
Associated Co./ Directors	1	19,322	10,051,544	7%
Banks/Dfis	-	-	-	0%
Insurance Co.	4	65,972	34,318,544	24%
Retirement & Other Funds	3	8,655	4,502,371	3%
Others	8	170,601	88,745,672.00	61%
	50	278,429	144,837,971	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	26	30,668	15,225,559	1%
Associated Co./ Directors	1	19,322	9,598,432	1%
Banks/Dfis	-	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	5	2,780,480	1,381,203,319	98%
Others	5	428	212,714	0%
	37	2,830,898	1,406,240,024	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018
	%
BMA Capital Management Limited	46
Invest Capital Markets Limited	25
Icon Securities Private Limited	12
Invest & Finance Securities Limited	6
Arif Habib Limited	4
Invest One Markets Limited	4
Bright Capital Market	4
	30 June 2017
	%
Invest Capital Markets Limited	22
C & M Management PVT Limited	15
Invest & Finance Securities Limited	13
Vector Capital (Pvt) Limited	12
Icon Securities Private Limited	11
BMA Capital Management Limited	9
Next Capital Limited	7
Summit Capital (Private) Limited	6
BIPL Securities Limited	2
Magenta Capital Private Limited	1

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st, 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017, 26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
	(Rupees in '000)				
Net Assets	144,838	1,406,240	1,867,649	1,046,533	2,108,431
NAV per unit	520.1968	496.7470	495.6000	500.9600	502.6600
Selling price per unit	520.1968	496.7470	495.6000	500.9600	502.6600
Redemption price per unit	520.1968	496.7470	495.6000	500.9600	502.6600
Highest selling price per unit	520.1968	530.6400	526.6200	545.2200	503.6900
Highest redemption price per unit	520.1968	530.6400	526.6200	545.2200	503.6900
Lowest selling price per unit	497.0300	495.8500	495.4300	500.7500	500.6400
Lowest redemption price per unit	497.0300	495.8500	495.4300	500.7500	500.6400
Total interim distribution per unit	NIL	32.84	31.33	44.8	36.68
Interim distribution date	NIL	22-Jun-17	22-Jun-16	26-Jun-15	26-Jul-13
	N/A	N/A	N/A	N/A	28-Aug-13
	N/A	N/A	N/A	N/A	28-Sep-13
	N/A	N/A	N/A	N/A	31-Oct-13
	N/A	N/A	N/A	N/A	28-Nov-13
	N/A	N/A	N/A	N/A	28-Dec-13
	N/A	N/A	N/A	N/A	28-Jan-14
	N/A	N/A	N/A	N/A	28-Feb-14
	N/A	N/A	N/A	N/A	28-Mar-14
	N/A	N/A	N/A	N/A	25-Apr-14
	N/A	N/A	N/A	N/A	28-May-14
	N/A	N/A	N/A	N/A	27-Jun-14
Final distribution per unit	23.36	Nil	Nil	Nil	Nil
Final distribution date	2-Jul-18	N/A	N/A	N/A	N/A
Annualized returns %	4.71%	6.86%	5.17%	6.67%	8.09%
Income distribution %	4.70%	6.62%	6.25%	8.91%	7.33%
Weighted avg. portfolio duration (Days)	0.48Days	1 Days	17 Days	31 Days	41 Days

Return since inception is **8.19 %**

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:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA+ (f) by PACRA

Alfalah GHP Money Market Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Money Market Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review:-

Pakistan's GDP posted a growth of 5.79% in FY 18 as compared to 5.37% in FY 17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

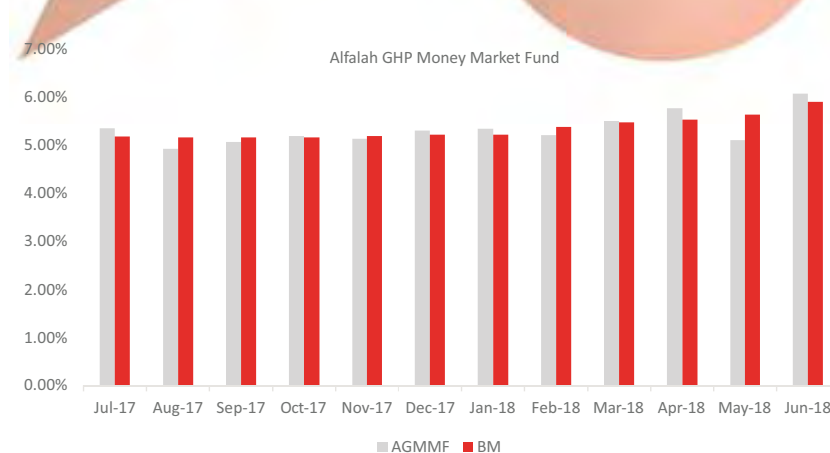
The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

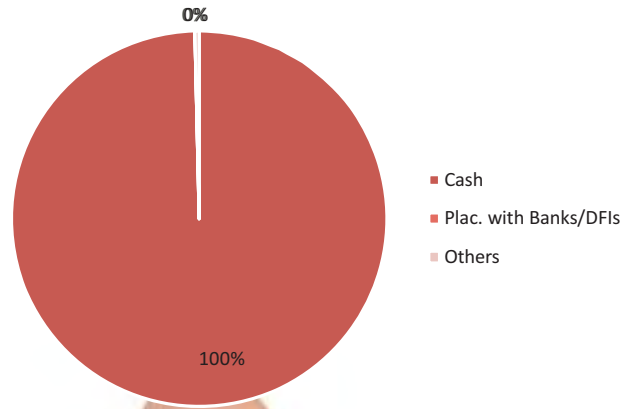
The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.

Fund Performance

For the year ended June 30 2018, the Fund posted a return of 5.46% against the benchmark of 5.36%. The fund maintained its strategy of parking funds at premium rates and trading in government securities in order to outperform its benchmark.



Asset Allocation
(as at 30 June 2018)



Credit Quality (as % of Total Assets)			
Govt. Guar.	0.00%	A	0.00%
AAA	71.33%	A-	0.00%
AA+	28.31%	BBB+	0.00%
AA	0.00%	BBB	0.00%
AA-	0.00%	Below IG	0.00%
A+	0.00%	NR/UR	0.36%

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-BF,
S.M.C.H.S., Maer Shahr-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020-23
URL: www.cdc-pakistan.com
Email: info@cdc-pak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP MONEY MARKET FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Money Market Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 19, 2018





INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfaiah GHP Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfaiah GHP Money Market Fund** (the Fund), which comprise the statement of assets and liabilities as at **June 30, 2018**, and the income statement, comprehensive income, cash flows statement and 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 June 30, 2018, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Amendment to the NBFC Regulations, 2008 As disclosed in note 3.1 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the Securities and Exchange Commission of Pakistan through its SRD no. 756(1)/2017 dated 03 August 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).	We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the amended provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the revised Regulations and assessed its implementation by the Fund.

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Key audit matter	How our audit addressed the key audit matter
These amendments are considered significant to our audit because application of the said amendments resulted in change in accounting policy relating to presentation "element of income / loss" in the financial statements and certain additional disclosures with respect to "Income Statement" and "Statement of Movement in Unit Holders' Fund" (the Statements).	We evaluated the adequacy of disclosures regarding the change in accounting policy with respect to element of income / loss in accordance with the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.

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.

Other matter

The financial statements of the Fund for the year ended 30 June 2017, were audited by another auditor who expressed an unmodified opinion on those financial statements on 20 September 2017.



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The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Saliman.

Chartered Accountants

Date: September 24, 2018

Karachi

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

AS AT JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
ASSETS			
Bank balances	4	5,166,589,960	1,159,217,800
Investments	5	-	101,989,214
Prepayments and profit receivable	6	10,298,242	3,400,207
Total assets		<u>5,176,888,202</u>	<u>1,264,607,221</u>
LIABILITIES			
Payable to the Management Company	7	14,054,256	13,076,712
Payable to the Trustee	8	397,926	179,437
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	2,017,058	1,045,311
Accrued and other liabilities	10	9,237,858	10,163,235
Total liabilities		<u>25,707,098</u>	<u>24,464,695</u>
Net assets attributable to unit holders		<u>5,151,181,104</u>	<u>1,240,142,526</u>
Unit holders' fund (as per the statement attached)		<u>5,151,181,104</u>	<u>1,240,142,526</u>
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		<u>50,137,701</u>	<u>12,730,301</u>
		----- (Rupees) -----	
Net asset value per unit		<u>102.7407</u>	<u>97.4166</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
		(Rupees)	
Income			
Finance income	12	173,500,549	87,833,617
Net loss on sale of investments classified as 'at fair value through profit or loss - held for trading		(1,912,158)	(504,355)
Net unrealised diminution in fair value of investments classified as 'at fair value through profit or loss		-	(97)
Reversal of provision against Workers' Welfare Fund		-	5,612,930
Total Income		171,588,391	92,942,095
Expenses			
Remuneration to the Management Company	7.1	15,080,321	11,220,623
Sindh Sales tax on remuneration of the management Company	7.2	1,960,531	1,458,678
Remuneration of the Trustee	8.1	2,767,140	1,785,723
Sindh Sales tax on remuneration of the Trustee	8.2	359,728	232,145
Annual fee to the Securities and Exchange Commission of Pakistan	9	2,017,058	1,045,311
Legal expenses		-	121,587
Brokerage expense and capital value tax		144,086	140,895
Bank and settlement charges		196,244	76,982
Auditors' remuneration	13	270,001	473,171
Fees and subscription		427,214	311,667
Printing charges		58,247	50,920
Provision against Sindh Workers' Welfare Fund	10.1	2,966,188	1,431,585
Total expenses		26,246,758	18,349,287
Net income from operating activities		145,341,633	74,592,808
Element of loss and capital losses included in prices of units sold less those in units redeemed - net		-	(64,652,190)
Net income for the year before taxation		145,341,633	9,940,618
Taxation	15	-	-
Net income for the year after taxation		145,341,633	9,940,618
Allocation of net income for the year:			
Net income for the year after taxation		145,341,633	9,940,618
Income already paid on units redeemed		(61,431,929)	-
		83,909,704	9,940,618
Accounting income available for distribution		-	-
- Relating to capital gains		83,909,704	9,940,618
- Excluding capital gains		83,909,704	9,940,618

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

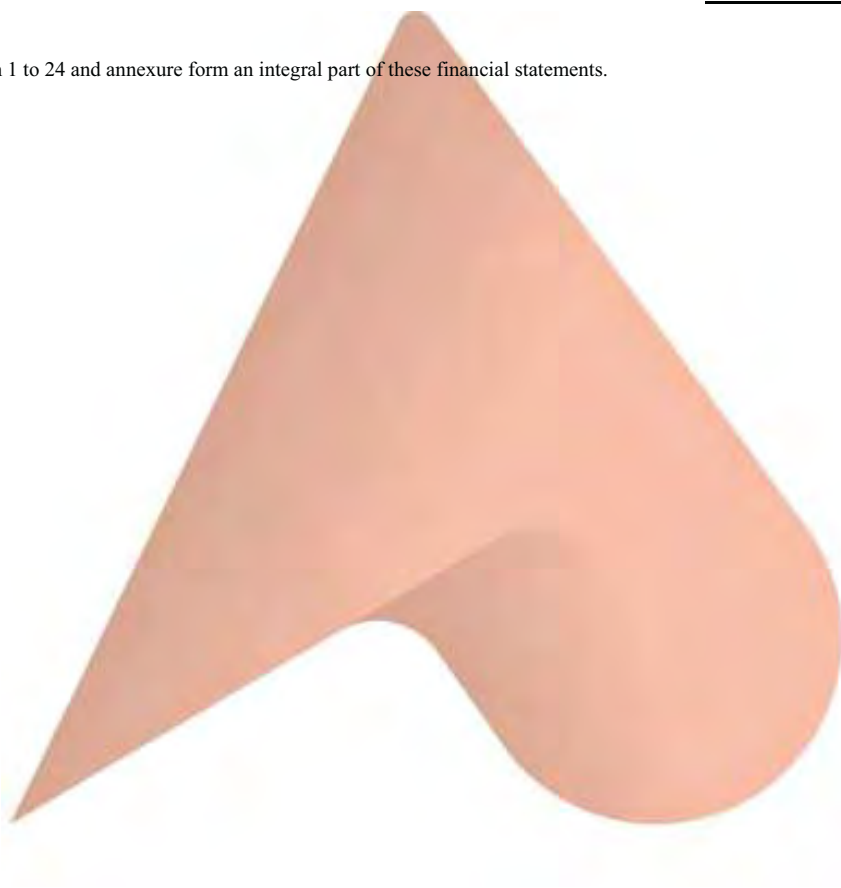
Director

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Net income for the year after taxation	145,341,633	9,940,618
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>145,341,633</u>	<u>9,940,618</u>

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



For Alfalah GHP Investment Management Limited
 (Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director

ALFALAH GHP MONEY MARKET FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	145,341,633	9,940,618
Adjustments for:		
Unrealised loss on investments classified as 'at fair value through profit or loss' - held-for-trading - net	-	97
Reversal of provision against Workers' Welfare Fund	-	(5,612,930)
Provision against Sindh Workers' Welfare Fund	2,966,188	1,431,585
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	-	64,652,190
	148,307,821	70,411,560
(Increase) / decrease in assets		
Investments - net	1,989,214	382,623,177
Prepayments and profit receivable	(6,898,035)	(879,616)
	(4,908,821)	381,743,561
(Decrease) / increase in liabilities		
Payable to the Management Company	977,544	(939,437)
Payable to the Trustee	218,489	(199,719)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	971,747	(330,373)
Accrued and other liabilities	(3,891,565)	2,322,248
	(1,723,785)	852,719
Net cash generated from operating activities	141,675,215	453,007,840
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	11,232,952,604	7,625,015,304
Payment made against redemption of units	(7,467,255,659)	(10,299,518,159)
Dividend paid	-	(10,024,192)
Net cash generated / (used in) from financing activities	3,765,696,945	(2,684,527,047)
Net Increase / (decrease) in cash and cash equivalents during the year	3,907,372,160	(2,231,519,207)
Cash and cash equivalents at beginning of the year	1,259,217,800	3,490,737,007
Cash and cash equivalents at end of the year	5,166,589,960	1,259,217,800

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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, (the Trustee). The Trust Deed was executed on March 04, 2010. On October 15, 2013, the management rights were transferred from the Former Management Company to Alfalah GHP Investment Limited (the Management Company) by sanctioning of order by Securities and Exchange Commission of Pakistan Limited (SECP) vide its letter No. SCD/NBFC-II/IGIFL and AFGHP/742/2013. The SECP has approved second Supplemental Trust Deed, under 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 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 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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.

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. The Fund invests in Government Securities, Certificates of Investment, Certificates of Deposit, Certificates of Musharika, Term Deposit Receipts, Commercial Papers, reverse repurchase transactions, etc. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on December 22, 2017, and AA+(f) to the Fund in its credit rating report dated June 30, 2018.

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. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984;

- the NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

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

2.2 Standards, Interpretations and amendments to published approved accounting standards that are effective in current year

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

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

2.3 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)	July 01, 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

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

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 - Insurance Contracts	January 01, 2021

2.4 Critical accounting estimates and judgments

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

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

- Classification and valuation of investments (note 3.3.1 and 3.3.5)
- Impairment of financial assets (note 3.3.6)
- Taxation (note 3.7 and 15)
- Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 7.3 and 10.1 respectively)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain investments which are stated at fair value.

2.6 Functional and presentation currency

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

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 years except for as stated in note 2.2 and note 3.1.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 year. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting year (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter no. (S.R.O) No. 756(I) / 2017 dated August 3, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of loss been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs. 119.16 million net off charge for SWWF with immaterial effect on the 'net assets attributable to the unit holders' and NAV per unit of the Fund as disclosed in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' respectively. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.3.3 Regular way contracts

Regular 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 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 expensed out in the income statement.

3.3.5 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, when the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

3.3.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed here from and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognized in the income statement.

3.3.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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.

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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed 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.

3.8 Dividend distribution and appropriations

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

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 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 investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investment classified as held for trading is included in the income statement in the period in which it arises.
- Profit / Mark-up income on bank balances, letter of placement, term deposit receipts, certificate of investment and government securities is recognised on an accrual basis using the effective interest method.

3.12 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

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

	Note	June 30, 2018	June 30, 2017
		(Rupees)	
4. BANK BALANCES			
In savings accounts	4.1	<u>5,166,589,960</u>	<u>1,159,217,800</u>
4.1	The rate of return on these accounts ranges from 5.30% to 7.35% (2017: 5.30% to 6.60%) per annum. It includes bank balance of Rs 654.105 million (2017: Rs 193.88 million) maintained with Bank Alfalah Limited (a related party).		
5. INVESTMENTS			
At fair value through profit or loss' - held for trading			
Market treasury bills	5.1	-	1,989,214
Loans and receivables			
Term deposit receipt	5.2	<u>-</u>	<u>100,000,000</u>
		<u>-</u>	<u>101,989,214</u>

5.1 Market treasury bills - 'at fair value through profit or loss' - held-for-trading

	Face value				Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised loss	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment
	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018					
	(No. of Certificates)								
Maturity upto 3 months	-	414,250,000	414,250,000	-	-	-	-	-	-
Maturity upto 6 months	20,000	9,200,000	9,220,000	-	-	-	-	-	-
Maturity upto 12 months	-	8,000,000	8,000,000	-	-	-	-	-	-
Total as at June 30, 2018	<u>20,000</u>	<u>431,450,000</u>	<u>431,470,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2017	<u>8,360,000</u>	<u>72,015,000</u>	<u>80,355,000</u>	<u>20,000</u>	<u>1,989,311</u>	<u>1,989,214</u>	<u>(97)</u>		

5.2 Term deposit receipts - loans and receivables

Name of the investee company	Rate of return per annum	Face value				Carrying value as at June 30, 2018	Maturity	Rating	Face value as percentage of net assets	Face value as percentage of total investment
		As at July 01, 2017	Purchased during the year	Matured during the year	As at June 30, 2018					
		(Rupees)								
Habib Bank Limited	6.70%	100,000,000	-	100,000,000	-	-	31-Jul-17	AA+	-	-
Allied Bank Limited	6.55%	-	190,000,000	190,000,000	-	-	26-Oct-17	AA+	-	-
Allied Bank Limited	7.35%	-	160,000,000	160,000,000	-	-	29-Dec-17	AA+	-	-
Allied Bank Limited	6.55%	-	110,000,000	110,000,000	-	-	27-Oct-17	AA+	-	-
Allied Bank Limited	7.35%	-	160,000,000	160,000,000	-	-	29-Jan-18	AA+	-	-
Total as at June 30, 2018		<u>100,000,000</u>	<u>620,000,000</u>	<u>720,000,000</u>	<u>-</u>	<u>-</u>				
Total as at June 30, 2017		<u>125,000,000</u>	<u>770,000,000</u>	<u>795,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>				

	June 30, 2018	June 30, 2017
Note	----- (Rupees) -----	
5.3 Unrealized loss on revaluation of investments classified as 'at fair value through profit or loss' - net		
Market value of investments	-	1,989,214
Less: Carrying value of investments	-	(1,989,311)
	<u>-</u>	<u>(97)</u>

6. PREPAYMENTS AND PROFIT RECEIVABLE

Prepaid listing fee	-	182,126
Profit receivable on term deposit receipts	-	18,219
Profit receivable on bank balances	6.1 10,298,242	3,199,862
	<u>10,298,242</u>	<u>3,400,207</u>

6.1 It includes accrued markup of Rs. 0.575 million (2017: 0.002 million) maintained with Bank Alfalah Limited (a related party).

7. PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	7.1 2,092,266	1,227,261
Sindh sales tax payable on management remuneration	7.2 841,317	728,778
Federal excise duty payable on management remuneration	7.3 11,119,352	11,119,352
Sales load payable	1,321	1,321
	<u>14,054,256</u>	<u>13,076,712</u>

7.1 As per the supplemental trust deed dated June 06, 2017, the Management Company has charged remuneration at the rate of 10% of the gross earnings of the Scheme till March 11, 2018, and afterwards, at the rate of 7.5% of the gross earnings of the scheme as per revision in the offering document dated March 07, 2018, calculated on a daily basis which is in aggregate is lower than the maximum rate of remuneration permitted under the Rules & Regulations (Which is currently restricted to 1% of average Annual Net Assets of the scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme. The remuneration is paid to the Management Company on a monthly basis in arrears.

7.2 Sindh Sales Tax on management remuneration has been charged at 13% (2017: 13%)

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 June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

During the previous year, 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 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.

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 prior to this period has been maintained by the Fund which at June 30, 2018 aggregates to Rs 11.119 million (2017: Rs11.119 million). Had the provision for FED not been recorded in the financial statements of the Fund, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 0.22 per unit (2017: Re 0.87 per unit).

		June 30, 2018	June 30, 2017
----- (Rupees) -----			
8. PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	8.1	351,270	157,917
Sindh Sales tax payable on trustee remuneration	8.2	46,656	21,520
		<u>397,926</u>	<u>179,437</u>

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	0.15% p.a. of net assets
Rs.1 billion to Rs.10 billion	Rs.1.5 million plus 0.075% p.a. of net assets exceeding Rs.1 billion
Over Rs.10 billion	Rs.8.25 million plus 0.06% p.a. of net assets exceeding Rs.10 billion

8.2 Sindh Sales Tax on trustee remuneration has been charged at 13% (2017: 13%)

9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Under the provisions of the NBFC Regulations, an open ended asset allocation scheme is required to pay an annual fee to the SECP, an amount equal to 0.075% (2017: 0.075%) of the daily net assets of the Fund.

10. ACCRUED AND OTHER LIABILITIES

Provision against Sindh Workers' Welfare Fund (SWWF)	10.1	4,397,773	1,431,585
Auditors' remuneration		166,806	348,356
Capital gains tax		3,601,866	6,789,574
Withholding tax		228,897	1,473,097
Brokerage and settlement charges		57,658	63,921
Printing charges		35,940	33,093
Sales load payable		535,888	23,465
Rating fee payable		176,294	-
Other payables		36,736	144
		<u>9,237,858</u>	<u>10,163,235</u>

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.5 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. However, as a matter of abundant caution, MUFAP has recommended to all its members to record a provision of Sindh WWF from the date of enactment of Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

The provision for SWWF is now being made on a daily basis. Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re.0.09 per unit (2017: Re. 0.11)

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2018 and June 30, 2017.

12. PROFIT / MARK-UP INCOME	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Profit / mark-up income on:		
Investments classified fair value through profit or loss' - held-for-trading		
-Market treasury bills	63,544,504	37,979,931
Loans and receivables		
-Certificates of investment	-	3,048,044
-Letters of placement	-	427,398
-Term deposit receipts	3,462,891	2,809,881
-Bank balances	106,493,154	43,568,363
	<u>173,500,549</u>	<u>87,833,617</u>

13. AUDITORS' REMUNERATION

Audit fee	120,000	266,200
Review and other certifications	105,000	139,755
Sindh Sales tax	16,875	24,357
Out of pocket expenses	28,125	50,745
	<u>270,000</u>	<u>481,057</u>

14. TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended June 30, 2018 is 0.97% (June 30, 2017: 1.22%) which includes 0.28% (June 30, 2017: 0.20%) representing Government levy, Workers' Welfare Fund and SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 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 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 has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been in these financial statements.

16. CASH AND CASH EQUIVALENTS

Bank balances	5,166,589,960	1,159,217,800
Treasury Bill maturing within 3 months	-	100,000,000
	<u>5,166,589,960</u>	<u>1,259,217,800</u>

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / Connected persons include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment 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. The transactions with connected persons are in the normal course of business and at contractual rates.

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

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Details of transactions and balances at year end 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

June 30, 2018											
Note	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	
(Units)					(Rupees)						
Associated companies / undertakings											
Alfalsh GHP Investment Management Limited	17.1.1	-	4,258,523	-	1,486,335	2,772,188	-	424,069,795	-	150,000,000	284,816,536
Alfalsh GHP Prosperity Planning Fund	17.1.1	62,199	4,537,245	-	2,631,059	1,968,385	746,354,105	446,500,000	-	262,900,000	202,233,253
Key management personnel (Employees)											
Chief executive officer	17.1.1	-	14,778	-	-	14,778	-	1,500,000	-	-	1,518,302
Chief Operating officer	17.1.1	-	4,754	-	3,293	1,461	-	484,109	-	336,076	150,104
Chief Financial Officer	17.1.1	-	1,522	-	-	1,522	-	154,437	-	-	156,371
Head of Operation	17.1.1	-	4,307	-	2,155	2,152	-	439,660	-	221,333	221,098
Head of Compliance	17.1.1	-	5,673	-	5,572	101	-	576,864	-	570,000	10,377
Head of Sales and Marketing	17.1.1	-	1,316	-	1,316	-	-	134,000	-	134,595	-
Assistant Vice President	17.1.1	-	892	-	-	892	-	90,487	-	-	91,645

June 30, 2017										
As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2017	
(Units)					(Rupees)					
Associated companies / undertakings										
Alfalsh GHP Capital Preservation Fund	6,328,316	1,003,183	-	7,331,499	-	621,565,932	100,000,000	-	730,637,165	-
Bank Alfalah Limited	567,661	-	-	567,661	-	55,755,550	-	-	58,440,225	-
Alfalsh GHP Prosperity Planning Fund	814,500	6,489,812	3,806	7,245,919	62,199	80,000,000	662,000,000	370,699	746,354,105	6,059,215
Key management personnel (Employees)										
Chief executive officer	15,460	-	-	15,460	-	1,518,478	-	-	1,529,115	-
Unit holder holding 10% or more units										
Fauji Oil Terminal and Distribution Company Limited	4,608,755	1,438,209	-	4,608,755	1,438,209	452,671,026	140,139,371	-	462,936,362	140,105,431
Gul Ahmed Wind Power Limited	-	9,183,723	-	7,401,704	1,782,019	-	929,148,889	-	757,216,250	173,598,232

17.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

	June 30, 2018	June 30, 2017
	(Rupees)	
17.2 Other transactions		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration to the Management Company	15,080,321	11,220,623
Sindh Sales tax on remuneration of the management Company	1,960,531	1,458,678
Sales Load	112,802	-
Alfalsh GHP Income Multiplier Fund		
Market treasury bills - sold	-	49,722,550
Alfalsh GHP Cash Fund		
Market treasury bills - sold	-	622,660,295
Alfalsh GHP Sovereign Fund		
Market treasury bills - sold	-	360,040,216
Bank Alfalah Limited		
Profit on bank balances	13,486,959	8,200,991
Bank charges	133,621	57,811
Market treasury bills - sold	2,709,000,000	50,000,000
Term deposit receipts - matured	-	100,000,000
Sales load	2,460,716	23,465

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,767,140	1,785,723
Sindh Sales tax on remuneration of the Trustee	<u>359,728</u>	<u>232,145</u>

17.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration payable to the Management Company	2,092,266	1,227,261
Sales tax payable on management fee	<u>841,317</u>	<u>728,778</u>
Federal excise duty on management fee	<u>11,119,352</u>	<u>11,119,352</u>
Sales load payable	<u>1,321</u>	<u>1,321</u>

Bank Alfalah Limited

Bank balance	654,104,822	193,884,117
Profit receivable	<u>575,287</u>	<u>2,340</u>
Sales load payable	<u>535,888</u>	<u>23,465</u>

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	351,270	157,917
Sindh Sales tax payable on trustee remuneration	<u>46,656</u>	<u>21,520</u>

18. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	5,166,589,960	-	5,166,589,960
Profit receivable	<u>10,298,242</u>	-	<u>10,298,242</u>
	<u>5,176,888,202</u>	-	<u>5,176,888,202</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	2,093,587	2,093,587
Payable to the Trustee	-	351,270	351,270
Accrued and other liabilities	-	<u>1,009,322</u>	<u>1,009,322</u>
	-	<u>3,454,179</u>	<u>3,454,179</u>

Particulars	June 30, 2017		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	1,159,217,800	-	1,159,217,800
Investments	100,000,000	1,989,214	101,989,214
Profit receivable	3,218,081	-	3,218,081
	1,262,435,881	1,989,214	1,264,425,095

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	1,228,582	1,228,582
Payable to the Trustee	-	157,917	157,917
Accrued and other liabilities		468,979	468,979
	-	1,855,478	1,855,478

19. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	5,166,589,960	1,159,217,800

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 51.67 million (2017: Rs 11.592 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

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

The composition of the fund investment may change over time. Accordingly, the sensitivity analysis prepared as at 30 June 2018 is not necessarily indicative of the impact on the funds 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	As at June 30, 2018					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.30 - 7.35	5,166,589,960	-	-	-	5,166,589,960
Investments		-	-	-	-	-
Profit receivable		-	-	-	10,298,242	10,298,242
Sub total		5,166,589,960	-	-	10,298,242	5,176,888,202
Financial liabilities						
Payable to the Management Company		-	-	-	2,093,587	2,093,587
Payable to the Trustee		-	-	-	351,270	351,270
Accrued and other liabilities		-	-	-	1,009,322	1,009,322
Sub total		-	-	-	3,454,179	3,454,179
On-balance sheet gap		5,166,589,960	-	-	6,844,063	5,173,434,023
Total interest rate sensitivity gap		5,166,589,960	-	-	6,844,063	5,173,434,023
Cumulative interest rate sensitivity gap		5,166,589,960	5,166,589,960	5,166,589,960		

Particulars	As at June 30, 2017					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 - 6.60	1,159,217,800	-	-	-	1,159,217,800
Investments	6.126	101,989,214	-	-	-	101,989,214
Profit receivable		-	-	-	3,218,081	3,218,081
Sub total		1,261,207,014	-	-	3,218,081	1,264,425,095
Financial liabilities						
Payable to the Management Company		-	-	-	1,228,582	1,228,582
Payable to the Trustee		-	-	-	157,917	157,917
Accrued and other liabilities		-	-	-	468,979	468,979
Sub Total		-	-	-	1,855,478	1,855,478
On-balance sheet gap		1,261,207,014	-	-	1,362,603	1,262,569,617
Total interest rate sensitivity gap		1,261,207,014	-	-	1,362,603	1,262,569,617
Cumulative interest rate sensitivity gap		1,261,207,014	1,261,207,014	1,261,207,014		

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.

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

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, 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.

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	5,166,589,960	5,166,589,960	1,159,217,800	1,159,217,800
Investments	-	-	101,989,214	100,000,000
Profit receivable	10,298,242	10,298,242	3,218,081	3,218,081
	<u>5,176,888,202</u>	<u>5,176,888,202</u>	<u>1,264,425,095</u>	<u>1,262,435,881</u>

No financial assets were considered to be past due or impaired either at June 30, 2018 and June 30, 2017.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Rating	2018		2017	
	Rupees	%	Rupees	%
AAA/A-1+	4,512,262,381	87.34	962,871,815	83.06
AA+ /A-1+	654,282,075	12.66	196,345,985	16.94
AA/A-1	45,504	-	-	-
	<u>5,166,589,960</u>	<u>100</u>	<u>1,159,217,800</u>	<u>100.0</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

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 instrument is mainly held with various banks and securities issued by the State Bank of Pakistan on behalf of Government of Pakistan.

19.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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.

2018	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
----- (Rupees) -----					
Financial assets					
Bank balances	5,166,589,960	-	-	-	5,166,589,960
Investments	-	-	-	-	-
Profit receivable	10,298,242	-	-	-	10,298,242
	<u>5,176,888,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,176,888,202</u>
Financial liabilities					
Payable to the Management Company	2,093,587	-	-	-	2,093,587
Payable to the Trustee	351,270	-	-	-	351,270
Accrued and other liabilities	1,009,322	-	-	-	1,009,322
	<u>3,454,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,454,179</u>
Net assets	<u>5,173,434,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,173,434,023</u>
2017	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
----- (Rupees) -----					
Financial assets					
Bank balances	1,159,217,800	-	-	-	1,159,217,800
Investments	100,000,000	1,989,214	-	-	101,989,214
Profit receivable	3,218,081	-	-	-	3,218,081
	<u>1,262,435,881</u>	<u>1,989,214</u>	<u>-</u>	<u>-</u>	<u>1,264,425,095</u>
Financial liabilities					
Payable to the Management Company	1,228,582	-	-	-	1,228,582
Payable to the Trustee	157,917	-	-	-	157,917
Accrued and other liabilities	468,979	-	-	-	468,979
	<u>1,855,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,855,478</u>
Net assets	<u>1,260,580,403</u>	<u>1,989,214</u>	<u>-</u>	<u>-</u>	<u>1,262,569,617</u>

19.4 Fair Value Measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3.5 to these financial statements.

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, 2018 the Fund has no financial assets measured at fair value (2017: Market Treasury Bills measured at level 2).

19.5 Unit Holders' Fund Risk Management

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

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

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

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

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

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

In order to maintain or adjust the capital structure, the Fund's policy is to perform 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 company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of 'Assets under Management' as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of NAV and total fund size at the end of each quarter.

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

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company on July 2, 2018 approved a final distribution of Rs. 5.3241 per unit on the face value of Rs.100 each (i.e 5.47%) amounting to Rs. 266.94 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

22. 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.

23. GENERAL

Figures are rounded off to the nearest rupee.

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	418	14,445,203	1,484,110,217	29%
Associated Co./ Directors	2	2,772,188	284,816,533	6%
Insurance Co.	5	905,695	93,051,735	2%
Banks/ DFIs	1	2,434,799	250,152,906	5%
Retirement & Other Funds	23	3,483,451	357,892,167	7%
Others	30	26,096,364	2,681,158,729	52%
	479	50,137,699	5,151,182,287	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	96	3,714,877	361,890,547	29%
Associated Co./ Directors	0	-	-	0%
Insurance Co.	3	234,867	22,879,920	2%
Retirement & Other Funds	14	2,832,834	275,965,029	22%
Others	12	5,947,724	579,407,023	47%
	125	12,730,302	1,240,142,519	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018 %
Bright Capital Private Limited	21
Invest Capital Markets Limited	20
BMA Capital Management Limited	18
Invest One Markets Limited	18
BIPL Securities	5
Summit Capital Private Limited	4
Pearl Securities	4
EFG Hermes Pakistan Limited	4
ICON Securities (Pvt) Limited	2
Next Capital Limited	2

	30 June 2017
	%
Invest Capital Markets Limited	26
BMA Capital Management Limited	23
ICON Securities	12
Invest & Finance Securities Limited	12
C & M Management (Pvt) Ltd	10
Vector Capital (Pvt.) Limited	6
Summit Capital (Private) Limited	5
Next Capital Limited	5
JS Global Capital Limited	1
Magenta Capital Private Limited	1

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st, 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017, 26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AHGPMMF

	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
	(Rupees in '000)				
Net Assets	5,151,181	1,240,143	3,850,040	2,785,865	2,816,502
NAV per unit	102.7407	97.4166	98.2198	100.8185	100.9170
Selling price per unit	103.9017	98.5174	99.5187	102.1634	102.2749
Redemption price per unit	102.7407	97.4166	98.2198	100.8185	100.9170
Highest selling price per unit	103.8842	104.9178	107.5894	110.5954	102.7432
Highest redemption price per unit	102.7407	103.7455	106.1852	109.1395	101.3790
Lowest selling price per unit	98.5988	98.5174	99.4854	102.0795	101.4101
Lowest redemption price per unit	97.4971	97.4166	98.1870	100.7357	100.4060
Total interim distribution per unit	-	6.3483	8.0288	8.8576	7.4065
Interim distribution date	-	16-Jun-17	22-Jun-16	23-Jun-15	3-Aug-13
	N/A	N/A	N/A	N/A	1-Sep-13
	N/A	N/A	N/A	N/A	28-Sep-13
	N/A	N/A	N/A	N/A	10-Nov-13
	N/A	N/A	N/A	N/A	30-Nov-13
	N/A	N/A	N/A	N/A	27-Dec-13
	N/A	N/A	N/A	N/A	6-Feb-14
	N/A	N/A	N/A	N/A	8-Mar-14
	N/A	N/A	N/A	N/A	5-Apr-14
	N/A	N/A	N/A	N/A	5-May-14
	N/A	N/A	N/A	N/A	5-Jun-14
	N/A	N/A	N/A	N/A	30-Jun-14
Final distribution per unit	5.3241	Nil	Nil	Nil	Nil
Final distribution date	2-Jul-18	N/A	N/A	N/A	N/A
Annualized returns %	5.46%	5.65%	5.37%	8.73%	8.22%
Income distribution %	5.47%	6.46%	7.96%	8.78%	7.31%
Weighted avg. portfolio duration (Days)	1 Day	4 Days	13 Days	66 Days	63 Days

Return since inception is **8.32%**

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



**Alfalah
Ghp Sovereign Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA-(f) by PACRA

Alfalah GHP Sovereign Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Market Review

Pakistan's GDP posted a growth of 5.79% in FY 18 as compared to 5.37% in FY 17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

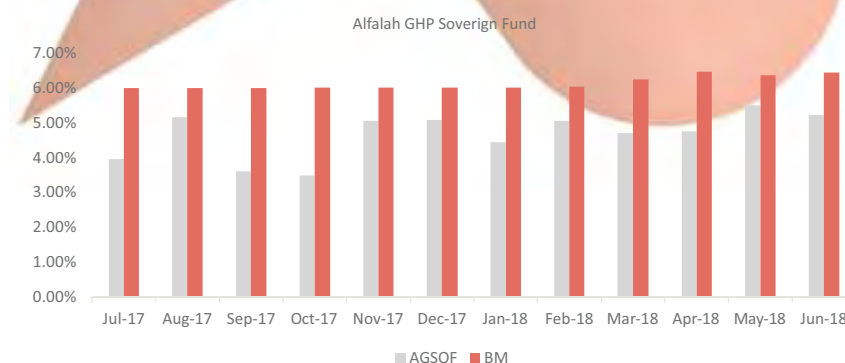
The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

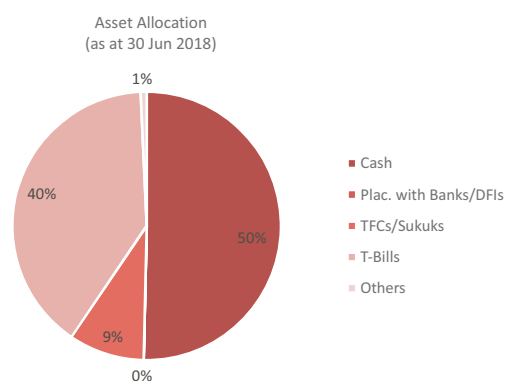
During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.

Fund Performance

For the year ended June 30 2018, the fund posted a return of 4.96% against the benchmark of 6.20%. The fund maintained a balanced portfolio in government securities and deposits with higher credit rating bank deposits/placements in order to generate stable returns. During the period fund WAM was kept on lower end in order to avoid volatility.





Credit Quality (as % of Total Assets)			
Govt. Secs.	39.80%	A	0.00%
AAA	0.05%	A-	0.00%
AA+	4.16%	BBB+	0.00%
AA	0.00%	BBB	0.00%
AA-	55.27%	Below IG	0.00%
A+	0.00%	NR/UR/MTS	0.72%

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, 30-B, Block 'E',
J.M.C.H.S., Main Street-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 344-411-500
Fax: (92-21) 34426020 - 24
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 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Sovereign Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2007, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 19, 2018



INDEPENDENT AUDITORS' 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, 2018**, and the income statement, comprehensive income, cash flows statement and 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 June 30, 2018, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of debt investments	
As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the investments held by the Fund comprised of debt instruments which represent 49% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of debt instruments. Our key procedures included the following: <ul style="list-style-type: none"> - We tested controls over acquisition, disposals and periodic valuation of debt instruments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review custodian's statement, and related
In view of the significance of these debt instruments in relation to the total assets and the NAV of the Fund, we have consider the existence and valuation of such debt	

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Key audit matter	How our audit addressed the key audit matter
<p>instruments as a key audit matter.</p>	<p>reconciliations, re-performance of debt instruments valuations on the basis of prices provided by the Mutual Fund Association of Pakistan (MUFAP).</p> <ul style="list-style-type: none"> - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of debt instruments and exposure limits prescribed in such Regulations and the adequacy of disclosures as may be applicable in situations of non-compliance. <p>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the debt instruments portfolio in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of debt instruments are compliant with the relevant accounting requirements.</p>
<p>2. Amendment to the NBFC Regulations, 2008</p>	
<p>As disclosed in note 3.1 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the Securities and Exchange Commission of Pakistan through its SRO no. 756(I)/2017 dated 03 August 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).</p> <p>These amendments are considered significant to our audit because application of the said amendments resulted in change in accounting policy relating to presentation "element of income / loss" in the financial statements and certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' (the Statements).</p>	<p>We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the amended provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the revised Regulations and assessed its implementation by the Fund.</p> <p>We evaluated the adequacy of disclosures regarding the change in accounting policy with respect to element of income / loss in accordance with the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.</p>

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.



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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.

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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.

Other matter

The financial statements of the Fund for the year ended 30 June 2017, were audited by another auditor who expressed an unmodified opinion on those financial statements on 20 September 2017.

The engagement partner in the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: September 24, 2018

Karachi

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
Assets			
Bank balances	4	754,161,184	180,857,952
Investments	5	735,477,654	1,076,705,862
Deferred formation cost	6	329,857	713,328
Advances, prepayments and mark-up receivable	7	10,658,343	7,761,466
Total assets		1,500,627,038	1,266,038,608
Liabilities			
Payable to the Management Company	8	22,754,088	23,351,172
Payable to the Trustee	9	132,812	163,746
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	931,632	2,331,063
Accrued and other liabilities	11	12,994,361	18,841,992
Payable against purchases of investment	12	626,295,180	-
Total liabilities		663,108,073	44,687,973
Net assets attributable to unit holders		837,518,965	1,221,350,635
Unit holders' funds (as per the statement attached)		837,518,965	1,221,350,635
Contingencies and commitments	13	----- (Number of units) -----	
Number of units in issue		7,544,879	11,548,476
		----- (Rupees) -----	
Net asset value per unit		111.0050	105.7586

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
Note	----- (Rupees) -----	
Income		
Profit / mark up income	14 81,563,447	199,452,348
'At fair value through profit or loss' - held-for-trading		
- Loss on sale of investments - net	(1,144,851)	(8,375,719)
- Unrealised (loss) / gain on revaluation of investments - net	(116,223)	208,778
Reversal of provision against Workers' Welfare Fund	-	15,107,679
Other Income	681,215	-
Total income	80,983,588	206,393,086
Expenses		
Remuneration of the Management Company	8.1 11,457,735	31,081,177
Sindh sales tax on remuneration of the Management Company	1,489,514	4,040,557
Remuneration of the Trustee	1,677,628	3,073,431
Sindh sales tax on remuneration of the Trustee	218,088	399,772
Annual fee to Securities and Exchange Commission of Pakistan	931,632	2,331,088
Brokerage expense	143,461	756,232
Bank and settlement charges	188,588	624,662
Auditors' remuneration	15 270,777	330,467
Annual listing fee	37,546	72,119
Annual rating fee	308,425	334,864
Printing charges	70,057	96,553
Legal and professional fee	-	625,000
Allocated expenses	8.4 1,242,127	3,108,013
Selling and marketing expenses	258,160	-
Amortisation of deferred formation cost	6 383,471	383,471
Amortisation of MTS annual charges	250,000	250,000
Provision against Sindh Workers' Welfare Fund	11.1 2,173,018	1,890,757
Total expenses	21,100,227	49,398,163
Net income for the year before element of loss and capital losses included in prices of units issued less those in units redeemed - net	59,883,361	156,994,923
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	(116,817,280)
Net income for the year before taxation	59,883,361	40,177,643
Taxation	18 -	-
Net income for the year after taxation	59,883,361	40,177,643
Allocation of net income for the year		
Net income for the year after taxation	59,883,361	-
Income already paid on units redeemed	(35,086,227)	-
	24,797,134	-
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	24,797,134	-
	24,797,134	-

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Net income for the year after taxation	59,883,361	40,177,643
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>59,883,361</u>	<u>40,177,643</u>

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



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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018		
	Capital Value	Undistributed income	Total
	--- (Rupees) ---		
Capital value	1,158,202,657	-	1,158,202,657
Undistributed income brought forward			
- Realised	-	62,939,200	62,939,200
- Unrealised	-	208,778	208,778
Net assets at beginning of the year [Rs.105.7586 per unit]	1,158,202,657	63,147,978	1,221,350,635
Issuance of 13,769,819 units			
- Capital value (at net asset value per unit at the beginning of the year)	1,456,276,780	-	1,456,276,780
- Element of income	34,385,075	-	34,385,075
Total proceeds on issuance of units	1,490,661,855	-	1,490,661,855
Redemption of 17,773,416 units			
- Capital value (at net asset value per unit at the beginning of the year)	1,879,691,593	-	1,879,691,593
- Relating to net income for the year after taxation	-	35,086,227	35,086,227
- Relating to other comprehensive income for the year	-	-	-
- Refund on Units as element of income	19,599,066	-	19,599,066
Total payments on redemption of units	1,899,290,659	35,086,227	1,934,376,886
Total comprehensive income for the year	-	59,883,361	59,883,361
Distribution during the year	-	-	-
Net income for the year less distribution	-	59,883,361	59,883,361
Net assets at end of the year [Rs.111.0050 per unit]	749,573,853	87,945,112	837,518,965
Undistributed income carried forward			
- Realised	-	88,061,335	-
- Unrealised	-	(116,223)	-
	-	87,945,112	-

	June 30, 2017 --- (Rupees) ---
Net assets at beginning of the year [Rs.105.7890 per unit]	2,987,126,381
Issue of 51,830,918 units	5,554,170,383
Redemption of 68,519,008 units	(7,436,772,772) 1,104,523,992
Element of income and capital gains included in prices of units sold less those in units redeemed transferred to income statement - net	116,817,280
Element of income and capital gains included in prices of units sold less those in units redeemed transferred to distribution statement - net	91,238,645 208,055,925
Other income (net of expenses) for the year	48,344,584
Capital gain on sale of investments - net	(8,375,719)
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net	208,778
Distribution of cash dividend @ Rs.5.8914 per unit (2016: @4.6776 per unit)	(40,168,280)
Total comprehensive income for the year	9,363
Net element of income and capital gains included in the prices of units issued less those in units redeemed - distribution statement	(91,238,645)
Net assets at end of the year (Rs.105.7586 per unit)	<u>1,221,350,635</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	59,883,361	40,177,643
Adjustments for:		
Amortisation of deferred formation cost	383,471	383,471
Provision against Sindh Workers' Welfare Fund	2,173,018	1,890,757
Reversal of provision against Workers' Welfare Fund	-	(15,107,679)
Unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net	116,223	(208,778)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	116,817,280
	<u>62,556,073</u>	<u>143,952,694</u>
Decrease / (increase) in assets		
Investments - net	<u>939,553,785</u>	<u>723,737,628</u>
Advances, prepayments and mark-up receivable	<u>(2,896,877)</u>	<u>54,369,898</u>
	936,656,908	778,107,526
Increase / (decrease) in liabilities		
Payable to the Management Company	<u>(597,084)</u>	<u>(8,687,351)</u>
Payable to the Trustee	<u>(30,934)</u>	<u>(955,353)</u>
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	<u>(1,399,431)</u>	<u>(3,709,266)</u>
Payable against purchase of investments	<u>626,295,180</u>	<u>-</u>
Accrued and other liabilities	<u>(8,020,649)</u>	<u>(42,845,649)</u>
	<u>616,247,082</u>	<u>(56,197,619)</u>
Net cash generated from operating activities	<u>1,615,460,063</u>	<u>865,862,601</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	<u>1,490,661,855</u>	<u>5,554,170,383</u>
Payments made against redemption of units	<u>(1,934,376,886)</u>	<u>(7,436,772,772)</u>
Dividend paid	<u>-</u>	<u>(40,168,280)</u>
Net cash used in financing activities	<u>(443,715,031)</u>	<u>(1,922,770,669)</u>
Net increase / (decrease) in cash and cash equivalents during the year	<u>1,171,745,032</u>	<u>(1,056,908,068)</u>
Cash and cash equivalents at beginning of the year	<u>180,857,952</u>	<u>1,237,766,020</u>
Cash and cash equivalents at end of the year	<u>16</u> <u>1,352,602,984</u>	<u>180,857,952</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Sovereign Fund (the Fund) was constituted under Trust Deed dated April 21, 2014 between Alfalah GHP Investment Management Limited (AGIML) as Management Company, incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust deed was registered with Sub-Registrar on May 06, 2014.

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

The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a Notified Entity under Regulation 44 of the Non Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. SCD/AMCW/IGIFL/261/2012 dated September 11, 2012 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/DD-ZRK/AFGIML/961/2014 dated April 21, 2014.

The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2+' to the Management Company in its rating report dated Dec 22, 2017 and AA-(f) to the Fund in its rating report dated June 30, 2018.

The 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 PRESENTATION

2.1 Statement of compliance

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

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; the NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of 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 approved accounting standards that are effective in current year

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

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

2.3 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)	July 01, 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

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

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 - Insurance Contracts	January 01, 2021

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

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

- Classification and valuation of investments (note 3.3.1 and 5)
- Impairment of financial assets (note 3.3.6)
- Taxation (note 3.7 and 18)
- Recognition of provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 8.3 and 11.1 respectively)

2.5 Accounting convention

These financial statement have been prepared under the historical cost convention, except for investments which are stated at fair value.

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except for as disclosed in note 2.2 and 3.1.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 year. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting year (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter no. (S.R.O) No. 756(I) / 2017 dated August 3, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of loss been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 19.894 million net off charge for SWWF with immaterial effect on the 'net assets attributable to the unit holders' and NAV per unit of the Fund as disclosed in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' respectively. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.3.3 Regular way contracts

Regular 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 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 expensed out in the income statement.

3.3.5 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKISRV rate sheet on the MUFAP website.
- Other debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

3.3.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment loss is recognised in the income statement.

3.3.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership.

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.

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

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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed 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.

3.8 Dividend distribution and appropriations

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

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 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 are included in the income statement in the period in which they arise.
- Unrealised gains or losses arising on revaluation 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 / mark-up on bank balances, term deposit receipts, debt and government securities is recognised on an accrual basis using the effective yield method.

3.12 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

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

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
4. BANK BALANCES			
In saving accounts	4.1	<u>754,161,184</u>	<u>180,857,952</u>
4.1	These represent balances in deposit accounts maintained with banks carrying profit rates ranging from 4.00% to 7.4% (2017: 4.00% to 6.76%) per annum. It includes bank balance of Rs. 32.055 million (2017: Rs.40.708 million) maintained with Bank Alfalah Limited (a related party).		
5. INVESTMENTS			
At fair value through profit or loss' - held-for-trading			
Market Treasury Bills	5.1	598,441,800	851,187,471
Pakistan Investment Bonds	5.2	-	-
Term Finance Certificates	5.3	137,035,854	225,518,391
Loan and receivables			
Term Deposit Receipts	5.4	-	-
		<u>735,477,654</u>	<u>1,076,705,862</u>

5.1 Market Treasury bills - 'at fair value through profit or loss' - held-for-trading

	Face value			As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Net unrealised loss on revaluation of investments	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment
	As at July 01, 2017	Purchased during the year	Sold / matured during the year						
----- (Rupees) -----									
Market Treasury Bills - 3 months	-	43,475,000,000	42,875,000,000	600,000,000	598,462,200	598,441,800	(20,400)	71.45	81.37
Market Treasury Bills - 6 months	860,000,000	900,000,000	1,760,000,000	-	-	-	-	-	-
Total as at June 30, 2018	<u>860,000,000</u>	<u>44,375,000,000</u>	<u>44,635,000,000</u>	<u>600,000,000</u>	<u>598,462,200</u>	<u>598,441,800</u>	<u>(20,400)</u>		
Total as at June 30, 2017	<u>-</u>	<u>12,255,800,000</u>	<u>11,395,800,000</u>	<u>860,000,000</u>	<u>851,248,580</u>	<u>851,187,471</u>	<u>(61,109)</u>		

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

	Face value			As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Net unrealised gain / (loss) on revaluation of investments	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment
	As at July 01, 2017	Purchased during the year	Sold / matured during the year						
----- (Rupees) -----									
Pakistan Investment Bonds - 3 years	-	650,000,000	650,000,000	-	-	-	-	-	-
Pakistan Investment Bonds - 5 years	-	2,885,000,000	2,885,000,000	-	-	-	-	-	-
Total as at June 30, 2018	<u>-</u>	<u>3,535,000,000</u>	<u>3,535,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Total as at June 30, 2017	<u>1,585,000,000</u>	<u>175,000,000</u>	<u>1,760,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

5.3 Term Finance Certificates - 'at fair value through profit or loss' - held-for-trading

Name of the investee company	Note	Face value			As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Net unrealised loss on revaluation of investments	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment	
		Secured / Unsecured	As at July 01, 2017	Purchased during the year							Sold / matured during the year
----- (Rupees) -----											
----- (%) -----											
Term finance certificates - unlisted											
Habib Bank Limited	5.3.1	Secured	109,956,000	27,378,080	109,921,020	27,413,060	27,131,677	27,035,854	(95,823)	3.23	3.68
Standard Chartered Bank Limited		Secured	115,000,000	-	115,000,000	-	-	-	-	-	-
The Bank of Punjab Limited	5.3.2	Secured	-	110,000,000	-	110,000,000	110,000,000	110,000,000	-	13.13	14.96
Total as at June 30, 2018			<u>224,956,000</u>	<u>137,378,080</u>	<u>224,921,020</u>	<u>137,413,060</u>	<u>137,131,677</u>	<u>137,035,854</u>	<u>(95,823)</u>		
Total as at June 30, 2017			<u>-</u>	<u>510,466,000</u>	<u>285,510,000</u>	<u>224,956,000</u>	<u>225,248,504</u>	<u>225,518,391</u>	<u>269,887</u>		

5.3.1 These Term Finance Certificates having face value of Rs. 99,920 each carrying rate of return of 6 Months KIBOR+0.50% per annum and will mature on February 19, 2026.

5.3.2 These Term Finance Certificates having face value of Rs. 100,000 each carrying rate of return of 6 Months KIBOR+1.25% per annum and will mature on May 2028.

5.4 Term Deposit Receipts - loan and receivables

Name of the investee company	Rate of return per annum	Face value			Carrying value as at June 30, 2018	Maturity	Rating	Face value as percentage of net assets	Face value as percentage of total investment
		As at July 01, 2017	Purchased during the year	Matured during the year					
		(Rupees)						(%)	
Allied Bank Limited	7.35%	-	100,000,000	100,000,000	-	January 29, 2018	AAA/A1+	-	-
Total as at June 30, 2018		-	100,000,000	100,000,000	-				
Total as at June 30, 2017		551,069,110	-	551,069,110	-				
							June 30, 2018		June 30, 2017
							(Rupees)		

6. DEFERRED FORMATION COST

Formation cost incurred	713,328	1,096,799
Amortised during the year	<u>(383,471)</u>	<u>(383,471)</u>
Unamortised cost at the end of the year	<u>329,857</u>	<u>713,328</u>

6.1 This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the Securities and Exchange Commission of Pakistan, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years effective from May 10, 2014, i.e. after the end of initial period of the Fund.

7. ADVANCES, PREPAYMENTS AND MARK-UP RECEIVABLE	Note	June 30, 2018	June 30, 2017
		(Rupees)	
Advances and Deposits			
- Advance against MTS-NCCPL		250,000	250,000
- Advance against TFC exposure		2,937,357	2,937,357
- Other deposits		100,000	100,000
Prepayments:			
- PACRA rating fee		-	151,679
Mark-up receivable on:			
- Bank balances	7.1	5,046,789	1,638,636
- Term Finance Certificate		2,310,811	2,683,794
Advance tax		13,386	-
		<u>10,658,343</u>	<u>7,761,466</u>

7.1 It includes accrued markup of Rs. 0.03 million (2017:0.27 million) maintained with Bank Alfalah Limited (a related party).

8. PAYABLE TO THE ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable	8.1	568,796	1,159,768
Sindh sales tax payable on management remuneration	8.2	2,527,992	2,604,815
Federal excise duty payable on management remuneration	8.3	18,099,657	18,099,657
Formation cost payable		5,000	5,000
Sales load payable		628,612	628,612
Payable against allocated expenses	8.4	615,871	803,320
Payable against Selling & marketing expenses	8.5	258,160	-
Other payables		50,000	50,000
		<u>22,754,088</u>	<u>23,351,172</u>

8.1 Management Company shall charge a fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (Which is currently restricted to 1.5% of average Annual Net Assets of the Scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.

8.2 Sindh Sales Tax on management fee has been charged at 13% (2017: 13%) .

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

During the previous year, 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 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.

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 prior to this period has been maintained by the Fund which at June 30, 2018 aggregates to Rs 18.09 million (2017: Rs 18.09 million). Had the provision for FED not been recorded in the financial statements of the Fund, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Rs 2.39 per unit (2017: Rs 1.57 per unit).

8.4 In accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

8.5 In connection with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan has issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017). In accordance with the provisions contained in these circulars, selling and marketing expenses will be allowed initially for a period of three years (from January 1, 2017 till December 31, 2019) to be charged to the Fund upto a maximum of 0.4% per annum of net assets of the fund or actual expenses, whichever is lower for the year. Accordingly, the Management Company has charged expenses at the rate pf 0.4% per annum of the net assets of the Fund being lower than actual expenses chargeable to the Fund.

	Note	June 30, 2018	June 30, 2017
(Rupees)			
9. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee Remuneration payable	9.1	117,536	144,908
Sindh Sales Tax payable on trustee remuneration	9.2	15,276	18,838
		<u>132,812</u>	<u>163,746</u>

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	0.15% p.a. of Net Assets
1 billion to 10 billion	Rs.1.5 million plus 0.075% p.a. of net assets exceeding Rs.1 billion.
Over Rs.10 billion	Rs. 8.25 million plus 0.06% p.a. of net assets exceeding Rs.10 billion.

9.2 Sindh Sales Tax on management fee has been charged at 13% (2017: 13%) .

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

Annual fee payable to the SECP	10.1	<u>931,632</u>	<u>2,331,063</u>
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10.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% (2017: 0.075%) of the annual net assets of the Fund.

		June 30, 2018	June 30, 2017
	Note	----- (Rupees) -----	
11. ACCRUED AND OTHER LIABILITIES			
Withholding tax and capital gain tax payable		616,083	7,601,910
Auditors' remuneration		209,798	325,771
Brokerage payable		21,662	8,276
Printing charges payable		28,247	35,783
Annual rating fee		156,746	-
Annual listing fee		10,046	-
Provision against Sindh Workers Welfare Fund	11.1	4,063,776	1,890,757
Sales load payable		7,888,003	8,979,495
		<u>12,994,361</u>	<u>18,841,992</u>

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.5 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. However, as a matter of abundant caution, MUFAP has recommended to all its members to record a provision of Sindh WWF from the date of enactment of Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

The provision for SWWF is now being made on a daily basis. Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.53 per unit (2017: Re. 0.16 per unit).

12. PAYABLE AGAINST PURCHASE OF INVESTMENTS

This represents payable against purchase 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 paid subsequent to the year end.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2018 and June 30, 2017.

14. PROFIT / MARK UP INCOME

Profit / mark up income on:

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

- Market Treasury bills
- Pakistan investment bonds
- Term Finance Certificate

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	

	21,135,370	103,499,779
	-	32,928,544
	<u>10,375,553</u>	<u>12,623,640</u>
	<u>31,510,923</u>	<u>149,051,963</u>

Loan and receivables

- Letters of placement
- Term deposit receipts
- Bank deposits
- MTS income

	-	2,055,616
	825,616	14,172,115
	49,150,258	31,593,017
	76,650	2,579,637
	<u>81,563,447</u>	<u>199,452,348</u>

15. AUDITORS' REMUNERATION

- Audit fee
- Other certification and services

	120,000	209,000
	109,795	141,000

- Sindh sales tax
- Out of pocket expenses

	229,795	350,000
	18,384	21,000
	22,598	(40,533)
	<u>270,777</u>	<u>330,467</u>

16. CASH AND CASH EQUIVALENTS

- Bank balances
- Treasury Bill maturing within 3 months

	754,161,184	180,857,952
	598,441,800	-
	<u>1,352,602,984</u>	<u>180,857,952</u>

17. TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended June 30, 2018 is 1.70% (June 30, 2017: 1.55%) which includes 0.39% (June 30, 2017: 0.24%) representing Government levy, Workers' Welfare Fund and SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

18. 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 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 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 has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been in these financial statements.

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding limited, Bank Alfalah Limited and MAB Investment 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. The transactions with connected persons are in the normal course of business and at contractual rates.

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

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

19.1 Unit Holders' Fund

		June 30, 2018									
Note	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	
(Units)					(Rupees)						
Associated companies / undertakings											
CDC-Trustee Alfalah GHP Conservative Plan	19.1.1	214,222	69,551	-	233,212	50,561	22,655,819	7,500,000	-	25,000,000	5,612,524
CDC-Trustee Alfalah GHP Moderate Plan	19.1.1	1,470,886	316,034	-	1,639,457	147,463	155,558,844	34,000,000	-	174,500,000	16,369,130
CDC-Trustee Alfalah GHP Active Allocation Plan	19.1.1	1,853	327,886	-	167,044	162,695	195,971	35,000,000	-	18,000,000	18,059,958
Management Company											
Alfalah GHP Investment Management Limited	19.1.1	377,780	-	-	373,238	4,542	39,953,484	-	-	40,000,000	504,185
Key management personnel											
Head of Sales & Marketing	19.1.1	-	3	-	-	3	-	277	-	-	333
Unit holder holding 10% or more units											
Fauji Fertilizer Bin Qasim Limited	19.1.1	-	909,873	-	-	909,873	-	100,000,000	-	-	101,000,452
		June 30, 2017									
Note	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2017	
(Units)					(Rupees)						
Associated companies / undertakings											
Bank Alfalah Limited		1,978,187	-	-	1,978,187	-	209,270,425	-	-	218,911,463	-
Alfalah GHP Capital Preservation Fund		5,387,608	-	-	5,387,608	-	569,949,663	-	-	577,305,463	-
Alfalah GHP Prosperity Planning Fund *		737,316	2,083,643	89,052	1,223,052	1,686,959	77,999,922	227,000,000	9,413,918	134,000,000	178,410,422
Alfalah GHP Investment Management Limited		2,065,025	-	20,209	-	377,780	218,456,930	-	2,136,358	183,534,090	39,953,484
Key management personnel											
Head of Corporate Strategy		1,960	2,313	-	4,273	-	207,346	250,000	-	463,934	-
Unit holder holding 10% or more units											
Abdul Sattar Edhi Foundation		-	8,436,739	-	4,106,757	4,329,982	-	913,357,996	-	458,272,548	457,932,834

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

19.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
19.2 Other transactions		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	11,457,735	31,081,177
Sindh sales tax on remuneration of the Management Company	1,489,514	4,040,557
Expenses allocated by the Management Company	1,242,127	3,108,013
Selling and marketing expenses	258,160	-
Bank Alfalah Limited		
Mark-up on bank deposits	1,211,664	5,795,846
Sales load	2,090,590	843,152
Bank charges	39,381	81,501
Market Treasury Bills - purchased	-	193,196,055
Market Treasury Bills - sold	247,060,000	259,324,740
Pakistan Investment Bonds - purchased	-	26,585,000
Term Deposit Receipt - matured	-	550,000,000
Mark-up on Term Deposit Receipts	-	5,053,973
Alfalsh GHP Income Multiplier Fund		
Market Treasury Bills - purchased	-	49,702,250
Market Treasury Bills - sold	-	27,937,081
Term Finance Certificate - sold	-	161,074,300
Term Finance Certificate - purchased	-	99,908,300
Alfalsh GHP Money Market Fund		
Market Treasury Bills - purchased	-	360,040,216
Alfalsh GHP Cash Fund		
Market Treasury Bills - purchased	-	262,806,405
Alfalsh GHP Income Fund		
Market Treasury Bills - purchased	-	245,565,000
Market Treasury Bills - sold	-	49,871,250
Term Finance Certificates - purchased	-	24,993,504
Term Finance Certificates - sold	-	85,282,000
Alfalsh GHP Islamic Income Fund		
Sukuks - sold	-	21,381,840
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,677,628	3,073,431
Sales tax on Trustee fee	218,088	399,772
Security deposit	100,000	100,000
CDC charges	16,214	109,171
19.3 Other balances		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration payable to the Management Company	568,796	1,159,768
Sales tax payable on management fee	2,527,992	2,604,815
Federal excise duty on management fee	18,099,657	18,099,657
Formation cost payable	5,000	5,000
Sales load payable	628,612	628,612
Other payables	50,000	50,000
Payable against allocated expenses	615,871	803,320
Selling and marketing expenses	258,160	-
Bank Alfalah Limited		
Bank balance	32,055,891	40,708,970
Mark-up receivable	31,323	273,794
Sales load payable	7,888,003	8,979,495
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	117,536	144,908
Sales tax on Trustee fee	15,276	18,838
Security deposit	100,000	100,000

20. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	754,161,184	-	754,161,184
Investments	-	735,477,654	735,477,654
Advances and markup receivable	10,658,343	-	10,658,343
	<u>764,819,527</u>	<u>735,477,654</u>	<u>1,500,297,181</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees) -----		
Financial Liabilities			
Payable to the Management Company	-	1,868,279	1,868,279
Payable to the Trustee	-	117,536	117,536
Accrued and other liabilities	-	8,314,502	8,314,502
	<u>-</u>	<u>10,300,317</u>	<u>10,300,317</u>

Particulars	June 30, 2017		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	180,857,952	-	180,857,952
Investments	-	1,076,705,862	1,076,705,862
Advances and markup receivable	7,609,787	-	7,609,787
	<u>188,467,739</u>	<u>1,076,705,862</u>	<u>1,265,173,601</u>

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees) -----		
Financial Liabilities			
Payable to the Management Company	-	2,646,700	2,646,700
Payable to the Trustee	-	144,908	144,908
Accrued and other liabilities	-	9,349,325	9,349,325
	<u>-</u>	<u>12,140,933</u>	<u>12,140,933</u>

21. 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.

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

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

21.1.1 Currency risk

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

21.1.2 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:

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	754,161,184	180,857,952
Term Finance Certificates	<u>137,035,854</u>	<u>225,518,391</u>
	<u>891,197,038</u>	<u>406,376,343</u>
Fixed rate instruments (financial assets)		
Market treasury bills	<u>598,441,800</u>	851,187,471
	<u>598,441,800</u>	<u>851,187,471</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 and statement of comprehensive income by Rs 8.911 million (2017: Rs 4.063 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 and statement of comprehensive income by Rs 5.984 million (2017: Rs 0.851 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, 2018 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.

	Yield / effective interest rate (%)	June 30, 2018			Not exposed to yield / interest risk	Total
		Exposed to yield / interest rate risk				
		Upto three months	More than three months and upto one year	More than one year		
		----- (Rupees in '000) -----				
On-balance sheet financial instruments						
Financial Assets						
Bank balances	4.00 - 7.40	754,161,184	-	-	-	754,161,184
Investments classified:						
'At fair value through profit or loss' - held-for-trading						
- Treasury Bills	5.94 - 6.01	-	-	-	-	-
- Term Finance Certificates	6.92 - 7.74	137,035,854	-	-	-	137,035,854
Advances, prepayments and mark-up receivable		-	-	-	10,658,343	10,658,343
		<u>891,197,038</u>	-	-	<u>10,658,343</u>	<u>901,855,381</u>
Financial Liabilities						
Payable to the Management Company		-	-	-	1,868,279	1,868,279
Payable to the Trustee		-	-	-	117,536	117,536
Payable against purchase of Investments		-	-	-	626,295,180	626,295,180
Accrued and other liabilities		-	-	-	8,314,502	8,314,502
		-	-	-	636,595,497	636,595,497
On-balance sheet gap		<u>891,197,038</u>	<u>-</u>	<u>-</u>	<u>(625,937,154)</u>	<u>265,259,884</u>

June 30, 2017						
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 in '000)						
On-balance sheet financial instruments						
Financial Assets						
Bank balances	4.00 - 7.4	180,857,952	-	-	-	180,857,952
Investments classified:						
'At fair value through profit or loss' - held-for-trading						
- Treasury Bills	5.97 - 5.99	851,187,471	-	-	-	851,187,471
- Term Finance Certificates	6.53 - 7.24	225,518,391	-	-	-	225,518,391
Advances, prepayments and mark-up receivable		-	-	-	7,609,787	7,609,787
		1,257,563,814	-	-	7,609,787	1,265,173,601
Financial Liabilities						
Payable to the Management Company		-	-	-	2,646,700	2,646,700
Payable to the Trustee		-	-	-	144,908	144,908
Accrued and other liabilities		-	-	-	9,349,325	9,349,325
		-	-	-	12,140,933	12,140,933
On-balance sheet gap		1,257,563,814	-	-	(4,531,146)	1,253,032,668

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. As at reporting date, the fund is not exposed to price risk, as no equity securities are held by the Fund.

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

21.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable and deposit and other receivable.

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

21.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	754,161,184	754,161,184	180,857,952	180,857,952
Investments	735,477,654	137,035,854	1,076,705,862	225,518,391
Deposits and Mark-up receivable	10,658,343	10,658,343	7,609,787	7,609,787
	1,500,297,181	901,855,381	1,265,173,601	413,986,130

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 598.44 million (2017: Rs. 851.187 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2018 and June 30, 2017.

21.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Rating	2018		2017	
	Rupees	%	Rupees	%
A1+ / AA+	32,304,977	4.28	63,670,176	35.00
A1 / AA	10,000	-	-	-
A1+ / AA-	721,316,953	95.65	117,187,776	65.00
A1+ / AAA	529,254	0.07	-	-
	754,161,184	100.00%	180,857,952	100

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

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 instrument is mainly held with various banks securities issued by the State Bank of Pakistan on behalf of the Government.

21.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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

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

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

2018	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
	----- Rupees -----				
Financial assets					
Bank balances	754,161,184	-	-	-	754,161,184
Investments	-	598,441,800	-	137,035,854	735,477,654
Advances and mark-up receivable	5,046,789	2,324,197	3,287,357	-	10,658,343
	759,207,973	600,765,997	3,287,357	137,035,854	1,500,297,181
Financial liabilities					
Payable to the Management Company	1,868,279	-	-	-	1,868,279
Payable to the Trustee	117,536	-	-	-	117,536
Payable against purchase of Investments	626,295,180	-	-	-	626,295,180
Accrued and other liabilities	7,937,912	209,798	-	-	8,147,710
	636,218,907	209,798	-	-	636,428,705
Net assets	122,989,066	600,556,199	3,287,357	137,035,854	863,868,476

2017	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	180,857,952	-	-	-	180,857,952
Investments	-	851,187,471	-	225,518,391	1,076,705,862
Advances and mark-up receivable	4,322,430	-	3,287,357	-	7,609,787
	185,180,382	851,187,471	3,287,357	225,518,391	1,265,173,601
Financial liabilities					
Payable to the Management Company	2,646,700	-	-	-	2,646,700
Payable to the Trustee	144,908	-	-	-	144,908
Accrued and other liabilities	9,023,554	325,771	-	-	9,349,325
	11,815,162	325,771	-	-	12,140,933
Net assets	<u>173,365,220</u>	<u>850,861,700</u>	<u>3,287,357</u>	<u>225,518,391</u>	<u>1,253,032,668</u>

21.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.2 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as at fair value through profit or loss' - held-for-trading				
Market treasury bills	-	598,441,800	-	598,441,800
Term Finance Certificates	-	137,035,854	-	137,035,854
	-	<u>735,477,654</u>	-	<u>735,477,654</u>

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as at fair value through profit or loss' - held-for-trading				
Market treasury bills	-	851,187,471	-	851,187,471
Term Finance Certificates	-	225,518,391	-	225,518,391
	-	<u>1,076,705,862</u>	-	<u>1,076,705,862</u>

21.4.1 Valuation techniques used in determination of fair values within level 2.

- Fair values of Market Treasury Bills are derived using PKRV rates (Reuters page).

- Investments in debt securities comprising term finance certificates are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) and Bloomberg in case of foreign bonds, in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

21.4.2 During the year ended June 30, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21.5 Unit Holder's fund risk management

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

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

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

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

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

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

In order to maintain or adjust the capital structure, the Fund's policy is to perform 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 company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of 'Assets under Management' as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of NAV and total fund size at the end of each quarter.

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

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company on July 2, 2018 approved a final distribution of Rs. 5.2464 per unit on the face value of Rs.100 each (i.e 4.96%) amounting to Rs. 39.58 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

24. CORRESPONDING FIGURES

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

25. GENERAL

Figures are rounded off to the nearest rupee.

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.



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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	341	4,835,674	536,783,748	64%
Associated Co./ Directors	2	4,542	504,193	0%
Retirement & Other Funds	5	505,615	56,125,826	7%
Others	19	2,199,047	244,105,197	29%
	367	7,544,879	837,518,965	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	289	4,616,806	488,266,893	40%
Associated Co./ Directors	2	377,780	39,953,495	3%
Retirement & Other Funds	3	39,701	4,198,671	0%
Others	12	6,514,190	688,931,575	56%
	306	11,548,476	1,221,350,635	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018 %
Invest Capital Markets Limited	31.62%
BMA Capital Management Limited	21.63%
Next Capital Limited	17.65%
Js Global Capital Limited	14.38%
Icon Securities Limited	6.64%
Invest & Finance Securities Limited	5.53%
Summit Capital (Pvt) Limited	1.44%
Magenta Capital Limited	0.55%
Arif Habib	0.55%

	30 June 2017 %
Invest Capital Markets Limited	23.36%
BMA Capital Management Limited	18.84%
Next Capital Limited	18.53%
BIPL Securities	17.91%
Icon Securities Limited	9.06%
Invest & Finance Securities Limited	4.96%
Summit Capital (Pvt) Limited	3.07%
C&M Managemnet	1.73%
Invest One Markets Limited	1.38%
Kasb Securities Limited	0.54%

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

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st , 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017 ,26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 2018	30 June 2017	30 June 2016	30 June 2015
	(Rupees in '000)			
Net Assets	837,519	1,221,351	2,987,126	7,234,406
NAV per unit	111.0050	105.7586	105.7890	102.8124
Selling price per unit	112.2594	106.9537	107.1880	104.1839
Redemption price per unit	111.0050	105.7586	105.7890	102.8124
Highest selling price per unit	112.2403	112.8651	111.9222	118.7135
Highest redemption price per unit	110.9862	111.6040	110.4615	117.1507
Lowest selling price per unit	107.0203	106.9537	104.2044	101.5121
Lowest redemption price per unit	105.8245	105.7586	102.8444	100.1643
Total interim distribution per unit	Nil	5.8914	4.6776	13.6802
Interim distribution date	N/A	22-Jun-17	29-Jun-16	23-Jun-15
Final distribution per unit	5.2464	N/A	N/A	N/A
Final distribution date	2-Jul-18	N/A	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A
Annualized returns		Nil	7.42%	16.38%
Income distribution	4.96%	5.57%	4.54%	13.67%
Weighted avg. portfolio duration	1.39 Yrs	1.39 Yrs	1.80 Yrs	1.80 Yrs

Return since inception is **8.50%**

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



**Alfalah
Ghp Income Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C II. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Income Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Market Review

Pakistan's GDP posted a growth of 5.79% in FY18 as compared to 5.37% in FY17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

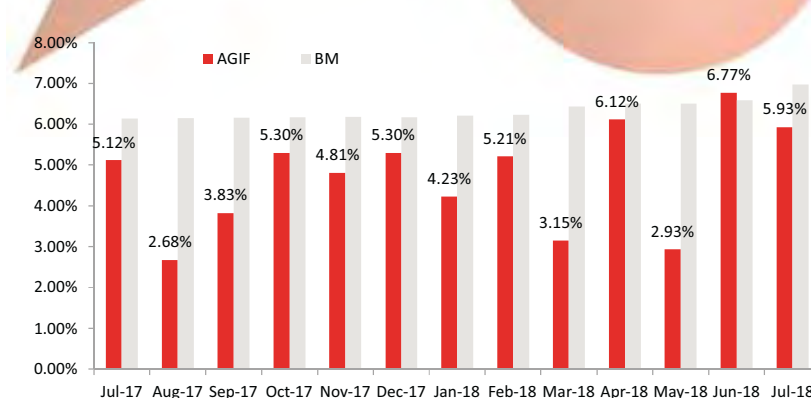
During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.

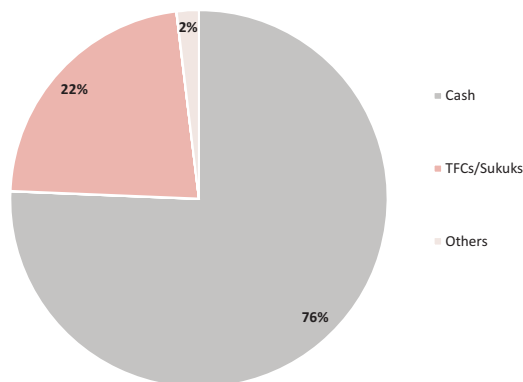
Fund Performance

For the year ended June 30 2018, the fund posted a return of 4.79% against the benchmark of 6.35%. AGIF remained focus on a diversified portfolio of corporate and government securities with frequent placements and deposits with Banks/DFIs at premium rates, the fund also maintained its exposure towards MTS in order to generate alpha.

Performance comparison with Benchmark



Asset Allocation
(as at 30 June 2018)



Credit Quality (as % of Total Assets)			
Govt. Sec / Guar.	0.00%	A	0.00%
AAA	0.14%	A-	0.00%
AA+	40.18%	BBB+	0.00%
AA	9.64%	BBB	0.00%
AA-	47.21%	Below IG	0.00%
A+	0.91%	NR/UR/ MTS	1.90%

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 Shahn-e-Faisal,
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-800
Fax: (92-21) 34326020 - 23
URL: www.cdcpk.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME FUND

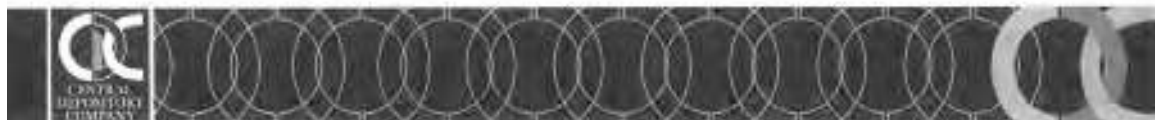
**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2018



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah GHP Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds 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, 2018, and of its financial performance, its cash flows and transactions 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Amendments to NBFC Regulations, 2008 (Refer note 3.10 to the annexed financial statements)</p> <p>The Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756(I) / 2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impacts of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly includes changes with respect to recognition, measurement and presentation of "element of income", addition of certain disclosures with respect to 'Income Statement' (relating to allocation of net income for the year)</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income.performed walkthrough tests for

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>and 'Statement of Movement in Unit Holders' Fund'.</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.10.</p> <p>The SECP notification also stipulates that the accounting income available for distribution as appearing in the "Income Statement" excludes income already paid on units redeemed during the year. Accordingly, the net amount appearing on the "Income Statement" after deducting the income already paid on units redeemed is to be considered as the distributable amount.</p> <p>In order to avail tax exemption, the Fund has to distribute 90 percent of its accounting income (excluding realised and unrealised capital gains). However, at the time of distribution of income, the element of income contributed on issue of units recognized in the equity during the year is required to be refunded on the units in the same proportion in which income is distributed from the Income Statement i.e. after taking into account the amount of income already paid on units redeemed. Management has developed a system for carrying out the calculations for such distributions.</p> <p>These calculations are important from the point of view of ensuring compliance with the applicable requirements. The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<p>ensuring compliance with the revised requirements and in this respect obtained reports of distribution of income and refund of capital by the Fund.</p> <ul style="list-style-type: none"> • verified transactions on a test basis with the underlying records of the reports provided by the management to assess their compliance with the revised regulations, • recalculated the amount available for distribution taking into account amount already distributed at the time of redemption. • verified the accuracy of the management report for allocation of distributable amount between "distribution out of income" and "refund of capital". This included testing the parameters of the report. • verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value</p> <p>(Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 125.82 million and bank balances aggregated to Rs 426.67 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments. • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled 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.

S. No.	Key Audit Matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> • obtained approval of Board of Directors of the management company in relation to opening and closing of bank accounts. • 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 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.

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 Requirement

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

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

Chartered Accountants

Karachi

Date: September 24, 2018

ALFALAH GHP INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Assets			
Bank balances	4	426,674,157	398,739,491
Investments	5	125,824,350	346,507,929
Security deposits	6	2,850,000	2,850,000
Prepayments and other receivables	7	5,374,384	10,194,965
Receivable against Margin Trading System (MTS)		-	27,206,053
Total assets		<u>560,722,891</u>	<u>785,498,438</u>
Liabilities			
Payable to the Management Company	8	11,944,427	12,639,195
Payable to the Trustee	9	146,405	160,380
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	542,015	942,774
Accrued and other liabilities	11	2,974,707	8,946,947
Total liabilities		<u>15,607,554</u>	<u>22,689,296</u>
Net assets attributable to unit holders		<u>545,115,337</u>	<u>762,809,142</u>
Unit holders' fund (as per the statement attached)		<u>545,115,337</u>	<u>762,809,142</u>
Contingencies and commitments			
	12	----- (Number of units) -----	
Number of units in issue		<u>4,645,695</u>	<u>6,812,508</u>
----- (Rupees) -----			
Net asset value per unit		<u>117.3377</u>	<u>111.9719</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Income			
Profit / mark up income	13	49,573,419	83,419,165
(Loss) / gain on sale of investments - net		(1,398,881)	4,966,801
Unrealised appreciation on revaluation of investments classified as at fair value through profit or loss - held for trading - net		298,276	419,814
		(1,100,605)	5,386,615
Reversal of provision against Workers' Welfare Fund		-	4,620,944
Total income		48,472,814	93,426,724
Expenses			
Remuneration of the Management Company	8.1	8,227,424	15,712,931
Sindh sales tax on remuneration of the Management Company	8.2	1,069,565	2,042,679
Allocated expenses	8.4	730,918	1,256,977
Selling and marketing expenses	8.5	76,530	-
Remuneration of the Trustee	9.1	1,235,655	1,901,760
Sindh sales tax on remuneration of the Trustee	9.2	166,827	247,293
Annual fee to Securities and Exchange Commission of Pakistan	10.1	542,015	942,774
Brokerage expense		106,897	209,560
Settlement and bank charges		195,792	347,071
Auditors' remuneration	14	277,146	567,805
Annual listing fee		28,482	55,000
Annual rating fee		285,020	285,001
Clearing charges		904,969	1,857,593
Printing charges		35,204	102,819
Provision against Sindh Workers' Welfare Fund	11.1	691,803	1,282,759
Total expenses		14,574,247	26,812,022
Net income for the year before element of loss and capital losses included in prices of units issued less those in units redeemed - net		33,898,567	66,614,702
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(32,542,891)
Net income for the year before taxation		33,898,567	34,071,811
Taxation	15	-	-
Net income for the year after taxation		33,898,567	34,071,811
Allocation of net income for the year			
Net income for the year after taxation		33,898,567	-
Income already paid on units redeemed		(16,794,754)	-
		17,103,813	-
Accounting income available for distribution			
-Relating to capital gains		-	-
-Excluding capital gains		17,103,813	-
		17,103,813	-

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

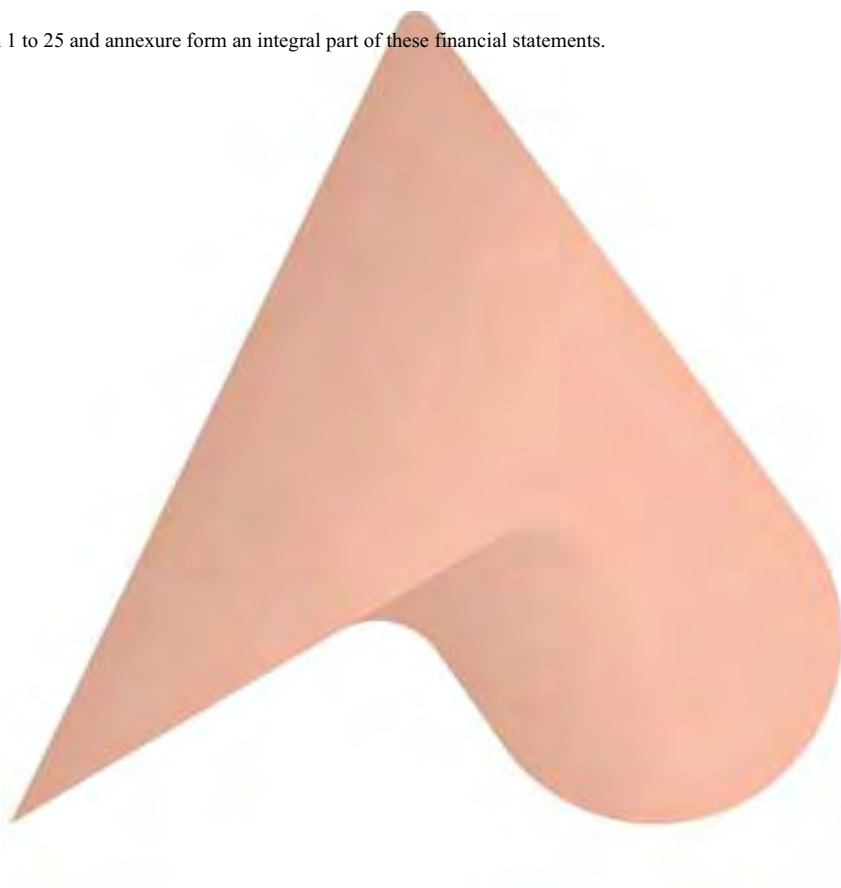
Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----- (Rupees) -----	
Net income for the year after taxation	33,898,567	34,071,811
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>33,898,567</u>	<u>34,071,811</u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018		
	(Rupees)		
	Capital Value	Undistributed income / (loss)	Total
Capital value	689,865,072	-	689,865,072
Undistributed income brought forward			
- Realised income	-	72,524,256	72,524,256
- Unrealised income	-	419,814	419,814
Net assets at beginning of the year (Rs 111.9719 per unit)	689,865,072	72,944,070	762,809,142
Issuance of 11,328,131 units			
- Capital value (at net asset value per unit at the beginning of the year)	1,268,432,352	-	1,268,432,352
- Element of income	14,319,756	-	14,319,756
Total proceeds on issuance of units	1,282,752,108	-	1,282,752,108
Redemption of 13,494,944 units			
- Capital value (at net asset value per unit at the beginning of the year)	1,511,054,520	-	1,511,054,520
- Element of loss	6,495,206	16,794,754	23,289,960
Total payments on redemption of units	1,517,549,726	16,794,754	1,534,344,480
Total comprehensive loss for the year	-	33,898,567	33,898,567
Distribution during the year	-	-	-
Net loss for the year less distribution	-	33,898,567	33,898,567
Net assets at end of the year (Rs 117.3377 per unit)	455,067,454	90,047,883	545,115,337
Undistributed income carried forward			
- Realised income		89,749,607	
- Unrealised income		298,276	
		<u>90,047,883</u>	
Accounting income available for distribution			
- Relating to capital gain		-	
- Excluding capital gain		17,103,813	
		<u>17,103,813</u>	
			June 30, 2017
			(Rupees)
Capital value			584,029,095
Undistributed income brought forward			
- Realised income			51,534,013
- Unrealised income			3,277,283
Net assets at beginning of the year (Rs 110.7178 per unit)			638,840,391
Issue of 26,931,976 units			3,012,471,019
Redemption of 25,889,456 units			<u>(2,929,274,642)</u>
			722,036,768
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net			
- transferred to income statement			32,542,891
- transferred to distribution statement			<u>(9,903,291)</u>
			22,639,600
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - transferred to distribution statement - net			9,903,291
Gain on sale of investments - net			4,966,801
Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - net			419,814
Other income (net of expenses) for the year			28,685,196
Total comprehensive income for the year			34,071,811
Distribution during the year			
Interim distribution of cash dividend @ Rs 4.5031 per unit approved on June 22, 2017			<u>(25,842,328)</u>
			<u>(25,842,328)</u>
Net total comprehensive income less distribution during the year			8,229,483
Net assets at end of the year (Rs 111.9719 per unit)			762,809,142
Represented by			
Capital value			689,865,072
Undistributed income carried forward			
- Realised income			72,524,256
- Unrealised income			419,814
			<u>762,809,142</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		33,898,567	34,071,811
Adjustments for:			
Reversal of provision against Workers' Welfare Fund		-	(4,620,944)
Provision against Sindh Workers' Welfare Fund		691,803	1,282,759
Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading		(298,276)	(419,814)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	32,542,891
		34,292,094	62,856,703
Decrease / (increase) in assets			
Investments - net		220,981,855	25,615,343
Prepayments and other receivables		4,820,581	(151,518)
Receivable against Margin Trading System (MTS)		27,206,053	45,720,348
		253,008,489	71,184,173
Decrease in liabilities			
Payable to the Management Company		(694,768)	(1,042,458)
Payable to the Trustee		(13,975)	(57,282)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(400,759)	(177,190)
Accrued and other liabilities		(6,664,043)	(7,334,220)
		(7,773,545)	(8,611,150)
Net cash flows generated from operating activities		279,527,038	125,429,726
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(23,311,829)
Amounts received against issuance of units		1,282,752,108	3,012,471,019
Payments made against redemption of units		(1,534,344,480)	(2,929,274,642)
Net cash flows (used in) / generated from financing activities		(251,592,372)	59,884,548
Net increase in cash and cash equivalents during the year		27,934,666	185,314,274
Cash and cash equivalents at beginning of the year		398,739,491	213,425,217
Cash and cash equivalents at end of the year	17	426,674,157	398,739,491

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Income Fund is an open-ended Fund constituted under a trust deed entered into on December 18, 2006 between IGI Funds Limited (Former Management Company), a company incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 vide its letter No. SCD/AMCW/AD-ZI/AGIF/241/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Fund (formerly IGI Income Fund).
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as an 'income scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, Government securities, sukuk and term finance certificates, certificates of investment, certificates of musharaka, commercial papers, term deposit receipts, spread transactions and reverse repurchase agreements.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on December 22, 2017, and stability rating of A+(f) to the Fund in its credit rating report dated June 30, 2018.
- 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 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.

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of the affairs of the Fund.

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

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to 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 approved accounting standards that are not yet effective

2.3.1 The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	July 1, 2018
- IFRS-15 Revenue from contracts with customers	July 1, 2018
- IFRS-16 Leases	January 1, 2019

These standards may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

2.3.2 There are certain other new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2018 but are considered not to be relevant or to 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 approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- i. Classification and valuation of financial assets (notes 3.3.1, 3.3.5 and 5)
- ii. Impairment of financial assets (note 3.3.6)
- iii. Taxation (note 3.7 and 15)
- iv. Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 8.3 and 11.1 respectively)

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 except for the change in accounting policy as explained in note 3.10 below.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.3.3 Regular way contracts

Regular 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 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 expensed out in the income statement.

3.3.5 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.
- Other debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

3.3.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment loss are recognised in the income statement.

3.3.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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.

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

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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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.

3.8 Dividend distribution and appropriations

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 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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of loss been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 8.79 million net of charge for SWWF with immaterial effect on the 'net assets attributable to the unit holders' and NAV per unit of the Fund as disclosed in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' respectively. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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 are included in the income statement in the period in which they arise.
- Unrealised gains or losses arising on revaluation 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 / mark-up on bank balances, term deposit receipts, sukuks, certificates of investment, debt and government securities is recognised on an accrual basis using the effective interest method.

3.13 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

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

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.

4 BANK BALANCES	Note	2018 ----- (Rupees) -----	2017 -----
In saving accounts	4.1	<u>426,674,157</u>	<u>398,739,491</u>

- 4.1 The rate of return on these accounts ranges from 4.00% to 7.40% (2017: 4.00% to 6.60%) per annum. It includes bank balance of Rs 203.364 million (2017: Rs 92.355 million) maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS	Note	2018 ----- (Rupees) -----	2017 -----
At fair value through profit or loss' - held-for-trading			
Sukuk certificates	5.1	59,121,520	91,332,741
Term finance certificates	5.2	66,702,830	205,444,895
Market Treasury Bills	5.3	-	49,730,293
		<u>125,824,350</u>	<u>346,507,929</u>

5.1 Sukuk certificates

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity Date	As at July 01, 2017	Purchased during the year	Matured / Sold during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Net unrealised gain on revaluation of investments	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment	Investment as % of issue size	Rating
Engro Fertilizer Limited	6 Months Kibor + 1.75%	Secured	July 09, 2019	10,000	-	10,000	-	-	-	-	-	-	-	-
Byco Oil Pakistan Limited	3 Months Kibor + 1.05%	Secured	January 18, 2022	500	-	500	-	-	-	-	-	-	-	-
Dubai Islamic Bank Limited	6 Months Kibor + 0.50%	Secured	July 14, 2027	-	29	24	5	5,000,000	5,093,520	93,520	0.93%	4.05%	0.13%	AA-
International Brands Limited	12 Months Kibor + 0.50%	Secured	November 15, 2021	-	550	150	400	40,000,000	40,000,000	-	7.34%	31.79%	1.40%	A
Dawood Hercules Corporation Limited	3 Months Kibor + 1.00%	Secured	November 16, 2022	-	190	50	140	14,000,000	14,028,000	28,000	2.57%	11.15%	0.27%	AA-
Total as at June 30, 2018								59,000,000	59,121,520	121,520	10.84%	46.99%	1.80%	
Total as at June 30, 2017								91,680,263	91,332,741	(347,522)	11.97%	26.36%	2.96%	

5.2 Term Finance Certificates (TFCs)

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2017	Purchased during the year	Redeemed* / sold during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Net unrealised gain / (loss) on revaluation of investments	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment	Investment as % of issue size	Rating
Quoted investments														
Faysal Bank Limited	6 Months Kibor + 2.25%	Secured	December 24, 2017	9,000	-	9,000	-	-	-	-	-	-	-	-
MCB Bank Limited (Formerly NIB Bank Limited)	6 Months Kibor + 1.15%	Secured	June 19, 2022	3,000	-	3,000	-	-	-	-	-	-	-	-
Bank Alfalah Limited - V (a related party)	6 Months Kibor + 1.25%	Unsecured	February 20, 2021	7,800	-	7,800	-	-	-	-	-	-	-	-
Unquoted investments														
Bank Alfalah Limited - IV - (Floating) (a related party)	6 Months Kibor + 2.50%	Secured	December 02, 2017	1,800	-	1,800	-	-	-	-	-	-	-	-
The Bank of Punjab	6 Months Kibor + 1.00%	Unsecured	December 20, 2026	700	-	250	450	45,490,396	45,981,920	491,524	8.44%	36.54%	2.83%	AA
Habib Bank Limited	6 Months Kibor + 0.50%	Unsecured	February 19, 2026	650	-	440	210	21,035,679	20,720,910	(314,769)	3.80%	16.47%	0.21%	AA+
								66,526,075	66,702,830	176,755				
Total as at June 30, 2018								66,526,075	66,702,830	176,755	12.24%	53.01%	3.04%	
Total as at June 30, 2017								204,675,103	205,444,895	769,792	26.93%	59.29%	5.10%	

5.3 Market Treasury Bills

Particulars	Note	Units			Balance as at June 30, 2018		Unrealised loss on revaluation	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2017	Purchased during the period	Sold / Matured during the period	As at June 30, 2018	Carrying value as at June 30, 2018			
		(Number of Certificates)			(Rupees)		(%)		
Maturity upto 3 months		-	40,310,000	40,310,000	-	-	-	-	-
Maturity upto 6 months	5.3.1	500,000	-	500,000	-	-	-	-	-
Total as at June 30, 2018		500,000	40,310,000	40,810,000	-	-	-	-	-
Total as at June 30, 2017		10,000	24,280,000	23,790,000	500,000	49,732,749	49,730,293	(2,456)	

5.3.1 These represent market treasury bills carrying purchase yield of Nil (2017: 5.98% per annum). These market treasury bills have maturity upto Nil (2017: August 03, 2017).

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

Particulars	Note	Units			Balance as at June 30, 2018		Unrealised gain on revaluation	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2017	Purchases during the period	Sold / Matured during the period	As at June 30, 2018	Carrying value as at June 30, 2018			
		(Number of Certificates)			(Rupees)		(%)		
Pakistan Investment Bonds - 03 years		-	3,500,000	3,500,000	-	-	-	-	-
Pakistan Investment Bonds - 05 years		-	5,000,000	5,000,000	-	-	-	-	-
Total as at June 30, 2018		-	8,500,000	8,500,000	-	-	-	-	-
Total as at June 30, 2017		-	1,500,000	1,500,000	-	-	-	-	-

5.5 Term Deposit Receipts - loans and receivables

Name of the investee company	Rate of return per annum	Face value				Balance as at June 30, 2018		Rating	Face value as percentage of net assets	Face value as percentage of total investments
		As at July 01, 2017	Purchased during the year	Matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Maturity			
		----- (Rupees) -----							----- (%) -----	
Allied Bank Limited	6.55%	-	80,000,000	80,000,000	-	-	-	-	-	
Allied Bank Limited	7.35%	-	140,000,000	140,000,000	-	-	-	-	-	
Telenor Micro Finance Bank Limited	7.90%	-	50,000,000	50,000,000	-	-	-	-	-	
Total as at June 30, 2018		-	270,000,000	270,000,000	-	-				
Total as at June 30, 2017		-	345,000,000	345,000,000	-	-				

	Note	2018	2017
		----- (Rupees) -----	
6. SECURITY 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
		2,850,000	2,850,000
7. PREPAYMENTS AND OTHER RECEIVABLES			
Margin trading system fee		183,020	181,020
Security margin with the NCCPL		1,819,324	1,819,324
Mark-up / return receivable on:			
- Bank balances		256,790	148,386
- Term finance certificates and sukuk certificates		2,835,866	7,294,138
- Margin trading system		-	471,732
Advance tax		279,384	266,365
Others		-	14,000
		5,374,384	10,194,965
8. PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	8.1	367,690	900,493
Sindh sales tax payable on management remuneration	8.2	1,400,093	1,469,356
Federal excise duty on management remuneration	8.3	9,778,882	9,778,882
Sales load payable to management company		48,584	48,584
Payable against allocated expenses	8.4	272,648	441,880
Selling and marketing expenses	8.5	76,530	-
		11,944,427	12,639,195

8.1 The Management Company charges fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (which is currently restricted to 1.5% of average annual net assets of the scheme). Provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.

8.2 During the year, Sindh Sales Tax on management fee has been charged at 13% (2017: 13%)

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

During 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 July 01, 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 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 9.78 million (2017: 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 provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 2.10 (2017: Re 1.44) per unit.

8.4 The Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

8.5 In connection with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan had issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017) whereby it had prescribed certain conditions on Asset Management Companies (AMCs) for charging selling and marketing expenses to collective investment schemes (CISs). However, during the year, the SECP vide its circular no. 5 of 2018 dated June 4, 2018 has made certain amendments in the conditions prescribed through the above mentioned circulars. As per the amendment, selling and marketing expenses will be allowed initially for three years (from January 1, 2017 till December 31, 2019) to all categories of open-end mutual funds (except fund of funds and money market funds) which was earlier allowed to be charged only in respect of open end equity, asset allocation and index funds. Further, the conditions prescribed for allocation of selling and marketing expenses have also been amended. As per the amendments prescribed, the selling and marketing expenses can only be claimed in respect of the following:

1. cost pertaining to opening and maintenance of all branches by asset management company in all cities,
2. Payment of salaries to sales team posted at all branches of an asset management company,
3. payment of commission to sales team and distributors in all cities of Pakistan, and
4. payment of advertising and publicity of these funds.

The management has carried out an exercise to identify expenses of the Management Company (on the basis of criteria mentioned in the above circulars) that can be charged to the Fund. As the actual expenses incurred by the Management Company that are allowable to be allocated to the Fund for the year ended June 30, 2018 are higher than 0.4% per annum of the net assets of the Fund, accordingly, with effect from June 6, 2018 the Management Company has charged expenses at the rate of 0.4% per annum of the net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

	Note	2018	2017
		----- (Rupees) -----	
9. PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	9.1	88,826	128,797
Sindh sales tax payable on trustee remuneration	9.2	32,579	31,583
CDS transaction fee		25,000	-
		<u>146,405</u>	<u>160,380</u>

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	0.17% p.a. of net assets
Rs.1 billion to Rs.5 billion	Rs.1.7 million plus 0.085% p.a. of net assets exceeding Rs.1 billion
Over Rs.5 billion	Rs.5.1 million plus 0.07% p.a. of net assets exceeding Rs.5 billion

9.2 During the year, Sindh Sales Tax on management fee has been charged at 13% (2017: 13%)

	Note	2018	2017
		----- (Rupees) -----	
10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
	10.1	<u>542,015</u>	<u>942,774</u>

10.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

	Note	2018	2017
		----- (Rupees) -----	
11. ACCRUED AND OTHER LIABILITIES			
Provision against Sindh Workers Welfare Fund	11.1	1,974,562	1,282,759
Annual rating fee		446,260	161,240
Withholding tax payable		178,343	2,530,499
Auditors' remuneration		169,312	395,216
Capital gains tax payable		51,274	4,334,050
Printing charges		35,062	77,287
Clearing charges		30,000	41,889
Brokerage and settlement charges		16,505	50,618
Sales load payable		73,389	73,389
		<u>2,974,707</u>	<u>8,946,947</u>

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2018, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.43 (2017: Re. 0.19) per unit.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2018 and June 30, 2017.

13. PROFIT / MARK UP INCOME

Profit / mark up income on:

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

- Term finance certificates & sukuk certificates
- Market Treasury Bills
- Pakistan Investment Bonds

Loans and receivable

- Certificates of investment
- Term deposit receipts
- Bank balances
- Margin trading system
- Others

	2018	2017
	----- (Rupees) -----	
	16,809,089	25,879,279
	2,876,409	10,309,974
	-	1,254,770
	19,685,498	37,444,023
	-	1,027,808
	2,956,578	4,980,037
	25,555,614	29,818,412
	1,252,749	10,132,522
	122,980	16,363
	29,887,921	45,975,142
	<u>49,573,419</u>	<u>83,419,165</u>
	120,000	306,130
	110,000	173,030
	230,000	479,160
	18,400	28,750
	28,746	59,895
	<u>277,146</u>	<u>567,805</u>

14. AUDITORS' REMUNERATION

Audit fee
Review and other certifications

Sindh sales tax
Out of pocket expenses

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 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 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. The Management Company has distributed, subsequent to the year end, the income earned by the Fund for the year to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

16. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2018 is 1.99% (2017: 2.09%) which includes 0.34% (2017: 0.36%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

17. CASH AND CASH EQUIVALENTS	2018	2017
	(Rupees)	
Bank balances	426,674,157	398,739,491
	<u>426,674,157</u>	<u>398,739,491</u>

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund. 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, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

18.1 Unit Holders' Fund

Note	June 30, 2018										
	As at July 01, 2017	Issued for cash/conversion in/transfer in	Dividend reinvestment	Redeemed/conversion out/transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash/conversion in/transfer in	Dividend reinvestment	Redeemed/conversion out/transfer out	Net asset value as at June 30, 2018	
	Units					(Rupees)					
Associated companies / undertakings											
Alfalah GHP Prosperity Planning Fund *	18.1.1	2,297,887	1,424,026	-	1,888,908	1,833,005	257,298,773	161,500,000	-	214,000,000	215,080,591
Alfalah GHP Investment Management Limited *	18.1.1	335,118	2,632,327	-	1,660,777	1,306,668	37,523,799	299,131,410	-	190,000,000	153,321,418
Key management personnel (Employees)											
Head of Marketing	18.1.1	522	102	-	624	-	58,449	11,546	-	70,420	-
Unit holder holding 10% or more units											
Fauji Fertilizer Bin Qasim Limited	18.1.1	1,338,792	-	-	1,338,792	-	149,907,084	-	-	150,848,201	-
		June 30, 2017									
		As at July 01, 2016	Issued for cash/conversion in/transfer in	Dividend reinvestment	Redeemed/conversion out/transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash/conversion in/transfer in	Dividend reinvestment	Redeemed/conversion out/transfer out	Net asset value as at June 30, 2017
		Units					(Rupees)				
Associated companies / undertakings											
Alfalah GHP Prosperity Planning Fund *		704,493	2,921,416	88,809	1,416,831	2,297,887	78,000,000	332,000,000	9,947,702	163,000,000	257,298,773
Alfalah GHP Investment Management Limited		1,052,356	659,341	65,357	1,441,936	335,118	116,514,541	75,000,000	7,320,785	161,830,196	37,523,799
Key management personnel (Employees)											
Head of Marketing		13,653	4,182	20	17,333	522	1,511,630	464,972	2,268	1,935,227	58,449
Chief Operating Officer and Company Secretary		454	-	-	454	-	50,266	-	-	51,794	-
Unit holder holding 10% or more units											
Fauji Fertilizer Bin Qasim Limited		-	2,669,945	-	1,331,153	1,338,792	-	299,993,382	-	155,088,863	149,907,084

* This unit holder also holds more than 10% of units in the fund as at June 30, 2018.

18.2 Other transactions

2018 2017
----- (Rupees) -----

Associated companies / undertakings**Alfalsh GHP Investment Management Limited - Management Company**

Remuneration of the Management Company	8,227,424	15,712,931
Sindh sales tax on remuneration of the Management Company	1,069,565	2,042,679
Sales Load	6,041	104,436
Allocated expenses	730,918	1,256,977
Selling & Marketing Expenses	76,530	-

Alfalsh GHP Income Multiplier Fund

Term Finance Certificate - Sold	-	40,537,500
Sukuks - Purchased	-	50,000,000

Alfalsh GHP Value Fund

Term Finance Certificate - Sold	25,023,014	-
Sukuks - Sold	15,307,845	-

Alfalsh GHP Sovereign Fund

Treasury bills - Purchased	-	49,871,250
Treasury bills - Sold	-	245,565,000
Term Finance Certificate - Purchased	-	85,282,000
Term Finance Certificate - Sold	-	24,993,504

Alfalsh GHP Cash Fund

Treasury bills - Purchased	-	49,654,300
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Alfalsh GHP Islamic Income Fund

Sukuks - Sold	-	166,386,970
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Bank Alfalah Limited

Profit on bank balances	1,375,098	2,210,451
Bank charges	74,642	36,026
Sales load	-	13,577

Other related parties**Central Depository Company of Pakistan Limited - Trustee**

Remuneration of the Trustee	1,235,655	1,901,760
Sindh sales tax on remuneration of the Trustee	166,827	247,293
CDS charges	120,643	279,000

18.3 Other balances**Associated companies / undertakings****Alfalsh GHP Investment Management Limited - Management Company**

Management remuneration payable	367,690	900,493
Sindh sales tax payable on management remuneration	1,400,093	1,469,356
Federal excise duty on management remuneration	9,778,882	9,778,882
Sales load payable	48,584	48,584
Payable against allocated expenses	272,648	441,880
Selling & Marketing Expenses	76,530	-

Bank Alfalah Limited

Bank balance	203,364,079	92,355,074
Profit receivable	29,568	8,999

Other related parties

	2018	2017
	----- (Rupees) -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	88,826	128,797
Sindh sales tax payable on trustee remuneration	32,579	31,583
CDS Transaction Fee	25,000	-
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
	----- (Rupees) -----			
Financial assets				
Bank balances	426,674,157	-	-	426,674,157
Investments	-	125,824,350	-	125,824,350
Security deposits	2,850,000	-	-	2,850,000
Other receivables	5,095,000	-	-	5,095,000
	<u>434,619,157</u>	<u>125,824,350</u>	<u>-</u>	<u>560,443,507</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	11,944,427	11,944,427
Payable to the Trustee	-	146,405	146,405
Accrued and other liabilities	-	770,528	770,528
	<u>-</u>	<u>12,861,360</u>	<u>12,861,360</u>

Particulars	June 30, 2017			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
	----- (Rupees) -----			
Financial assets				
Bank balances	398,739,491	-	-	398,739,491
Investments	-	346,507,929	-	346,507,929
Security deposits	2,850,000	-	-	2,850,000
Other receivables	9,928,600	-	-	9,928,600
Receivable against Margin Trading System (MTS)	27,206,053	-	-	27,206,053
	<u>438,724,144</u>	<u>346,507,929</u>	<u>-</u>	<u>785,232,073</u>

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	12,639,195	12,639,195
Payable to the Trustee	-	160,380	160,380
Accrued and other liabilities	-	799,639	799,639
	<u>-</u>	<u>13,599,214</u>	<u>13,599,214</u>

20 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.

20.1 Market risk

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

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

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

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 interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2018	2017
	-----Rupees-----	
Variable rate instrument (financial assets)		
Bank balances	426,674,157	398,739,491
Sukuk certificates	59,121,520	91,332,741
Term finance certificates	<u>66,702,830</u>	<u>205,444,895</u>
	<u>552,498,507</u>	<u>695,517,127</u>
Fixed rate instruments (financial assets)		
Government securities	-	49,730,293
	<u>-</u>	<u>49,730,293</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 and statement of comprehensive income by Rs 0.031 million (2017: Rs 0.074 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 and statement of comprehensive income by Rs Nil (2017: Rs 0.316 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, 2018 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	As at June 30, 2018					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	4.00% to 7.40%	426,674,157	-	-	-	426,674,157
Investments						
- Sukuk certificates	6.70% - 7.41%	14,028,000	45,093,520	-	-	59,121,520
- Term finance certificates	6.93% - 8.02%	20,720,910	45,981,920	-	-	66,702,830
		34,748,910	91,075,440	-	-	125,824,350
Security deposits		-	-	-	2,850,000	2,850,000
Other receivables		-	-	-	5,095,000	5,095,000
Sub total		461,423,067	91,075,440	-	7,945,000	560,443,507
Financial liabilities						
Payable to the Management Company		-	-	-	11,944,427	11,944,427
Payable to the Trustee		-	-	-	146,405	146,405
Accrued and other liabilities		-	-	-	770,528	770,528
Sub total		-	-	-	12,861,360	12,861,360
On-balance sheet gap		461,423,067	91,075,440	-	(4,916,360)	547,582,147
Total interest rate sensitivity gap		461,423,067	91,075,440	-	(4,916,360)	547,582,147
Cumulative interest rate sensitivity gap		461,423,067	552,498,507	552,498,507		

Particulars	As at June 30, 2017					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	4.00% to 6.60%	398,739,491	-	-	-	398,739,491
Investments						
- Market treasury bills	6.20%	49,730,293	-	-	-	49,730,293
- Sukuk certificates	7.13% - 7.89%	-	-	91,332,741	-	91,332,741
- Term finance certificates	6.63% - 8.66%	-	-	205,444,895	-	205,444,895
		49,730,293	-	296,777,636	-	346,507,929
Security deposits		-	-	-	2,850,000	2,850,000
Other receivables		-	-	-	9,928,600	9,928,600
Receivable against Margin Trading System (MTS)		-	-	-	27,206,053	27,206,053
Sub total		448,469,784	-	296,777,636	39,984,653	785,232,073
Financial liabilities						
Payable to the Management Company		-	-	-	12,639,195	12,639,195
Payable to the Trustee		-	-	-	160,380	160,380
Accrued and other liabilities		-	-	-	799,639	799,639
Sub total		-	-	-	13,599,214	13,599,214
On-balance sheet gap		448,469,784	-	296,777,636	26,385,439	771,632,859
Total interest rate sensitivity gap		448,469,784	-	296,777,636	26,385,439	771,632,859
Cumulative interest rate sensitivity gap		448,469,784	448,469,784	745,247,420		

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.

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

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable and deposit and other receivable.

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

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	426,674,157	426,674,157	398,739,491	398,739,491
Investments	125,824,350	125,824,350	346,507,929	296,777,636
Security deposits	2,850,000	2,850,000	2,850,000	2,850,000
Other receivables	5,095,000	5,095,000	9,747,580	9,747,580
Receivable against Margin Trading System (MTS)	-	-	27,206,053	27,206,053
	<u>560,443,507</u>	<u>560,443,507</u>	<u>785,051,053</u>	<u>735,320,760</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. Nil (2017: Rs 49.73 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2018 and June 30, 2017.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks (including profit receivable) having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating Agency	Rating	2018	2017
			----- (%) -----	
Bank Alfalah Limited	PACRA	A1+	47.634	23.160
JS Bank Limited	PACRA	A1+	51.802	38.120
Allied Bank Limited	PACRA	A1+	0.311	38.620
Soneri Bank Limited	PACRA	A1+	0.009	-
National Bank of Pakistan	PACRA	A1+	0.183	-
BankIslami Pakistan Limited	PACRA	A1	0.002	-
Habib Bank Limited	JCR-VIS	A1+	0.029	0.050
MCB Bank Limited	PACRA	A1+	0.005	0.010
Habib Metropolitan Bank Limited	PACRA	A1+	0.001	0.030
Telenor Microfinance Bank Limited	PACRA	A1	0.002	-
Zarai Taraqiyati Bank Limited	JCR-VIS	A1+	0.018	-
Samba Bank Limited	JCR-VIS	A1	0.002	-
Bank Alhabib Limited	PACRA	A1+	-	0.010
			<u>100.000</u>	<u>100.000</u>

20.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2018 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	2018	2017
			----- (%) -----	
Engro Fertilizer Limited	PACRA	AA-	-	13.93
Byco Oil Pakistan Limited	PACRA	AAA	-	16.85
Dubai Islamic Bank Limited	JCR-VIS	AA-	4.05	-
International Brands Limited	JCR-VIS	A	31.79	-
Dawood Hercules Corporation Limited	PACRA	AA-	11.15	-
Faysal Bank Limited	PACRA	AA-	-	3.80
NIB Bank Limited (Floating)	PACRA	AAA	-	5.12
Bank Alfalah Limited - V	PACRA	AA+	-	13.49
Bank Alfalah Limited - IV	PACRA	AA+	-	1.01
The Bank of Punjab	PACRA	AA	36.54	23.85
Habib Bank Limited	PACRA	AA+	16.47	21.95
			<u>100.00</u>	<u>100.00</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

20.2.4 Concentration of credit risk

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

20.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in 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 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.

2018	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years or more	
----- Rupees -----					
Financial assets					
Bank balances	426,674,157	-	-	-	426,674,157
Investments	-	-	-	125,824,350	125,824,350
Security deposits	2,850,000	-	-	-	2,850,000
Other receivables	5,095,000	-	-	-	5,095,000
	<u>434,619,157</u>	<u>-</u>	<u>-</u>	<u>125,824,350</u>	<u>560,443,507</u>
Financial liabilities					
Payable to the Management Company	11,944,427	-	-	-	11,944,427
Payable to the Trustee	146,405	-	-	-	146,405
Accrued and other liabilities	770,528	-	-	-	770,528
	<u>12,861,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,861,360</u>
Net assets	<u>421,757,797</u>	<u>-</u>	<u>-</u>	<u>125,824,350</u>	<u>547,582,147</u>

2017	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years or more	
----- Rupees -----					
Financial assets					
Bank balances	398,739,491	-	-	-	398,739,491
Investments	-	-	64,013,168	282,494,761	346,507,929
Security deposits	2,850,000	-	-	-	2,850,000
Other receivables	9,928,600	-	-	-	9,928,600
Receivable against Margin Trading System (MTS)	-	27,206,053	-	-	27,206,053
	411,518,091	27,206,053	64,013,168	282,494,761	785,232,073
Financial liabilities					
Payable to the Management Company	12,639,195	-	-	-	12,639,195
Payable to the Trustee	160,380	-	-	-	160,380
Accrued and other liabilities	799,639	-	-	-	799,639
	13,599,214	-	-	-	13,599,214
Net assets	397,918,877	27,206,053	64,013,168	282,494,761	771,632,859

20.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3.5 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

	----- As at June 30, 2018 -----			
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets 'at fair value through profit or loss' - net				
Sukuk certificates	-	59,121,520	-	59,121,520
Term finance certificates	-	66,702,830	-	66,702,830
----- As at June 30, 2017 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets 'at fair value through profit or loss' - net				
Market Treasury Bills	-	49,730,293	-	49,730,293
Sukuk certificates	-	91,332,741	-	91,332,741
Term finance certificates	-	205,444,895	-	205,444,895

During the year ended June 30, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20.5 Unit holder's fund management

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

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

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

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

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

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

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, 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.

22 NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company on July 02, 2018 approved a final distribution Rs.5.3659 per unit on the face value of Rs.100 each (i.e. 4.79%) amounting to Rs. 24.93 Million . The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

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 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **August 16, 2018**.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	106	932,941	109,469,223	20%
Associated Co./ Directors	2	1,306,667	153,321,387	28%
Banks/Dfis	1	12,246	1,436,952	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	8	148,383	17,410,953	3%
Others	8	2,245,457	263,476,821	48%
	125	4,645,695	545,115,337	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	70	1,081,396	121,085,649	16%
Associated Co./ Directors	2	335,117	37,523,639	5%
Banks/Dfis	1	12,246	1,371,241	0%
Insurance Co.	3	450,887	50,486,640	7%
Retirement & Other Funds	8	454,761	50,920,497	7%
Others	9	4,478,101	501,421,476	66%
	93	6,812,508	762,809,142	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018
	%
KASB Securities Limited	24
Next Capital Limited	18
JS Global Capital Limited	17
International Financial Sec limited	10
BIPL Securities Limited	10
Invest Capital Markets Limited	8
BMA Capital Management Limited	7
C & M Management (Pvt) Limited	3
Bright Capital Limited	2
	30 June 2017
	%
Invest Capital Markets Limited	21
Next Capital Limited	19
BMA Capital Management Limited	15
BIPL Securities Limited	14
Arif Habib Limited	12
JS Global Capital Limited	7
Vector Capital (Pvt) Limited	4
Invest & Finance Securities Limited	3
Invest One Markets Limited	2
C & M Management (Pvt) Limited	2

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

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st, 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017, 26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
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COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGHPIF

	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
	(Rupees in '000)				
Net Assets	545,115	762,809	638,840	1,111,393	1,955,694
NAV per unit	117.3377	111.9719	110.7178	105.3463	100.4208
Selling price per unit	118.6636	113.2372	112.1819	106.7516	101.7721
Redemption price per unit	117.3377	111.9719	110.7178	105.3463	100.4208
Highest selling price per unit	118.6455	117.8329	114.9197	114.8402	103.9640
Highest redemption price per unit	117.3198	116.5163	113.4198	113.3284	102.9347
Lowest selling price per unit	113.5624	111.5416	106.7380	101.8170	101.2098
Lowest redemption price per unit	112.2935	110.2953	105.3449	100.4651	100.2077
Total interim distribution per unit	Nil	4.5031	2.6173	7.3777	7.7994
Interim distribution date	N/A	22-Jun-17	29-Jun-16	23-Jun-15	28-Sep-13
	N/A	N/A	N/A	N/A	28-Dec-13
	N/A	N/A	N/A	N/A	5-Apr-14
	N/A	N/A	N/A	N/A	30-Jun-14
Final distribution per unit	5.3659	Nil	Nil	Nil	Nil
Final distribution date	2-Jul-18	N/A	N/A	N/A	N/A
Annualized returns %	4.79%	5.20%	7.56%	12.26%	8.04%
Income distribution %	4.79%	4.07%	2.48%	7.35%	7.53%
Weighted avg. portfolio duration (Days)	211 Days	341 Days	720 Days	837 Days	511 Days

Return since inception is 8.86%

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



**Alfalah GHP
Income Multiplier Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Income Multiplier Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Aggressive Income Scheme

Investment Objective

The investment objective of Alfalah GHP Income Multiplier Fund (AGIMF) is to generate stable and consistent returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements.

Accomplishment of Objective

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

Market Review

Pakistan's GDP posted a growth of 5.79% in FY 18 as compared to 5.37% in FY 17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

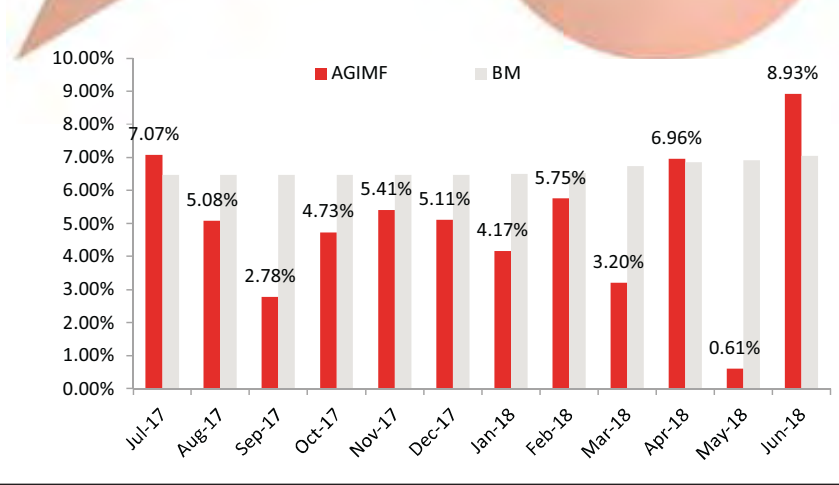
The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

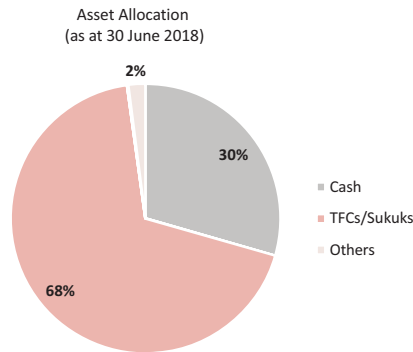
During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.

Fund performance review and strategies employed

For the year ended June 30 2018, the fund posted a return of 4.90% against the benchmark of 6.69%. During the period, the fund maintained its exposure in corporate securities and in higher yielding bank deposits with the latter providing stability to the fund.





Asset Allocation/Portfolio Quality

Credit Quality (as % of Total Assets)			
Gov. Secs.	0.0%	A	0.00%
AAA	0.1%	A-	0.00%
AA+	13.5%	BBB+	0.00%
AA	33.8%	BBB	0.00%
AA-	43.0%	Below IG	0.00%
A+	7.4%	NR/UR/MTS	2.2%

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',
5 M.C.H.S., Main Shahr-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34526020-23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME MULTIPLIER FUND

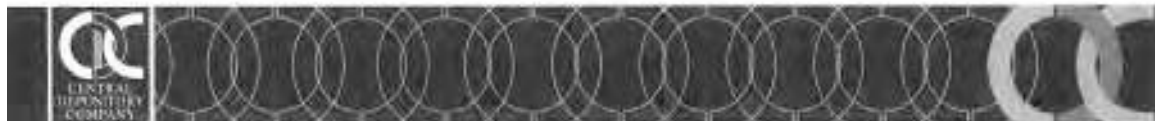
**Report of the Trustee pursuant to Regulation 41(b) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2018



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah GHP Income Multiplier Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Income Multiplier Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds 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, 2018, and of its financial performance, its cash flows and transactions 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Amendments to NBFC Regulations, 2008 (Refer note 3.10 to the annexed financial statements)</p> <p>The Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756(I) / 2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impacts of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly includes changes with respect to recognition, measurement and presentation of "element of income", addition of</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income.• performed walkthrough tests for ensuring compliance with the revised requirements and in this respect obtained reports of distribution of

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>certain disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund'.</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.10.</p> <p>The SECP notification also stipulates that the accounting income available for distribution as appearing in the "Income Statement" excludes income already paid on units redeemed during the year. Accordingly, the net amount appearing on the "Income Statement" after deducting the income already paid on units redeemed is to be considered as the distributable amount.</p> <p>In order to avail tax exemption, the Fund has to distribute 90 percent of its accounting income (excluding realised and unrealised capital gains). However, at the time of distribution of income, the element of income contributed on issue of units recognized in the equity during the year is required to be refunded on the units in the same proportion in which income is distributed from the Income Statement i.e. after taking into account the amount of income already paid on units redeemed. Management has developed a system for carrying out the calculations for such distributions.</p> <p>These calculations are important from the point of view of ensuring compliance with the applicable requirements. The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<p>income and refund of capital by the Fund.</p> <ul style="list-style-type: none"> • verified transactions on a test basis with the underlying records of the reports provided by the management to assess their compliance with the revised regulations. • recalculated the amount available for distribution taking into account amount already distributed at the time of redemption. • verified the accuracy of the management report for allocation of distributable amount between "distribution out of income" and "refund of capital". This included testing the parameters of the report. • verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value</p> <p>(Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 471.11 million and bank balances aggregated to Rs 202.95 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments. • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed.

S. No.	Key Audit Matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> ▪ re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. ▪ obtained approval of Board of Directors of the management company in relation to opening and closing of bank accounts. ▪ 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 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.

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 Requirement

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

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

Chartered Accountants

Karachi

Date: September 24, 2018

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Assets			
Bank balances	4	202,948,181	969,364,779
Investments	5	471,109,035	731,306,311
Security deposits	6	2,850,000	2,850,000
Mark-up and other receivables	7	11,508,920	19,514,371
Receivable against Margin Trading System (MTS)		1,131,526	53,078,557
Total assets		689,547,662	1,776,114,018
Liabilities			
Payable to the Management Company	8	16,379,734	17,718,000
Payable to the Trustee	9	74,285	167,029
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	1,187,818	1,707,149
Payable against purchase of investments		7,821,675	-
Accrued and other liabilities	11	8,485,293	16,800,414
Total liabilities		33,948,805	36,392,592
Net assets attributable to unit holders		655,598,857	1,739,721,426
Unit holders' funds (as per the statement attached)		655,598,857	1,739,721,426
Contingencies and commitments	12	----- (Number of units) -----	
Number of units in issue		11,735,937	32,670,808
Net asset value per unit		55.8625	53.2500

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017 -----
Income			
Profit / mark-up income	13	110,876,547	156,447,518
'At fair value through profit or loss' - held-for-trading			
- (Loss) / gain on sale of investments - net		(2,948,018)	620,417
- Unrealised (loss) / gain on revaluation of investments - net	5.5	(15,641)	6,814,003
Other income	5.6.2	154,037	-
Reversal of provision against Workers' Welfare Fund	11.1	-	11,471,327
Total income		<u>108,066,925</u>	<u>175,353,265</u>
Expenses			
Remuneration of the Management Company	8.1	19,797,728	28,452,705
Sindh sales tax on remuneration of the Management Company	8.2	2,573,686	3,698,847
Remuneration of the Trustee	9.1	2,164,139	2,782,529
Sindh sales tax on remuneration of the Trustee	9.2	281,332	361,728
Annual fee to the Securities and Exchange Commission of Pakistan	10	1,187,818	1,707,149
Brokerage expense		162,448	370,574
Bank and settlement charges		1,155,600	3,122,701
Fees and subscriptions		999,730	910,808
Auditor's remuneration	14	277,114	644,225
Provision against Sindh Workers' Welfare Fund	11.1	1,552,047	2,904,102
Printing charges		68,116	150,040
Allocated expenses	8.4	1,583,676	2,276,114
Selling and marketing expenses	8.5	213,148	-
Total expenses		<u>32,016,582</u>	<u>47,381,522</u>
Net income for the year before element of loss and capital losses included in prices of units issued less those in units redeemed - net		<u>76,050,343</u>	<u>127,971,743</u>
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(75,702,991)
Net income for the year before taxation		<u>76,050,343</u>	<u>52,268,752</u>
Taxation	15	-	-
Net income for the year after taxation		<u>76,050,343</u>	<u>52,268,752</u>
Allocation of net income for the year			
Net income for the year after taxation		76,050,343	-
Income already paid on units redeemed		(49,771,375)	-
		<u>26,278,968</u>	<u>-</u>
Accounting Income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		26,278,968	-
		<u>26,278,968</u>	<u>-</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

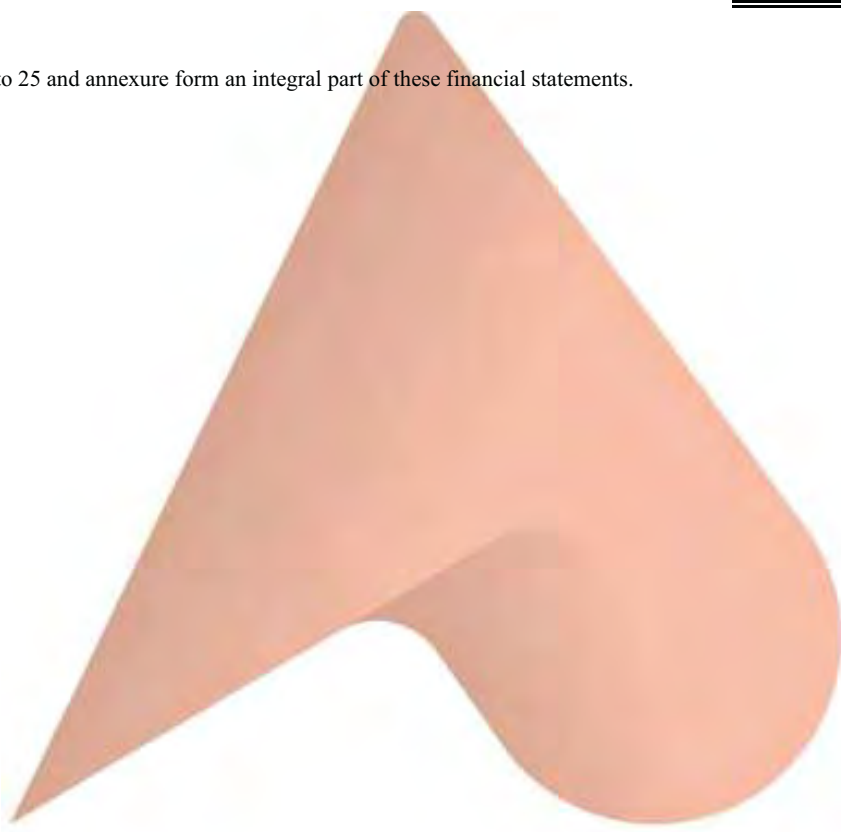
Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----- (Rupees) -----	-----
Net income for the year after taxation	76,050,343	52,268,752
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>76,050,343</u></u>	<u><u>52,268,752</u></u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

June 30, 2018		
(Rupees)		
Capital Value	Undistributed income / (loss)	Total
Capital value	1,605,244,819	-
Undistributed income brought forward		
- Realised gain	-	127,662,604
- Unrealised gain	-	6,814,003
Net assets at the beginning of the year (Rs 53.2500 per unit)	1,605,244,819	134,476,607
Issuance of 32,685,170		
- Capital value (at net asset value per unit at the beginning of the year)	1,740,486,201	-
- Element of income	20,341,716	-
Total proceeds on issuance of units	1,760,827,917	-
Redemption of 53,620,041		
- Capital value (at net asset value per unit at the beginning of the year)	2,855,268,670	-
- Element of loss	15,960,784	49,771,375
Total payments on redemption of units	2,871,229,454	49,771,375
Total comprehensive income for the year	-	76,050,343
Distribution during the year	-	-
Net income for the year less distribution	-	76,050,343
Net assets at the end of the year (Rs 55.8625 per unit)	494,843,282	160,755,575
Undistributed income carried forward		160,771,216
- Realised gain		(15,641)
- Unrealised loss		160,755,575
Accounting income available for distribution		-
- Relating to capital gain		26,278,968
- Excluding capital gain		26,278,968
		June 30, 2017
		(Rupees)
Capital value		1,394,673,071
Undistributed income brought forward		
- Realised gain		166,280,746
- Unrealised loss		(56,293,879)
Net assets at the beginning of the year (Rs 53.0087 per unit)		1,504,659,938
Issue of 79,560,848 units		4,299,027,999
Redemption of 75,275,177 units		(4,147,553,103)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net		151,474,896
- transferred to income statement		75,702,991
- transferred to distribution statement		(16,606,139)
Element of income and capital gains included in prices of units sold less those in units redeemed - transferred to distribution statement - net		59,096,852
Gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading - net		16,606,139
Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net		620,417
Other income (net of expenses)		8,814,003
Total comprehensive income for the year		44,834,332
Interim distribution of cash dividend @ Rs 2.8811 per unit, approved on June 22, 2017		52,268,752
Total comprehensive income less distributions for the year		(44,385,151)
Net assets at the end of the year (Rs 53.2500 per unit)		1,739,721,426
Capital value		1,605,244,819
Undistributed income carried forward		
- Realised gain		127,662,604
- Unrealised gain		6,814,003
		1,739,721,426

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		76,050,343	52,268,752
Adjustments for:			
Unrealised loss / (gain) on revaluation of investments classified as at fair value through profit or loss - held for trading - net		15,641	(6,814,003)
Provision against Sindh Workers' Welfare Fund		1,552,047	2,904,102
Reversal of provision against Workers' Welfare Fund		-	(11,471,327)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	75,702,991
		<u>77,618,031</u>	<u>112,590,515</u>
Decrease / (Increase) in assets			
Investments - net		200,505,275	299,368,148
Mark-up and other receivables		8,005,451	9,085,990
Receivable against Margin Trading System (MTS)		51,947,031	(11,049,119)
		<u>260,457,757</u>	<u>297,405,019</u>
(Decrease) / Increase in liabilities			
Payable to the Management Company		(1,338,266)	(948,644)
Payable to the Trustee		(92,744)	(347,422)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(519,331)	(267,278)
Payable against purchase of investments		7,821,675	-
Accrued and other liabilities		(9,867,168)	(47,004)
		<u>(3,995,834)</u>	<u>(1,610,348)</u>
Net cash flows generated from operating activities		<u>334,079,954</u>	<u>408,385,186</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		1,760,827,917	4,299,027,999
Amount paid against redemption of units		(2,921,000,829)	(4,147,553,103)
Dividend paid		-	(44,385,151)
Net cash flows (used in) / generated from financing activities		<u>(1,160,172,912)</u>	<u>107,089,745</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(826,092,958)</u>	<u>515,474,931</u>
Cash and cash equivalents at beginning of the year		1,029,041,139	513,566,208
Cash and cash equivalents at end of the year	17	<u><u>202,948,181</u></u>	<u><u>1,029,041,139</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Income Multiplier Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on March 08, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on February 14, 2007. The SECP approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/NBFC-II/AGIMF/573/2010 dated October 13, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Multiplier Fund.

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 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as an 'Aggressive fixed 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.

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.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated December 22, 2017 to the Management Company and a stability rating of A+(f) dated June 30, 2018 to the Fund.

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 VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

There are certain amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or do 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 approved accounting standards that are not yet effective

2.3.1 The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	July 1, 2018
- IFRS-15 Revenue from contracts with customers	July 1, 2018
- IFRS-16 Leases	January 1, 2019

2.3.2 There are certain other new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2018 but are considered not to be relevant or to 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 approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- Classification and valuation of financial assets (notes 3.3.1, 3.3.5 and 5)
- Impairment of financial assets (note 3.3.6)
- Taxation (note 3.7 and 15)
- Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 8.3 and 11.1 respectively)

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 except for the change in accounting policy as explained in note 3.10 below.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.3.3 Regular way contracts

Regular 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 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 expensed out in the income statement.

3.3.5 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, when the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.
- Other debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

Gains or losses are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.3.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.3.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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.

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

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 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 section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Dividend distribution and appropriations

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 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 the prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of loss been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 44.48 million net off charge for SWWF with immaterial effect on the 'net assets attributable to the unit holders' and NAV per unit of the Fund as disclosed in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' respectively. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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 loss on sale of investments is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Profit / mark-up on bank balances, term deposit receipts, debt and government securities is recognised on an accrual basis using the effective interest method.

3.13 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

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

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.

	Note	2018	2017
		----- (Rupees) -----	
4 BANK BALANCES			
Savings accounts	4.1	202,948,181	969,364,779

4.1 These balances in saving deposit accounts bear profit rates ranging from 4% to 7.40% (2017: 5% to 6.6%) per annum. This includes Rs 16.88 million (2017: Rs 26.80 million) placed with Bank Alfalah Limited (a related party).

5 INVESTMENTS

'At fair value through profit or loss' - held-for-trading

Term finance certificates	5.1	252,600,205	509,725,816
Sukuk certificates	5.2	218,508,830	161,904,135
Market Treasury Bills	5.3	-	59,676,360
Pakistan Investment Bonds	5.4	-	-
		471,109,035	731,306,311
Available-for-sale			
Term finance certificates	5.6	-	-
		<u>471,109,035</u>	<u>731,306,311</u>

5.1 Term finance certificates (TFCs) - 'At fair value through profit or loss' - held-for-trading

Name of the investee company	Secured / Un-secured	Maturity	Profit / mark-up rate	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised (loss) / gain	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of issue size
Bank Alfalah Limited (a related party)	Unsecured	February 2021	6M Kibor + 1.25%	1,225	-	1,225	-	-	-	-	-	-	-
MCB Bank Limited (formerly NIB Bank Limited)	Secured	June 2022	6M Kibor + 1.15%	7,000	-	7,000	-	-	-	-	-	-	-
Askari Bank Limited	Unsecured	September 2024	6M Kibor + 1.20%	10,000	-	3,100	6,900	35,138,684	34,561,758	(576,926)	5.27%	7.34%	0.86%
Jahangir Siddiqui and Company Limited	Secured	May 2021	6M Kibor + 1.65%	10,000	-	-	10,000	38,470,627	37,936,815	(533,812)	5.79%	8.05%	3.79%
Habib Bank Limited	Unsecured	February 2026	6M Kibor + 0.50%	1,300	-	921	379	37,875,890	37,396,309	(479,581)	5.70%	7.94%	0.37%
JS Bank Limited	Secured	December 2023	6M Kibor + 1.40%	9,600	-	3,500	6,100	30,705,502	30,706,815	1,313	4.68%	6.52%	1.02%
Standard Chartered Bank (Pakistan) Limited	Unsecured	June 2022	6M Kibor + 0.75%	11,100	-	11,100	-	-	-	-	-	-	-
The Bank of Punjab	Unsecured	December 2026	6M Kibor + 1.00%	1,300	-	351	949	95,933,973	96,970,735	1,036,762	14.79%	20.58%	3.88%
TPL Corporation Limited	Unsecured	December 2019	3M Kibor + 1.50%	-	150	-	150	15,000,000	15,027,773	27,773	2.29%	3.19%	1.25%
As at June 30, 2018								253,124,676	252,600,205	(524,471)	38.52%	53.62%	
As at June 30, 2017								504,795,211	509,725,816	4,930,605	29.31%	69.70%	

5.2 Sukuk certificates - 'At fair value through profit or loss' - held-for-trading

Name of the investee company	Secured / Un-secured	Maturity	Profit / mark-up rate	As at July 01, 2017	Purchased during the year	Sold / Matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of issue size
Engro Fertilizer Limited	Secured	July 2019	6M Kibor + 1.75%	16,000	-	16,000	-	-	-	-	-	-	-
Byco Oil Pakistan Limited	Secured	January 2022	3M KIBOR + 1.05%	800	2,100	2,900	-	-	-	-	-	-	-
TPL Trakker Limited	Secured	April 2021	12M Kibor + 3.00%	15	-	15	-	-	-	-	-	-	-
Dubai Islamic Bank Pakistan Limited	Secured	December 2027	6M KIBOR + 0.50%	-	71	51	20	20,000,000	20,374,080	374,080	3.11%	4.32%	0.54%
Dawood Hercules Corporation Limited	Secured	November 2022	3M KIBOR + 1.00%	-	580	100	480	48,000,000	48,096,000	96,000	7.34%	10.21%	0.92%
Dawood Hercules Corporation Limited	Secured	March 2023	3M KIBOR + 1.00%	-	600	-	600	60,000,000	60,038,750	38,750	9.16%	12.74%	1.00%
International Brands Limited	Secured	November 2021	12M Kibor + 0.50%	-	1,250	350	900	90,000,000	90,000,000	-	13.73%	19.10%	3.18%
As at June 30, 2018								218,000,000	218,508,830	508,830	33.34%	46.37%	
As at June 30, 2017								160,017,900	161,904,135	1,886,235	9.31%	22.14%	

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

Particulars	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investment			
										(Face Value)		
Maturity upto 3 months	-	600,000	5,330,000	5,930,000	-	-	-	-	-			
As at June 30, 2018												
As at June 30, 2017												
								59,679,197	59,676,360	(2,837)	3.43%	8.16%

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

Particulars	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investment
Maturity upto 03 Years	-	-	500	500	-	-	-	-	-
As at June 30, 2018									
As at June 30, 2017									

5.5 Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net

	Note	2018	2017
Market value of investments as at June 30	5.1, 5.2, 5.3 and 5.4	471,109,035	731,306,311
Less: Carrying value of investments as at June 30	5.1, 5.2, 5.3 and 5.4	(471,124,676)	(724,492,308)
		(15,641)	6,814,003

5.6 Term finance certificates (TFCs) - Available-for-sale

Name of the investee company	Secured / Un-secured	Maturity	Profit / mark-up rate	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Impairment in the value of investment	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of issue size
Trust Investment Bank Limited (note 5.6.1)	Unsecured	July 2013	6M KIBOR + 1.85%	8,000	-	-	8,000	14,994,000	-	14,994,000	-	-	-
Security Leasing Corporation Limited (note 5.6.2)	Secured	March 2014	6.00%	2,000	-	2,000	-	-	-	-	-	-	-
Agritech Limited (note 5.6.3)	Secured	November 2017	6M KIBOR + 1.75%	17,950	-	-	17,950	89,666,353	-	89,666,353	-	-	-
Agritech Limited-4V (note 5.6.4)	Secured	January 2015	Zero Coupon	4,094	-	-	4,094	20,470,000	-	20,470,000	-	-	-
As at June 30, 2018								125,130,353	-	125,130,353			
As at June 30, 2017								126,687,653	-	126,687,653			

- 5.6.1** 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 has been suspended and mark-up due amounting Rs 1.437 million has 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.
- 5.6.2** These term finance certificates were rescheduled in the past, however, the security was again classified as 'non-performing' by MUFAP on August 15, 2014 and, accordingly, was provided for in full in accordance with the requirements of SECP circulars and the Board's approved provisioning policy. However, during the year, Security Leasing Corporation Limited has paid Rs 154,037 as full and final settlement against these TFCs.
- 5.6.3** 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 on these TFCs was suspended. Accordingly, the security has 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.
- 5.6.4** 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.

5.7 Particulars of impairment in the value of investments classified as 'available-for-sale'	Note	2018	2017
		----- (Rupees) -----	
Opening balance		126,687,653	126,687,653
Add: Provision for the year		-	-
Less: Reversal of provision upon sale		(1,557,300)	-
Closing balance		<u>125,130,353</u>	<u>126,687,653</u>
6 SECURITY DEPOSITS			
Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	2,750,000
		<u>2,850,000</u>	<u>2,850,000</u>
7 MARK-UP AND OTHER RECEIVABLES			
Mark-up receivable on:			
- Term finance certificates		1,971,200	9,330,145
- Sukuk certificates		5,934,919	3,934,063
- Bank balances		1,387,741	3,737,655
- Margin trading system		10,788	475,798
Advance tax		150,962	-
Security margin with National Clearing Company of Pakistan Limited		2,053,310	2,036,710
		<u>11,508,920</u>	<u>19,514,371</u>
8 PAYABLE TO THE ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	8.1	808,365	1,829,178
Sindh sales tax payable on management remuneration	8.2	1,778,082	1,910,808
Federal excise duty payable on management remuneration	8.3	11,439,981	11,439,981
Payable against allocated expenses	8.4	567,674	1,023,129
Payable against selling and marketing expenses	8.5	213,148	-
Sales load payable		1,572,484	1,514,904
		<u>16,379,734</u>	<u>17,718,000</u>

- 8.1** The Management Company has charged remuneration at the rate of 1.25% (2017: 1.25%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2** During the year, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (2017: 13%).
- 8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During 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 July 01, 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 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 11.44 million (2017: Rs 11.44 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 made, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 0.97 (2017: Re 0.35) per unit.

- 8.4** The Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.
- 8.5** In connection with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan had issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017) whereby it had prescribed certain conditions on Asset Management Companies (AMCs) for charging selling and marketing expenses to collective investment schemes (CISs). However, during the year, the SECP vide its circular no. 5 of 2018 dated June 4, 2018 has made certain amendments in the conditions prescribed through the above mentioned circulars. As per the amendment, selling and marketing expenses will be allowed initially for three years (from January 1, 2017 till December 31, 2019) to all categories of open-end mutual funds (except fund of funds and money market funds) which was earlier allowed to be charged only in respect of open end equity, asset allocation and index funds. Further, the conditions prescribed for allocation of selling and marketing expenses have also been amended. As per the amendments prescribed, the selling and marketing expenses can only be claimed in respect of the following:
1. cost pertaining to opening and maintenance of all branches by asset management company in all cities,
 2. Payment of salaries to sales team posted at all branches of an asset management company,
 3. payment of commission to sales team and distributors in all cities of Pakistan, and
 4. payment of advertising and publicity of these funds.

The management has carried out an exercise to identify expenses of the Management Company (on the basis of criteria mentioned in the above circulars) that can be charged to the Fund. As the actual expenses incurred by the Management Company that are allowable to be allocated to the Fund for the year ended June 30, 2018 are higher than 0.4% per annum of the net assets of the Fund, accordingly, with effect from June 6, 2018 the Management Company has charged expenses at the rate of 0.4% per annum of the net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2018	2017
		----- (Rupees) -----	
Trustee remuneration payable	9.1	60,006	142,074
Sindh Sales Tax payable on trustee remuneration	9.2	14,279	24,955
		74,285	167,029

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

Average net asset value	Tariff per annum
Up to Rs 1 billion	0.17% per annum of net assets
Rs 1 billion to Rs 5 billion	Rs 1.7 million plus 0.085% per annum of net assets exceeding Rs 1 billion

The same level of trustee fee was charged during the year 2017.

9.2 During the year, Sindh Sales Tax on trustee remuneration has been charged at the rate of 13% (2017: 13%).

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2018 (Rupees in '000)	2017
Annual fee payable to the SECP		1,187,818	1,707,149

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 (2017: 0.075) percent of the average annual net assets of the Fund.

11 ACCRUED AND OTHER LIABILITIES	Note	2018 (Rupees)	2017
Provision against Sindh Workers' Welfare Fund	11.1	4,456,149	2,904,102
Withholding tax payable		674,321	10,807,156
Annual rating fee payable		359,890	-
Auditors' remuneration payable		209,431	488,167
Settlement charges payable		101,468	-
Printing charges payable		88,000	75,283
Brokerage payable		44,085	7,640
Others		2,551,949	2,518,066
		8,485,293	16,800,414

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2018, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.38 per unit (2017: Re 0.09 per unit).

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2018 and June 30, 2017.

13 PROFIT / MARK-UP INCOME	2018	2017
	----- (Rupees) -----	
Profit / mark-up income on:		
'At fair value through profit or loss' - held-for-trading		
- Sukuk certificates and term finance certificates	46,540,449	42,355,677
- Market Treasury Bills	3,649,899	14,768,449
- Pakistan Investment Bonds	-	8,836,430
Loans and receivables		
- Term deposit receipts	6,218,136	13,213,461
- Bank balances	49,515,374	58,238,149
- Margin trading system	4,952,689	19,035,352
	<u>110,876,547</u>	<u>156,447,518</u>

14 AUDITORS' REMUNERATION

Audit fee	120,000	332,750
Review and other certifications	110,000	226,270
Sindh sales tax	18,400	33,541
Out of pocket expenses	28,714	51,664
	<u>277,114</u>	<u>644,225</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 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 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. The Management Company has distributed, subsequent to the year end, the income earned by the Fund for the year to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2018 is 2.02% which includes 0.36% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, Federal excise Duties, Annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

17 CASH AND CASH EQUIVALENTS	2018	2017
	----- (Rupees) -----	
Bank balances	202,948,181	969,364,779
Treasury bills maturing within 3 months	-	59,676,360
	<u>202,948,181</u>	<u>1,029,041,139</u>

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund. 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, 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.

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

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

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

18.1 Unit Holder's Fund	Note	June 30, 2018									
		As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018
Units					(Rupees)						
Associated companies / undertakings											
Alfalalah GHP Investment Management Limited	18.1.1	466,142	-	-	466,025	117	24,822,078	-	-	25,000,000	6,536
Alfalalah GHP Prosperity Planning Fund *	18.1.1	3,594,668	8,596,093	-	6,803,217	5,387,544	191,416,071	459,500,000	-	368,900,000	300,961,721
Key management personnel (Employees)											
Chief Financial Officer	18.1.1	-	10	-	-	10	-	551	-	-	559
June 30, 2017											
As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2017		
Units					(Rupees)						
Associated companies / undertakings											
Bank Alfalah Limited		5,481,236	-	-	5,481,236	-	290,553,172	-	-	-	291,825,294
Alfalalah GHP Investment Management Limited		-	447,939	24,271	6,068	466,142	78,355,062	25,000,000	1,290,556	-	24,822,062
Alfalalah GHP Prosperity Planning Fund		1,471,457	5,129,820	184,764	3,191,373	3,594,668	78,000,000	280,000,000	9,824,273	176,000,000	191,416,071
Key management personnel (Employees)											
Financial Controller		-	28,251	-	28,251	-	-	1,523,808	-	1,532,421	-
Assistant Vice President - Compliance		-	1,043	-	1,043	-	-	56,000	-	56,398	-
Unit holder holding 10% or more units											
Fauji Fertilizer Bin Qasim Limited		-	13,286,562	-	6,468,676	6,817,886	-	713,065,380	-	362,232,266	363,052,430
Barret Hodgson Pakistan (Private) Limited		-	3,498,589	-	-	3,498,589	-	186,306,492	-	-	186,299,864

* This unit holder also holds more than 10% of the units in the Fund as at June 30, 2018.

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

	2018	2017
	(Rupees)	
18.2 Other transactions		
Associated companies / undertakings		
Alfalalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	19,797,728	28,452,705
Sindh sales tax on remuneration of the Management Company	2,573,686	3,698,847
Allocated expenses	1,583,676	2,276,114
Selling and marketing expenses	213,148	-
Sales load	1,836,945	1,589,531
Bank Alfalah Limited		
Mark-up on bank balances	1,287,279	4,561,186
Bank charges	65,688	87,521
Mark-up income on term finance certificates	71,923	450,426
Mark-up income on term deposit receipts	-	1,827,205
Sales load	301,896	3,101,422
Alfalalah GHP Income Fund		
Term finance certificates - purchased	-	40,375,422
Sukuk certificates - sold	-	50,000,000

	2018	2017
	----- (Rupees) -----	
Alfalsh GHP Money Market Fund		
Market Treasury Bills - purchased	-	49,722,550
Alfalsh GHP Cash Fund		
Market Treasury Bills - purchased	-	44,557,920
Alfalsh GHP Sovereign Fund		
Term finance certificates - purchased	-	161,074,300
Term finance certificates - sold	-	99,908,300
Market Treasury Bills - purchased	-	27,937,081
Market Treasury Bills - sold	-	49,702,250
Alfalsh GHP Islamic Income Fund		
Sukuk certificates - sold	-	281,117,550
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,164,139	2,782,529
Sindh sales tax on remuneration of the Trustee	281,332	361,728
CDS charges	262,662	453,601

18.3 Other balances

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Management remuneration payable	808,365	1,829,178
Sindh sales tax payable on management remuneration	1,778,082	1,910,808
Federal excise duty payable on management remuneration	11,439,981	11,439,981
Payable against allocated expenses	567,674	1,023,129
Payable against selling and marketing expenses	213,148	-
Sales load payable	1,572,484	1,514,904

Bank Alfalah Limited

Bank balance	16,881,587	26,798,760
Mark-up receivable on bank balance	34,354	257,282
Mark-up receivable on term finance certificates	-	162,100
Sales load payable	33,875	-

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	60,006	142,074
Sindh Sales Tax payable on trustee remuneration	14,279	24,955
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
----- (Rupees) -----				
Financial assets				
Bank balances	202,948,181	-	-	202,948,181
Investments	-	471,109,035	-	471,109,035
Security deposits	2,850,000	-	-	2,850,000
Mark-up and other receivables	11,357,958	-	-	11,357,958
Receivable against Margin Trading System (MTS)	1,131,526	-	-	1,131,526
	<u>218,287,665</u>	<u>471,109,035</u>	<u>-</u>	<u>689,396,700</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	16,379,734	16,379,734
Payable to the Trustee	-	74,285	74,285
Payable against purchase of investments	-	7,821,675	7,821,675
Accrued and other liabilities	-	3,354,823	3,354,823
	<u>-</u>	<u>27,630,517</u>	<u>27,630,517</u>

Particulars	June 30, 2017			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
----- (Rupees) -----				
Financial assets				
Bank balances	969,364,779	-	-	969,364,779
Investments	-	731,306,311	-	731,306,311
Security deposits	2,850,000	-	-	2,850,000
Mark-up and other receivables	19,514,371	-	-	19,514,371
Receivable against Margin Trading System (MTS)	53,078,557	-	-	53,078,557
	<u>1,044,807,707</u>	<u>731,306,311</u>	<u>-</u>	<u>1,776,114,018</u>

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	17,718,000	17,718,000
Payable to the Trustee	-	167,029	167,029
Accrued and other liabilities	-	3,089,156	3,089,156
	<u>-</u>	<u>20,974,185</u>	<u>20,974,185</u>

20 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.

20.1 Market risk

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

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

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

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 interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2017	2016
	-----Rupees-----	
Variable rate instruments (financial assets)		
Bank balance	202,948,181	969,364,779
Term finance certificates	252,600,205	509,725,816
Sukuk certificates	218,508,830	161,904,135
	<u>674,057,216</u>	<u>1,640,994,730</u>
Fixed rate instruments (financial assets)		
Market Treasury Bills	-	59,676,360

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 and statement of comprehensive income by Rs 0.09 million (2017: Rs 0.17 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 and statement of comprehensive income by Rs Nil (2017: Rs 0.60 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, 2018 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	As at June 30, 2018					
	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	4%-7.40%	202,948,181	-	-	-	202,948,181
Investments	6.92%-8.67%	195,120,590	275,988,445	-	-	471,109,035
Security deposits		-	-	-	2,850,000	2,850,000
Mark-up and other receivables		-	-	-	11,357,958	11,357,958
Receivable against Margin Trading System (MTS)		-	-	-	1,131,526	1,131,526
Sub total		<u>398,068,771</u>	<u>275,988,445</u>	-	<u>15,339,484</u>	<u>689,396,700</u>
Financial liabilities						
Payable to the Management Company		-	-	-	16,379,734	16,379,734
Payable to the Trustee		-	-	-	74,285	74,285
Payable against purchase of investments		-	-	-	7,821,675	7,821,675
Accrued and other liabilities		-	-	-	3,354,823	3,354,823
Sub total		-	-	-	<u>27,630,517</u>	<u>27,630,517</u>
On-balance sheet gap		<u>398,068,771</u>	<u>275,988,445</u>	-	<u>(12,291,033)</u>	<u>661,766,183</u>
Total interest rate sensitivity gap		<u>398,068,771</u>	<u>275,988,445</u>	-	<u>(12,291,033)</u>	<u>661,766,183</u>
Cumulative interest rate sensitivity gap		<u>398,068,771</u>	<u>674,057,216</u>	<u>674,057,216</u>		

Particulars	As at June 30, 2017					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%-6.6%	969,364,779	-	-	-	969,364,779
Investments	5.5%-7%	393,321,495	337,984,816	-	-	731,306,311
Security deposits		-	-	-	2,850,000	2,850,000
Mark-up and other receivables		-	-	-	19,514,371	19,514,371
Receivable against Margin Trading System (MTS)		-	-	-	53,078,557	53,078,557
Sub total		1,362,686,274	337,984,816	-	75,442,928	1,776,114,018
Financial liabilities						
Payable to the Management Company		-	-	-	17,718,000	17,718,000
Payable to the Trustee		-	-	-	167,029	167,029
Accrued and other liabilities		-	-	-	3,089,156	3,089,156
Sub Total		-	-	-	20,974,185	20,974,185
On-balance sheet gap		1,362,686,274	337,984,816	-	54,468,743	1,755,139,833
Total interest rate sensitivity gap		1,362,686,274	337,984,816	-	54,468,743	1,755,139,833
Cumulative interest rate sensitivity gap		1,362,686,274	1,700,671,090	1,700,671,090		

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.

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

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

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, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	202,948,181	202,948,181	969,364,779	969,364,779
Investments	471,109,035	471,109,035	731,306,311	671,629,951
Security deposits	2,850,000	2,850,000	2,850,000	2,850,000
Mark-up and other receivables	11,357,958	11,357,958	19,514,371	19,514,371
Receivable against Margin Trading System (MTS)	1,131,526	1,131,526	53,078,557	53,078,557
	689,396,700	689,396,700	1,776,114,018	1,716,437,658

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investment in Government securities of Rs Nil (2017: Rs 59.68 million) is not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2018 and June 30, 2017, except as specified in note 5 to these financial statements.

20.2.2 Bank balances

The Fund held bank balances (including mark-up receivable) at June 30, 2018 with banks having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating Agency	Rating	2018	2017
			----- (%) -----	
BankIslami Pakistan Limited	PACRA	A1	0.02	0.001
Habib Bank Limited	JCR-VIS	A-1+	0.06	-
National Bank of Pakistan	PACRA	A1+	0.16	-
Bank Alfalah Limited	PACRA	A1+	8.28	2.78
Faysal Bank Limited	PACRA	A1+	0.0004	-
Allied Bank Limited	PACRA	A1+	0.27	31.00
Bank AL Habib Limited	PACRA	A1+	0.16	0.04
JS Bank Limited	PACRA	A1+	90.87	55.35
NRSP Microfinance Bank Limited	PACRA	A1	0.14	10.83
Telenor Microfinance Bank Limited	PACRA	A1	0.005	-
Zarai Taraqati Bank Limited	JCR-VIS	A-1+	0.03	-
Samba Bank Limited	JCR-VIS	A-1	0.005	-
			100.00	100.00

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

20.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2018 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	2018	2017
			----- (%) -----	
Term finance certificates (TFCs)				
Bank Alfalah Limited	PACRA	AA+	-	1.23
MCB Bank Limited (formerly NIB Bank Limited)	PACRA	AAA	-	6.95
Askari Bank Limited	JCRVIS	AA-	13.68	10.00
Jahangir Siddiqui and Company Limited	PACRA	AA+	15.02	10.06
Habib Bank Limited	JCRVIS	AAA	14.80	25.56
JS Bank Limited	PACRA	A+	12.16	9.49
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	-	10.92
The Bank of Punjab	PACRA	AA-	38.39	25.79
TPL Corporation Limited	PACRA	AA-	5.95	-
Trust Investment Bank Limited	Non Performing		-	-
Security Leasing Corporation Limited	Non Performing		-	-
Agritech Limited	Non Performing		-	-
			100.00	100.00
Sukuk certificates				
Engro Fertilizer Limited	PACRA	AA	-	40.85
Byco Oil Pakistan Limited	PACRA	AAA	-	49.41
TPL Trakker Limited	PACRA	A+	-	9.74
Dubai Islamic Bank Pakistan Limited	JCRVIS	A+	9.32	-
Dawood Hercules Corporation Limited	PACRA	AA	22.01	-
Dawood Hercules Corporation Limited	PACRA	AA	27.48	-
International Brands Limited	JCRVIS	AA	41.19	-
			100.00	100.00

20.2.4 Concentration of credit risk

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

20.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in 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 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.

2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	202,948,181	-	-	-	202,948,181
Investments	-	-	-	471,109,035	471,109,035
Security deposits	2,850,000	-	-	-	2,850,000
Mark-up and other receivables	3,451,839	2,165,125	5,740,994	-	11,357,958
Receivable against Margin Trading System (MTS)	1,131,526	-	-	-	1,131,526
	210,381,546	2,165,125	5,740,994	471,109,035	689,396,700
Financial liabilities					
Payable to the Management Company	16,379,734	-	-	-	16,379,734
Payable to the Trustee	74,285	-	-	-	74,285
Payable against purchase of investments	7,821,675	-	-	-	7,821,675
Accrued and other liabilities	145,553	3,209,270	-	-	3,354,823
	24,421,247	3,209,270	-	-	27,630,517
Net assets	185,960,299	(1,044,145)	5,740,994	471,109,035	661,766,183
2017					
2017	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	969,364,779	-	-	-	969,364,779
Investments	-	59,676,360	-	671,629,951	731,306,311
Security deposits	2,850,000	-	-	-	2,850,000
Mark-up and other receivables	6,250,163	5,424,759	7,839,449	-	19,514,371
Receivable against Margin Trading System (MTS)	53,078,557	-	-	-	53,078,557
	1,031,543,499	65,101,119	7,839,449	671,629,951	1,776,114,018
Financial liabilities					
Payable to the Management Company	17,718,000	-	-	-	17,718,000
Payable to the Trustee	167,029	-	-	-	167,029
Accrued and other liabilities	7,640	3,081,516	-	-	3,089,156
	17,892,669	3,081,516	-	-	20,974,185
Net assets	1,013,650,830	62,019,603	7,839,449	671,629,951	1,755,139,833

20.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3.5 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

	----- As at June 30, 2018 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss - held for trading				
Term finance certificates	-	252,600,205	-	252,600,205
Sukuk certificates	-	218,508,830	-	218,508,830
	----- As at June 30, 2017 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss - held for trading				
Term finance certificates	-	509,725,816	-	509,725,816
Sukuk certificates	-	161,904,135	-	161,904,135
Market Treasury Bills	-	59,676,360	-	59,676,360

During the year ended June 30, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is 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 of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

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

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

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, 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.

22 NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company on July 2, 2018 approved a final distribution of Rs. 2.6124 per unit on the face value of Rs. 50 each (i.e 4.91%) amounting to Rs. 30.65 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

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 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	176	2,551,416	142,528,503	22%
Associated Co./ Directors	1	117	6,558	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	17	7,959,610	444,643,735	68%
Others	9	1,224,792	68,420,063	10%
	203	11,735,936	655,598,858	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	109	3,925,429	209,029,071	12%
Associated Co./ Directors	1	466,142	24,822,078	1%
Insurance Co.	6	4,919,569	261,967,061	15%
Retirement & Other Funds	17	3,693,588	196,683,551	11%
Others	16	19,666,081	1,047,218,803	60%
	149	32,670,809	1,739,720,564	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018
	%
BIPL Securities Limited	32%
JS Global Capital Limited	28%
Next Capital Limited	21%
EFG Hermes Pakistan Limited	7%
BMA Capital Management Limited	6%
Bright Capital Limited	2%
Invest Capital Markets Limited	2%
C & M Management Limited	1%
Pearl Securities Limited	0%
Vector Capital Limited	0%
	30 June 2017
	%
JS Global Capital Limited	33
BMA Capital Management Limited	32
Invest Capital Markets Limited	13
BIPL Securities Limited	7
Next Capital Limited	3
C&M Management (Pvt.) Limited	2
EFG Hermes Pakistan Limited	2
Magenta Capital (Pvt.) Limited	2
Summit Capital (Pvt.) Limited	2
Arif Habib Limited	2

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

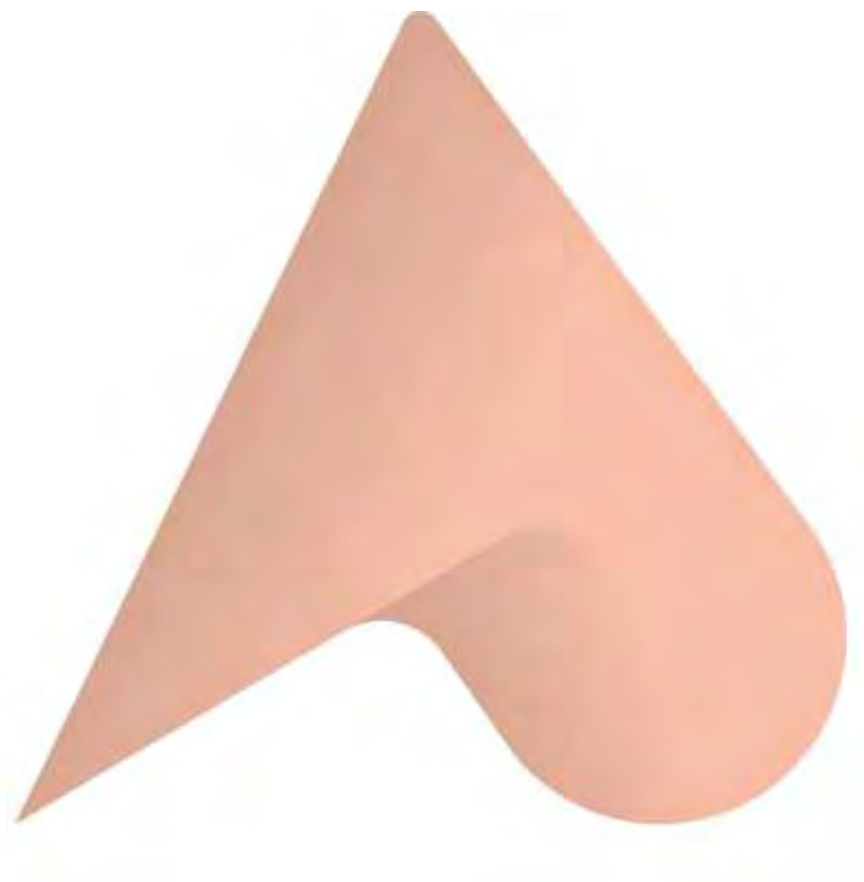
Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st, 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017, 26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGIMF

	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
Net Assets (Rupees in '000)	655,599	1,739,721	1,504,660	1,706,002	1,565,954
NAV per unit	55.8625	53.2500	53.0087	50.6291	48.0741
Selling price per unit	57.7562	55.0552	55.1117	52.6553	54.1793
Redemption price per unit	55.8625	53.2500	53.0087	50.6291	48.2934
Highest selling price per unit	57.8210	57.9532	57.0332	57.6340	50.0148
Highest redemption price per unit	55.9251	56.0530	54.8569	55.4162	52.0771
Lowest selling price per unit	55.0669	54.8341	52.6565	50.0379	46.8868
Lowest redemption price per unit	53.2613	53.0362	50.6472	48.0963	48.0741
Total interim distribution per unit	N/A	2.8811	1.8737	4.248	5.0445
Interim distribution date	N/A	22-Jun-17	29-Jun-16	26-Jun-15	4-Jan-14
	N/A	N/A	N/A	N/A	30-Jun-14
Final distribution per unit	2.6124	N/A	N/A	N/A	N/A
Final distribution date	2-Jul-18	N/A	N/A	N/A	N/A
Annualized returns	4.90%	5.90%	8.38%	14.18%	12.35%
Income distribution	4.91%	5.44%	3.70%	8.84%	10.65%
Weighted avg. portfolio duration	4.08 Yrs	2.65 Yrs	3.99 Yrs	2.86 Yrs	213 Days

Return since inception is **5.98%**

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



**Alfalah GHP
Islamic Income Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Shariah Advisor:	BankIslami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Islamic Income Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant (Islamic) Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Market Review

Pakistan's GDP posted a growth of 5.79% in FY 18 as compared to 5.37% in FY 17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

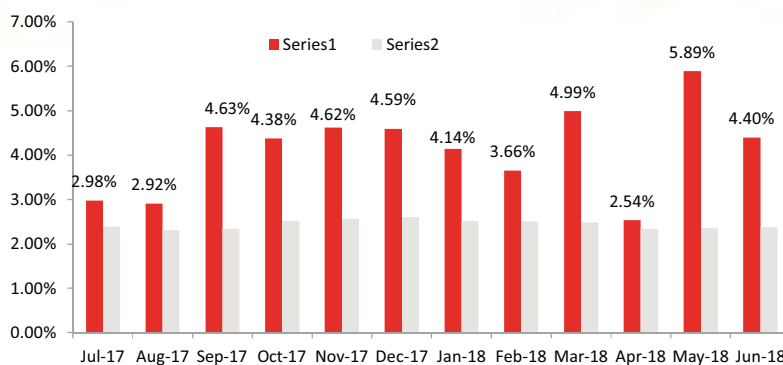
During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.

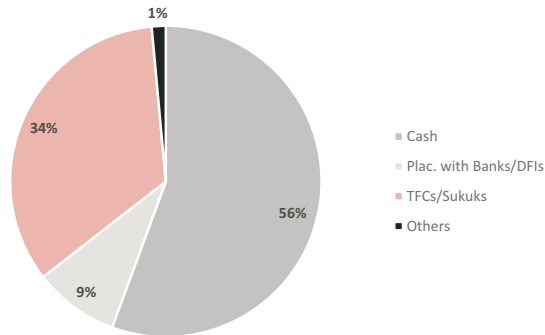
Fund Performance

For the year ended June 30 2018, the fund posted a return of 4.22% against the benchmark of 2.44%. During the period fund operated with the strategy of providing consistent and stable returns. In line with the strategy, the fund maintained a balanced exposure in bank deposits and higher credit quality corporate Sukuks in order to achieve competitive returns.

Performance comparison with Benchmark



Asset Allocation
(as at 30 June 2018)



Credit Quality (as % of Total Assets)			
Govt. Guar.	0.00%	A	0.00%
AAA	7.71%	A-	0.00%
AA+	0.90%	BBB+	0.00%
AA	24.62%	BBB	0.00%
AA-	24.47%	Below IG	0.00%
A+	40.86%	NR/UR	1.45%

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) 34326020 - 23
URL: www.cdcpk.com
Email: info@cdc.pk



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC INCOME FUND

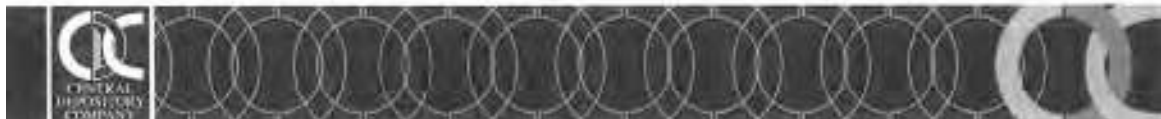
**Report of the Trustee pursuant to Regulation 41(b) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2018





REPORT OF THE SHARIAH ADVISORY BOARD ALFALAH GHP ISLAMIC INCOME FUND

We, the Shariah Advisers of the Alfalah GHP Islamic Income Fund ('AGIIF') (formerly IGI Islamic Income Fund) managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplemental Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor, we have reviewed and given approval for investment in following avenues during the period from July 01, 2017 to June 30, 2018.

Investment Head	Investment Avenue
<i>Sukuk</i>	<i>Government of Pakistan Ijarah Sukuk Meezan Bank Limited Sukuk Byco Petroleum Pakistan Limited K-Electric Sukuk Hascol Petroleum Limited Sukuk Fatima Fertilizer Limited Sukuk Dubai Islamic Bank Pakistan Limited Sukuk International Brands Limited Sukuk Dawood Hercules Corporation Limited Sukuk</i>

We hereby certify that all the above mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2018, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Javed Ahmed
Member Shariah Board

Mufti Atta ullah
Shariah Advisor
/ Member Shariah Board



INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of **Alfalah GHP Investment Management Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **Alfalah GHP Islamic Income Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2018, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor (the Shariah Principles).

Management's Responsibility of Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control (ISQC) 1 (Revised), "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.



A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, J.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32413007/32427938/32424740; <www.pwc.com/pk>

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The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles, whether due to fraud or error. In making these risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures primarily performed comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2018 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed statement presents fairly, in all material respects, the status of the fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the year ended June 30, 2018.

Chartered Accountants

Dated: September 24, 2018

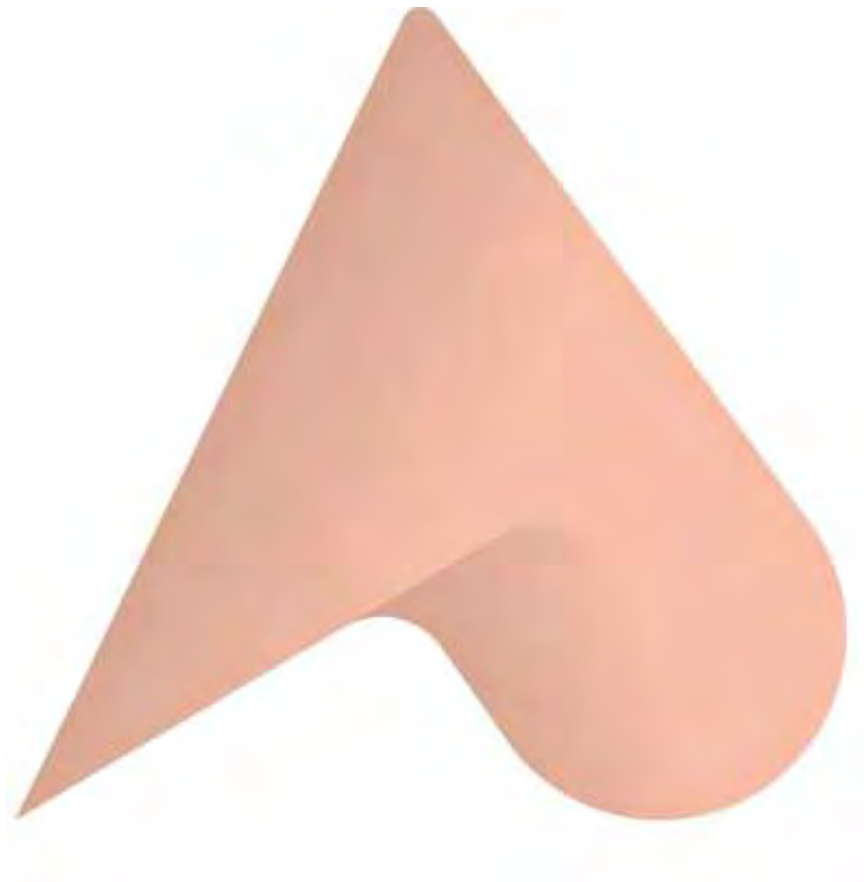
Karachi

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Income Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2018. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 24, 2018

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah GHP Islamic Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds 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, 2018, and of its financial performance, its cash flows and transactions 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Amendments to NBFC Regulations, 2008</p> <p>(Refer note 3.10 to the annexed financial statements)</p> <p>The Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756(I) / 2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impacts of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly includes changes with respect to recognition, measurement and presentation of "element of income", addition of certain disclosures with respect to 'Income Statement' (relating to allocation of net</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income.performed walkthrough tests for ensuring compliance with the revised requirements and in this respect obtained reports of distribution of income and refund of capital by the Fund.

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>income for the year) and 'Statement of Movement in Unit Holders' Fund'.</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.10.</p> <p>The SECP notification also stipulates that the accounting income available for distribution as appearing in the "Income Statement" excludes income already paid on units redeemed during the year. Accordingly, the net amount appearing on the "Income Statement" after deducting the income already paid on units redeemed is to be considered as the distributable amount.</p> <p>In order to avail tax exemption, the Fund has to distribute 90 percent of its accounting income (excluding realised and unrealised capital gains). However, at the time of distribution of income, the element of income contributed on issue of units recognized in the equity during the year is required to be refunded on the units in the same proportion in which income is distributed from the Income Statement i.e. after taking into account the amount of income already paid on units redeemed. Management has developed a system for carrying out the calculations for such distributions.</p> <p>These calculations are important from the point of view of ensuring compliance with the applicable requirements. The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<ul style="list-style-type: none"> ▪ verified transactions on a test basis with the underlying records of the reports provided by the management to assess their compliance with the revised regulations. ▪ recalculated the amount available for distribution taking into account amount already distributed at the time of redemption. ▪ verified the accuracy of the management report for allocation of distributable amount between "distribution out of income" and "refund of capital". This included testing the parameters of the report. ▪ verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value</p> <p>(Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 1,915.91 million and bank balances aggregated to Rs 2,486.99 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ tested the design and operating effectiveness of the key controls for valuation of investments. ▪ obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled 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

S. No.	Key Audit Matters	How the matter was addressed in our audit
		<p>are carried as per the valuation methodology specified in the accounting policies.</p> <ul style="list-style-type: none"> ▪ obtained approval of Board of Directors of the management company in relation to opening and closing of bank accounts. ▪ 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 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.

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 Requirement

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

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

Chartered Accountants

Karachi

Date: September 24, 2018

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
----- (Rupees) -----			
Assets			
Bank balances	4	2,486,991,747	1,261,147,109
Investments	5	1,915,906,160	1,503,312,649
Profit receivable	6	58,785,218	27,847,658
Deposit, prepayment and other receivable		1,741,837	104,107
Total assets		<u>4,463,424,962</u>	<u>2,792,411,523</u>
Liabilities			
Payable to the Management Company	7	9,822,068	6,463,833
Payable to the Trustee	8	529,558	429,965
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	4,517,041	2,741,247
Payable against redemption of units		3,913,726	313,972
Accrued and other liabilities	10	8,677,994	7,306,837
Total liabilities		<u>27,460,387</u>	<u>17,255,854</u>
Net assets attributable to unit holders		<u>4,435,964,575</u>	<u>2,775,155,669</u>
Unit holders' fund (as per statement attached)		<u>4,435,964,575</u>	<u>2,775,155,669</u>
Contingencies and commitments	11		
		----- Total number of units -----	
Number of units in issue		<u>42,044,438</u>	<u>27,412,931</u>
		----- (Rupees) -----	
Net asset value per unit		<u>105.5066</u>	<u>101.2353</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Income			
Profit / mark up income	12	367,148,259	214,508,371
(Loss) / gain on sale of investments - net		(12,458,432)	1,599,537
Unrealised (diminution) / appreciation on revaluation of investments classified as at fair value through profit or loss - held for trading - net	5.4	(7,696,726)	25,012,483
Reversal of provision against Workers Welfare Fund		-	179,131
Total income		346,993,101	241,299,522
Expenses			
Remuneration of the Management Company	7.1	60,227,322	36,550,266
Sindh sales tax on remuneration of the Management Company	7.2	7,829,555	4,751,534
Allocated expenses	7.4	6,022,534	3,655,337
Selling and marketing expenses	7.5	1,358,104	-
Remuneration of the Trustee	8.1	5,808,517	3,932,159
Sindh sales tax on Trustee remuneration		755,118	511,181
Annual fee to the Securities and Exchange Commission of Pakistan	9	4,517,041	2,741,247
Brokerage and securities transaction costs		168,268	145,894
Bank and settlement charges		194,404	246,044
Auditors' remuneration	13	319,341	552,595
Annual listing fee		27,450	29,036
Annual rating fee		164,980	113,028
Shariah advisory fee		420,081	350,025
Provision against Sindh Workers' Welfare Fund	10.1	5,183,431	1,730,787
Total expenses		92,996,146	55,309,133
Net income for the year before element of loss and capital losses included in prices of units issued less those in units redeemed - net		253,996,955	185,990,389
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(103,191,586)
Net income for the year before taxation		253,996,955	82,798,803
Taxation	15	-	-
Net income for the year after taxation		253,996,955	82,798,803
Allocation of net income for the year			
Net income for the year after taxation		253,996,955	-
Income already paid on units redeemed		(133,307,525)	-
		120,689,430	-
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		120,689,430	-
		120,689,430	-

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

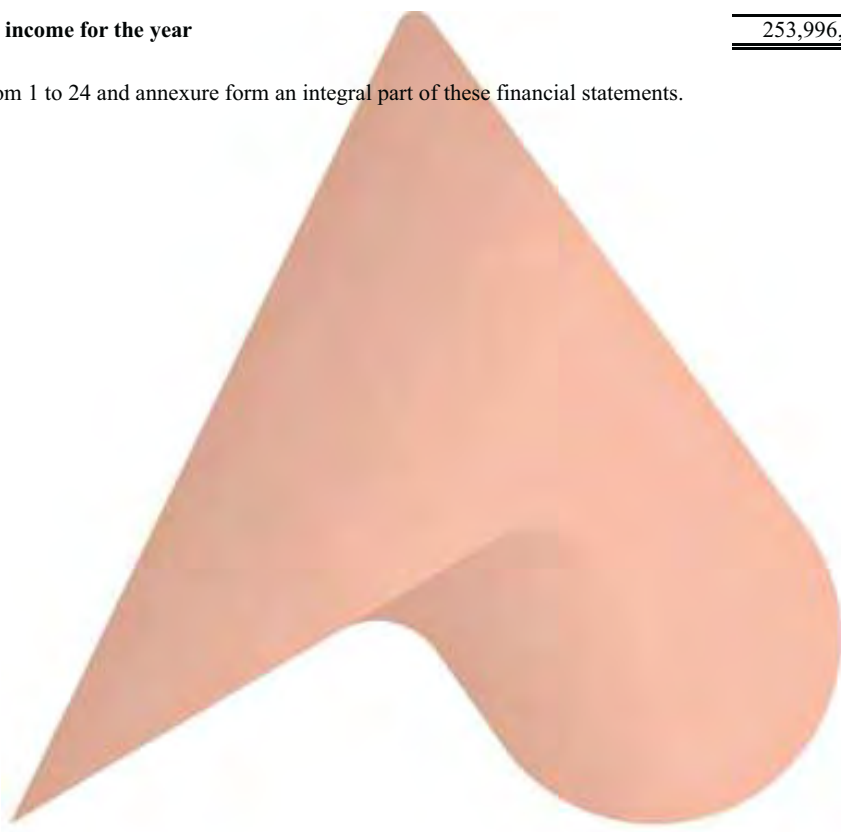
Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----- (Rupees) -----	-----
Net income for the year after taxation	253,996,955	82,798,803
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>253,996,955</u>	<u>82,798,803</u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

		June 30, 2018		
		(Rupees)		
	Capital Value	Undistributed income / (loss)	Total	
Capital value	2,741,487,019	-	2,741,487,019	
Undistributed income brought forward				
- Realised gain	-	8,656,167	8,656,167	
- Unrealised gain	-	25,012,483	25,012,483	
Net assets at beginning of the year (Rs 101.2353 per unit)	2,741,487,019	33,668,650	2,775,155,669	
Issuance of 75,643,535 units				
- Capital value (at net asset value per unit at the beginning of the year)	7,657,795,959	-	7,657,795,959	
- Element of income	77,866,592	-	77,866,592	
Total proceeds on issuance of units	7,735,662,551	-	7,735,662,551	
Redemption of 60,984,577 units				
- Capital value (at net asset value per unit at the beginning of the year)	6,173,791,948	-	6,173,791,948	
- Element of loss	21,751,127	133,307,525	155,058,652	
Total payments on redemption of units	6,195,543,075	133,307,525	6,328,850,600	
Total comprehensive income for the year	-	253,996,955	253,996,955	
Distribution during the year	-	-	-	
Net income for the year less distribution	-	253,996,955	253,996,955	
Net assets at end of the year (Rs 105.5066 per unit)	4,281,606,495	154,358,080	4,435,964,575	
Undistributed income carried forward				
- Realised gain		162,054,806		
- Unrealised loss		(7,696,726)		
		<u>154,358,080</u>		
Accounting income available for distribution				
- Relating to capital gain		-		
- Excluding capital gain		120,689,430		
		<u>120,689,430</u>		
			June 30, 2017	
			(Rupees)	
Capital value			99,572,627	
Undistributed income brought forward				
- Realised gain			701,477	
- Unrealised loss			(101,368)	
Net assets at beginning of the year (Rs 100.6098 per unit)			100,172,736	
Issue of 92,363,737 units			9,442,352,025	
Redemption of 65,946,461 units			(6,887,706,808)	
			<u>2,654,817,953</u>	
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net				
- transferred to income statement			103,191,586	
- transferred to distribution statement			(15,922,411)	
			<u>87,269,175</u>	
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement - net			15,922,411	
Gain on sale of investments - net			1,599,537	
Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - net			25,012,483	
Other income (net of expenses) for the year			56,186,783	
Total comprehensive income for the year			82,798,803	
Distribution during the year				
Interim cash distribution @ Rs 4.7495 per unit on June 22, 2017			(65,652,673)	
Net total comprehensive income less distribution during the year			<u>17,146,130</u>	
Net assets at end of the year (Rs 101.2353 per unit)			2,775,155,669	
Represented by				
Capital value			2,741,487,019	
Undistributed income carried forward				
- Realised gain			8,656,167	
- Unrealised gain			25,012,483	
			<u>2,775,155,669</u>	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		253,996,955	82,798,803
Adjustments for:			
Unrealised loss / (gain) on revaluation of investments classified as at fair value through profit or loss - held for trading - net		7,696,726	(25,012,483)
Provision against Sindh Workers' Welfare Fund		5,183,431	1,730,787
Reversal of provision against Workers Welfare Fund		-	(179,131)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	103,191,586
		<u>266,877,112</u>	<u>162,529,562</u>
Increase in assets			
Investments - net		(420,290,237)	(1,383,174,797)
Deposit, prepayment and other receivable		(1,637,730)	(3,964)
Profit receivable		(30,937,560)	(21,538,920)
		(452,865,527)	(1,404,717,681)
Increase / (decrease) in liabilities			
Payable to the Management Company		3,358,235	4,584,281
Payable to the Trustee		99,593	246,259
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		1,775,794	2,572,868
Accrued and other liabilities		(3,812,274)	3,794,057
		1,421,348	11,197,465
Net cash flows used in operating activities		<u>(184,567,067)</u>	<u>(1,230,990,654)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(65,652,673)
Amounts received against issuance of units		7,735,662,551	9,442,352,025
Amounts paid against redemption of units		(6,325,250,846)	(6,969,533,179)
Net cash flows generated from financing activities		1,410,411,705	2,407,166,173
Net increase in cash and cash equivalents during the year		<u>1,225,844,638</u>	<u>1,176,175,519</u>
Cash and cash equivalents at beginning of the year		1,261,147,109	84,971,590
Cash and cash equivalents at end of the year	4	<u><u>2,486,991,747</u></u>	<u><u>1,261,147,109</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Income Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 3, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL and AFGHP/742/2013. The SECP approved the third Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, vide its letter No. SCD/AMCW/AGIIF/240/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Income Fund.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'shariah compliant (Islamic) 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 return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificates of investment, Musharika and Morabaha arrangements, debt and Government securities. The investment objectives and policy are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated December 22, 2017 to the Management Company and a stability rating of A+(f) dated June 30, 2018 to the Fund.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

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 VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

There are certain amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or do 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 approved accounting standards that are not yet effective

2.3.1 The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	July 1, 2018
- IFRS-15 Revenue from contracts with customers	July 1, 2018
- IFRS-16 Leases	January 1, 2019

These standards may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

2.3.2 There are certain other new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2018 but are considered not to be relevant or to 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 approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- i. Classification and valuation of financial assets (notes 3.3.1, 3.3.4 and 5)
- ii. Impairment of financial assets (note 3.3.5)
- iii. Taxation (note 3.7 and 15)
- iv. Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 7.3 and 10.1 respectively)

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except for the change in accounting policy as explained in note 3.10 below.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices.

3.3.2 Regular way contracts

Regular 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.

3.3.3 Initial recognition and measurement

Financial assets 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 the related transaction costs are expensed out in the income statement.

3.3.4 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKISRV rate sheet on the MUFAP website.
- Other debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective profit method.

3.3.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership.

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.

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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 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 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 section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Dividend distribution and appropriations

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 the date. The offer price represents the net assets 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, distributor 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, provision for transaction costs and any provision for duties and charges, if applicable.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of loss been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs 75.65 million net off charge for SWWF with immaterial effect on the 'net assets attributable to the unit holders' and NAV per unit of the Fund as disclosed in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' respectively. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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

- Unrealised gain / (loss) in the value of investments classified as 'At fair value through profit or loss' are included in the income statement in the year in which they arise.
- Gain or loss on sale of investments are included in the income statement in the period in which they arise.
- Profit from Shariah compliant debt securities, Government securities and profit on bank balances is recognised on an accrual basis using the effective profit rate method.

3.13 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

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

4. BANK BALANCES	Note	2018	2017
		-----	-----
		(Rupees)	
Savings accounts	4.1	<u>2,486,991,747</u>	<u>1,261,147,109</u>
4.1	The rate of return on these accounts ranges from 4% to 7.35% (2017: 3.26% to 5.60%) per annum. It includes bank balance of Rs 7.531 million (2017: Rs 103.513 million) maintained with Bank Alfalah Limited (a related party).		

5. INVESTMENTS	Note	2018	2017
		-----	-----
		(Rupees)	
At fair value through profit or loss - held for trading - net			
Sukuk certificates	5.1	1,520,906,160	999,962,649
Government securities - GoP Ijarah Sukuk	5.2	-	503,350,000
		<u>1,520,906,160</u>	<u>1,503,312,649</u>
Loans and receivables			
Term deposit receipt	5.3	395,000,000	-
		<u>1,915,906,160</u>	<u>1,503,312,649</u>

5.1 Sukuk Certificates

Particulars	Maturity	Yield per annum	Secured / Unsecured	Face value				Number of Certificates	Carrying Value as at June 30, 2018	Market value as at June 30, 2018	Market value as a percentage of Net Assets	Market Value as a percentage of Total Investments	Market Value as a percentage of issue size
				As at July 01, 2017	Purchased during the year	Sold / redemption during the year	As at June 30, 2018						
(Rupees)													
Engro Fertilizer Limited	July 9, 2019		Secured	15,200,000	-	15,200,000	-	-	-	-	-	-	
Meezan Bank Limited	September 22, 2026	6 Month Kibor + 0.50%	Secured	380,000,000	15,000,000	75,000,000	320,000,000	320	333,630,080	324,800,000	7.32%	16.95%	
Byco Petroleum Pakistan Limited	January 18, 2022		Secured	80,000,000	50,000,000	130,000,000	-	-	-	-	-	-	
Dubai Islamic Bank Pakistan Limited	July 14, 2027	6 Month Kibor + 0.50%	Unsecured	-	310,000,000	-	310,000,000	310	310,320,000	315,798,240	7.12%	16.48%	
International Brands Limited	November 15, 2021	12 Month Kibor + 0.50%	Secured	-	385,000,000	-	385,000,000	3,850	385,000,000	385,000,000	8.68%	20.09%	
Hascol Petroleum Limited	January 6, 2022	3 Month Kibor + 1.50%	Secured	194,750,000	-	54,125,000	140,625,000	37,500	145,802,250	144,190,969	3.25%	7.53%	
K-Electric Limited	June 17, 2022	3 Month Kibor + 1.00%	Secured	127,200,000	-	109,184,000	18,016,000	4,504	18,853,204	18,262,351	0.41%	0.95%	
Fatima Fertilizer Limited	November 28, 2021	6 Month Kibor + 1.10%	Secured	165,600,000	-	78,625,000	86,975,000	24,850	90,882,352	88,366,600	1.99%	4.61%	
Dawood Hercules Corporation Limited	November 16, 2022	3 Month Kibor + 1.00%	Secured	-	244,000,000	-	244,000,000	2,440	244,115,000	244,488,000	5.51%	12.76%	
Total as at June 30, 2018				<u>962,750,000</u>	<u>1,004,000,000</u>	<u>462,134,000</u>	<u>1,504,616,000</u>		<u>1,528,602,886</u>	<u>1,520,906,160</u>	<u>34.28%</u>	<u>79.37%</u>	
Total as at June 30, 2017				<u>93,575,000</u>	<u>1,004,935,000</u>	<u>135,760,000</u>	<u>962,750,000</u>		<u>978,300,166</u>	<u>999,962,649</u>			

5.2 Government Securities - Government of Pakistan (GoP) Ijarah Sukuk

Particulars	Maturity	Yield per annum	Face value				Number of Certificates	Carrying Value as at June 30, 2018	Market value as at June 30, 2018	Market value as a percentage of net assets	Market Value as a percentage of total investments
			As at July 01, 2017	Purchased during the year	Sold / redemption during the year	As at June 30, 2018					
(Rupees)											
(%)											
GoP Ijarah Sukuk - 19	June 30, 2020	5.24%	500,000,000	-	500,000,000	-	-	-	-	-	
Total as at June 30, 2018			<u>500,000,000</u>	<u>-</u>	<u>500,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total as at June 30, 2017			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000,000</u>	<u>503,350,000</u>			

5.3 This carries profit at the rate of 6.70% (2017: Nil) per annum and is due to mature on July 25, 2018. At June 30, 2018, TDR represented 8.9% (2017: Nil) of the total net assets of the Fund.

5.4 Unrealised (loss) / gain on revaluation of investments classified 'as at fair value through profit or loss - net

	Note	2018	2017
		(Rupees)	
Market value of investments		1,520,906,160	1,503,312,649
Less: Carrying value of investments		<u>(1,528,602,886)</u>	<u>(1,478,300,166)</u>
		<u>(7,696,726)</u>	<u>25,012,483</u>

6. PROFIT RECEIVABLE

Profit accrued on bank balances	17,331,515	12,718,477
Profit accrued on sukuk certificates	41,018,661	15,129,181
Profit accrued on term deposit receipt	435,042	-
	<u>58,785,218</u>	<u>27,847,658</u>

7. PAYABLE TO THE ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration of the Management Company	7.1	4,114,105	3,060,454
Sindh sales tax on remuneration of the Management Company	7.2	650,616	513,637
Federal excise duty on remuneration of the Management Company	7.3	779,745	779,745
Payable against allocated expenses	7.4	2,914,813	2,105,589
Payable against selling and marketing expenses	7.5	1,358,104	-
Sales load payable		4,685	4,408
		<u>9,822,068</u>	<u>6,463,833</u>

- 7.1 The Management Company has charged remuneration at the rate of 1% (2017: 1%) 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, Sindh Sales Tax on management remuneration has been charged at 13% (2017: 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.

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.

With effect from July 01, 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 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 0.78 million (2017: Rs 0.78 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 made, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 0.02 (2017: Re 0.03) per unit.

- 7.4 The Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.
- 7.5 In connection with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan had issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017) whereby it had prescribed certain conditions on Asset Management Companies (AMCs) for charging selling and marketing expenses to collective investment schemes (CISs). However, during the year, the SECP vide its circular no. 5 of 2018 dated June 4, 2018 has made certain amendments in the conditions prescribed through the above mentioned circulars. As per the amendment, selling and marketing expenses will be allowed initially for three years (from January 1, 2017 till December 31, 2019) to all categories of open-end mutual funds (except fund of funds and money market funds) which was earlier allowed to be charged only in respect of open end equity, asset allocation and index funds. Further, the conditions prescribed for allocation of selling and marketing expenses have also been amended. As per the amendments prescribed, the selling and marketing expenses can only be claimed in respect of the following:
1. cost pertaining to opening and maintenance of all branches by asset management company in all cities,
 2. Payment of salaries to sales team posted at all branches of an asset management company,
 3. payment of commission to sales team and distributors in all cities of Pakistan, and
 4. payment of advertising and publicity of these funds.

The management has carried out an exercise to identify expenses of the Management Company (on the basis of criteria mentioned in the above circulars) that can be charged to the Fund. As the actual expenses incurred by the Management Company that are allowable to be allocated to the Fund for the year ended June 30, 2018 are higher than 0.4% per annum of net assets of the Fund, accordingly, with effect from June 6, 2018 the Management Company has charged expenses at the rate of 0.4% per annum of net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

8. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2018	2017
		----- (Rupees) -----	
Trustee remuneration payable	8.1	470,379	382,254
Sindh Sales Tax payable on trustee remuneration	8.2	59,179	47,711
		529,558	429,965

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

Average net asset value	Tariff per annum
Up to Rs. 1 billion	0.17% p.a. of net assets.
Rs. 1 billion to Rs. 5 billion	Rs. 1.7 million plus 0.085% p.a. of net assets exceeding Rs. 1 billion.
Over Rs. 5 billion	Rs. 5.1 million plus 0.07% p.a. of net assets exceeding Rs. 5 billion.

The same level of trustee fee was charged during the year 2017.

- 8.2 During the year, Sindh Sales Tax on trustee remuneration has been charged at 13% (2017: 13%).

	Note	2018	2017
		(Rupees in '000)	
9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to the SECP	9.1	<u>4,517,041</u>	<u>2,741,247</u>

- 9.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 (2017: 0.075) percent of the average annual net assets of the Fund.

	Note	2018	2017
		(Rupees)	
10. ACCRUED AND OTHER LIABILITIES			
Provision against Sindh Workers Welfare Fund	10.1	6,914,218	1,730,787
Withholding tax and capital gains tax payable		443,524	3,685,995
Auditors' remuneration		344,408	505,767
Annual rating fee payable		331,012	166,032
Shariah Advisory fee		266,106	350,025
Sales load payable		252,526	723,838
Brokerage payable		67,279	10,357
Printing charges payable		57,289	134,036
Others		1,632	-
		<u>8,677,994</u>	<u>7,306,837</u>

- 10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2018, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.16 per unit (2017: Re 0.06 per unit).

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2018 and June 30, 2017.

	2018	2017
	(Rupees)	
12. PROFIT / MARK UP INCOME		
Investments classified as 'at fair value through profit or loss' - held-for-trading		
- Sukuk certificates	108,547,942	47,727,378
- Government securities - GoP Ijarah Sukuk	8,006,433	501,510
Loans and receivables		
- Bank balances	231,821,034	149,743,458
- Term deposit receipts	18,772,850	16,536,025
	<u>367,148,259</u>	<u>214,508,371</u>

2018 2017
----- (Rupees) -----

13. AUDITORS' REMUNERATION

Audit fee	172,349	258,940
Review and other certifications	90,483	135,944
	262,832	394,884
Sindh sales tax	21,027	31,591
Out of pocket expenses	35,482	126,120
	<u>319,341</u>	<u>552,595</u>

14. TOTAL EXPENSES RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2018 is 1.54% which includes 0.30% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as Shariah Compliant (Islamic) 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 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 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. The Management Company has distributed, subsequent to the year end, the income earned by the Fund for the year to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

16. NON SHARIAH COMPLIANT INCOME

According to the instructions of the Shariah Advisor, if any income is earned by the Fund from the investments whereby a portion of income of such investees has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2018, no such income was earned.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund. 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, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations 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:

17.1 Transactions during the year - Unit Holders' Fund

Note	June 30, 2018										
	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	
	(Units)					(Rupees)					
Associated companies / undertakings											
Alfalah GHP Investment Management Limited	17.1.1	1,536,276	27	-	1,482,319	53,984	155,525,362	2,725	-	150,000,000	5,695,668
Alfalah GHP Islamic Prosperity Planning Fund *	17.1.1	18,850,160	43,090,359	-	34,486,822	27,453,697	1,908,301,603	4,401,066,787	-	3,585,200,000	2,896,546,228
Key management personnel (Employees)											
Head of Marketing	17.1.1	3,338	-	-	3,338	-	337,923	-	-	341,117	-
Chief Investment Officer	17.1.1	-	1,913	-	1,913	-	-	200,000	-	200,409	-
Assistant Vice President - Human Resource	17.1.1	2,474	-	-	2,474	-	250,456	-	-	255,855	-

June 30, 2017

	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2017
	----- (Units) -----				----- (Rupees) -----					
Associated companies / undertakings										
Alfalah GHP Investment Management Limited	144,037	1,469,333	3,039	80,133	1,536,276	14,491,534	148,748,350	307,115	8,076,779	155,525,362
Alfalah GHP Islamic Prosperity Planning Fund	-	69,700,929	402,439	51,253,208	18,850,160	-	7,115,000,000	40,665,125	5,363,389,406	1,908,301,603
Key management personnel (Employees)										
Assistant Vice President - Human Resource	-	2,373	112	11	2,474	-	250,000	11,272	1,127	250,456
Head of Marketing	-	4,539	151	1,352	3,338	-	469,656	15,209	141,521	337,923

* This unit holder also holds more than 10% of the units in the Fund as at June 30, 2018.

17.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

17.2 Other transactions

	2018	2017
	----- (Rupees) -----	
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	60,227,322	36,550,266
Sindh sales tax on remuneration of the Management Company	7,829,555	4,751,534
Federal excise duty on remuneration of the Management Company	-	-
Allocated expenses	6,022,534	3,655,337
Selling and marketing expenses	1,358,104	-
Sales load	79,251	18,572
Bank Alfalah Limited		
Profit on bank balances	364,760	250,127
Bank charges	17,395	8,609
Sales load	451,069	3,162,820
Alfalah GHP Income Fund		
Sukuks - purchased	-	166,386,970
Alfalah GHP Income Multiplier Fund		
Sukuks - purchased	-	281,117,550
Alfalah GHP Sovereign Fund		
Sukuks - purchased	-	21,381,840
Other related parties		
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration of the Trustee	5,808,517	3,932,159
Sindh sales tax on Trustee remuneration	755,118	511,181
CDS charges	15,521	36,368

2018 2017
----- (Rupees) -----

17.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	4,114,105	3,060,454
Sindh sales tax on remuneration of the Management Company	650,616	513,637
Federal excise duty on remuneration of the Management Company	779,745	779,745
Payable against allocated expenses	2,914,813	2,105,589
Payable against selling and marketing expenses	1,358,104	-
Sales load payable	4,685	4,408

Bank Alfalah Limited

Bank balance	7,531,455	103,513,252
Profit receivable	9,145	-
Sales load payable	252,526	723,838

Other related parties

Central Depository Company of Pakistan Limited - Trustee of the Fund

Trustee remuneration payable	470,379	382,254
Sindh Sales Tax payable on trustee remuneration	59,179	47,711
Security deposit	100,000	100,000

18. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
Financial Assets				
Bank balances	2,486,991,747	-	-	2,486,991,747
Investments	395,000,000	1,520,906,160	-	1,915,906,160
Profit receivable	58,785,218	-	-	58,785,218
Deposit	100,000	-	-	100,000
	<u>2,940,876,965</u>	<u>1,520,906,160</u>	<u>-</u>	<u>4,461,783,125</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total

Financial Liabilities

Payable to the Management Company	-	9,822,068	9,822,068
Payable to the Trustee	-	529,558	529,558
Payable against redemption of units	-	3,913,726	3,913,726
Accrued and other liabilities	-	1,320,252	1,320,252
	<u>-</u>	<u>15,585,604</u>	<u>15,585,604</u>

Particulars	June 30, 2017			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total

Financial Assets

Bank balances	1,261,147,109	-	-	1,261,147,109
Investments	-	1,503,312,649	-	1,503,312,649
Profit receivable	27,847,658	-	-	27,847,658
Deposit	100,000	-	-	100,000
	<u>1,289,094,767</u>	<u>1,503,312,649</u>	<u>-</u>	<u>2,792,407,416</u>

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total

Financial Liabilities

Payable to the Management Company	-	6,463,833	6,463,833
Payable to the Trustee	-	429,965	429,965
Payable against redemption of units	-	313,972	313,972
Accrued and other liabilities	-	1,890,055	1,890,055
	<u>-</u>	<u>9,097,825</u>	<u>9,097,825</u>

19. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks:

- Market risk
- Credit risk and
- Liquidity risk

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

Market risk comprises of three types of risk: currency risk, interest rate risk and other 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 because of changes in foreign currency exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

19.1.2 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 interest rates.

	2018	2017
	-----Rupees-----	
Variable rate instruments (financial assets)		
Bank balances	2,486,991,747	1,261,147,109
Sukuk certificates	1,520,906,160	999,962,649
Government securities - GoP Ijarah Sukuk	-	503,350,000
	<u>4,007,897,907</u>	<u>2,764,459,758</u>
Fixed rate instrument (financial asset)		
Term deposit receipt	<u>395,000,000</u>	<u>-</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.58 million (2017: Rs 0.28 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 3.95 million (2017: Nil) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2018 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 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.

As at June 30, 2018					
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 upto one year	More than one year		
%	----- (Rupees) -----				
On-balance sheet financial instruments					
Financial assets					
Bank balances	4 - 7.35	2,486,991,747	-	-	2,486,991,747
Investments	6.70 - 7.91	1,442,539,560	473,366,600	-	1,915,906,160
Profit receivable	-	-	-	58,785,218	58,785,218
Deposit	-	-	-	100,000	100,000
Sub total		<u>3,929,531,307</u>	<u>473,366,600</u>	<u>58,885,218</u>	<u>4,461,783,125</u>
Financial liabilities					
Payable to the Management Company	-	-	-	9,822,068	9,822,068
Payable to the Trustee	-	-	-	529,558	529,558
Payable against redemption of units	-	-	-	3,913,726	3,913,726
Accrued and other liabilities	-	-	-	1,320,252	1,320,252
Sub total		<u>-</u>	<u>-</u>	<u>15,585,604</u>	<u>15,585,604</u>
On-balance sheet gap		<u>3,929,531,307</u>	<u>473,366,600</u>	<u>43,299,614</u>	<u>4,446,197,521</u>
Total interest rate sensitivity gap		<u>3,929,531,307</u>	<u>473,366,600</u>	<u>43,299,614</u>	<u>4,446,197,521</u>
Cumulative interest rate sensitivity gap		<u>3,929,531,307</u>	<u>4,402,897,907</u>	<u>4,402,897,907</u>	

As at June 30, 2017					
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 upto one year	More than one year		

On-balance sheet financial instruments

Financial assets

	%	(Rupees)			
Bank balances	3.26 - 5.60	1,261,147,109	-	-	1,261,147,109
Investments	6.54 - 8.35	826,923,069	676,389,580	-	1,503,312,649
Profit receivable	-	-	-	27,847,658	27,847,658
Deposit	-	-	-	100,000	100,000
Sub total		2,088,070,178	676,389,580	-	2,792,407,416

Financial liabilities

Payable to the Management Company	-	-	-	6,463,833	6,463,833
Payable to the Trustee	-	-	-	429,965	429,965
Payable against redemption of units	-	-	-	313,972	313,972
Accrued and other liabilities	-	-	-	1,890,055	1,890,055
Sub total		-	-	9,097,825	9,097,825

On-balance sheet gap		2,088,070,178	676,389,580	-	18,849,833	2,783,309,591
Total interest rate sensitivity gap		2,088,070,178	676,389,580	-	18,849,833	2,783,309,591
Cumulative interest rate sensitivity gap		2,088,070,178	2,764,459,758	2,764,459,758		

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.

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

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, 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.

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----			
Bank balances	2,486,991,747	2,486,991,747	1,261,147,109	1,261,147,109
Investments	1,915,906,160	1,915,906,160	1,503,312,649	999,962,649
Profit receivable	58,785,218	58,785,218	27,847,658	27,847,658
Deposit, prepayment and other receivable	100,000	100,000	100,000	100,000
	4,461,783,125	4,461,783,125	2,792,407,416	2,289,057,416

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investment in Government securities of Rs Nil (2017: Rs 503.350 million) is not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2018 and June 30, 2017.

19.2.2 Balances with banks by rating category

The analysis below summarises the available published credit rating of the Fund's financial assets as at June 30, 2018:

Name of Bank	Rating Agency	Rating	2018	2017
			----- (%) -----	
BankIslami Pakistan Limited	PACRA	A1	61.30	45.96
Habib Bank Limited	JCR-VIS	A-1+	13.70	0.09
Soneri Bank Limited	PACRA	A1+	12.47	-
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A-1	12.18	45.74
National Bank of Pakistan	PACRA	A1+	0.05	-
Bank Alfalah Limited	PACRA	A1+	0.30	8.21
MCB Bank Limited	PACRA	A1+	0.0004	-
			<u>100.00</u>	<u>100.00</u>

Above ratings are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2018.

19.2.3 Investments

The Fund held investment in sukuk certificates at June 30, 2018 with entities having following credit ratings:

Sukuk certificates by rating category

Name of Entity	Rating Agency	Rating	2018	2017
			----- (%) -----	
Engro Fertilizer Limited			-	1.57
Byco Petroleum Pakistan Limited			-	8.00
Meezan Bank Limited	JCR-VIS	AA	21.36	39.63
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A+	20.76	-
International Brands Limited	JCR-VIS	AA	25.31	-
Hascol Petroleum Limited	JCR-VIS	AA	9.48	20.19
K-Electric Limited	JCR-VIS	AA+	1.20	13.31
Fatima Fertilizer Limited	PACRA	AA-	5.81	17.30
Dawood Hercules Corporation Limited	PACRA	AA	16.08	-
			<u>100.00</u>	<u>100.00</u>

Above rates are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2018.

19.2.4 Concentration of credit risk

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

19.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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.

2018	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
----- Rupees -----					
Financial assets					
Bank balances	2,486,991,747	-	-	-	2,486,991,747
Investments	-	395,000,000	-	1,520,906,160	1,915,906,160
Profit receivable	29,986,396	9,743,468	19,055,354	-	58,785,218
Deposit	100,000	-	-	-	100,000
	2,517,078,143	404,743,468	19,055,354	1,520,906,160	4,461,783,125
Financial liabilities					
Payable to the Management Company	9,822,068	-	-	-	9,822,068
Payable to the Trustee	529,558	-	-	-	529,558
Payable against redemption of units	3,913,726	-	-	-	3,913,726
Accrued and other liabilities	321,437	998,815	-	-	1,320,252
	14,586,789	998,815	-	-	15,585,604
Net assets	2,502,491,354	403,744,653	19,055,354	1,520,906,160	4,446,197,521

2017	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
----- Rupees -----					
Financial assets					
Bank balances	1,261,147,109	-	-	-	1,261,147,109
Investments	-	1,503,312,649	-	-	1,503,312,649
Profit receivable	17,929,324	8,706,809	1,211,525	-	27,847,658
Deposit	100,000	-	-	-	100,000
	1,279,176,433	1,512,019,458	1,211,525	-	2,792,407,416
Financial liabilities					
Payable to the Management Company	6,463,833	-	-	-	6,463,833
Payable to the Trustee	429,965	-	-	-	429,965
Payable against redemption of units	313,972	-	-	-	313,972
Accrued and other liabilities	734,195	1,155,860	-	-	1,890,055
	7,941,965	1,155,860	-	-	9,097,825
Net assets	1,271,234,468	1,510,863,598	1,211,525	-	2,783,309,591

19.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3 to these financial statements.

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

As at June 30, 2018 and June 30, 2017, the Fund held the following financial instruments measured at fair value:

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as at fair value through profit or loss' - held-for-trading				
Sukuk Certificates	-	1,520,906,160	-	1,520,906,160

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as at fair value through profit or loss' - held-for-trading				
Government Securities - GOP Ijarah Sukuk	-	503,350,000	-	503,350,000
Sukuk Certificates	-	999,962,649	-	999,962,649
	-	1,503,312,649	-	1,503,312,649

During the year ended June 30, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit Holders' Fund risk management

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

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

21. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company on July 2, 2018 approved a final distribution of Rs 4.2713 per unit on the face value of Rs. 100 each (i.e 4.22%) amounting to Rs. 179.58 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

22. CORRESPONDING FIGURES

Corresponding figures have been rearranged, reclassified or additionally incorporated in the financial statements, wherever necessary, to facilitate comparison and to conform with the changes in presentation. No significant rearrangements or reclassifications were made in these financial statements.

23. GENERAL

Figures have been rounded off to the nearest rupee.

24. DATE OF AUTHORISATION FOR ISSUE

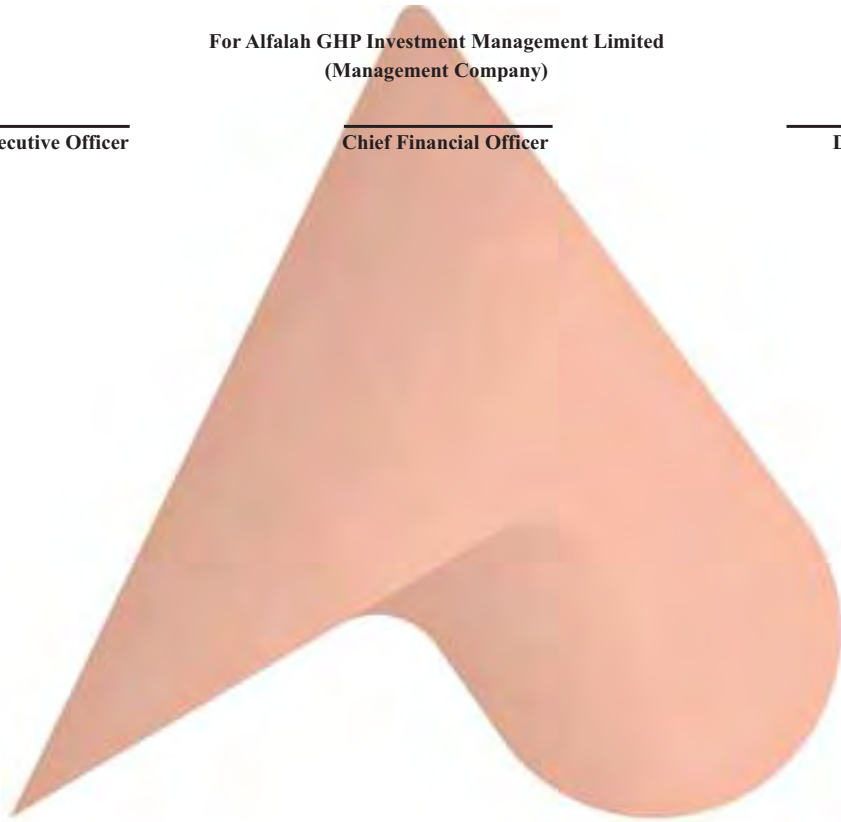
These financial statements were authorised for issue by Board of Directors of the Management Company on **August 16, 2018**.

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

Chief Executive Officer

Chief Financial Officer

Director



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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	185	6,957,728	734,086,248	17%
Associated Co./ Directors	2	53,983	5,695,524	0.13%
Banks/Dfis	-	-	-	0%
Insurance Co.	5	1,167,272	123,154,946	3%
Retirement & Other Funds	11	29,165,963	3,077,201,564	69%
Others	13	4,699,492	495,826,292	11%
	216	42,044,438	4,435,964,574	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	51	139,140	14,085,916	1%
Associated Co./ Directors	2	1,536,275	155,525,256	6%
Banks/Dfis	0	-	-	0%
Insurance Co.	6	1,113,822	112,758,077	4%
Retirement & Other Funds	2	189,599	19,194,152	1%
Others	13	24,434,095	2,473,592,907	89%
	74	27,412,931	2,775,156,308	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018
	%
NEXT CAPITAL LIMITED	54.45%
BIPL SECURITIES LIMITED	20.89%
EFG HERMES PAKISTAN LIMITED	18.48%
JS GLOBAL CAPITAL - BRKG	5.98%
VECTOR CAPITAL	0.21%
	30 June 2017
	%
BIPL Securities (Pvt.) Limited	80%
Next Capital Limited	10%
JS Global Capital Limited	4%
Summit Capital (Pvt) Limited	6%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

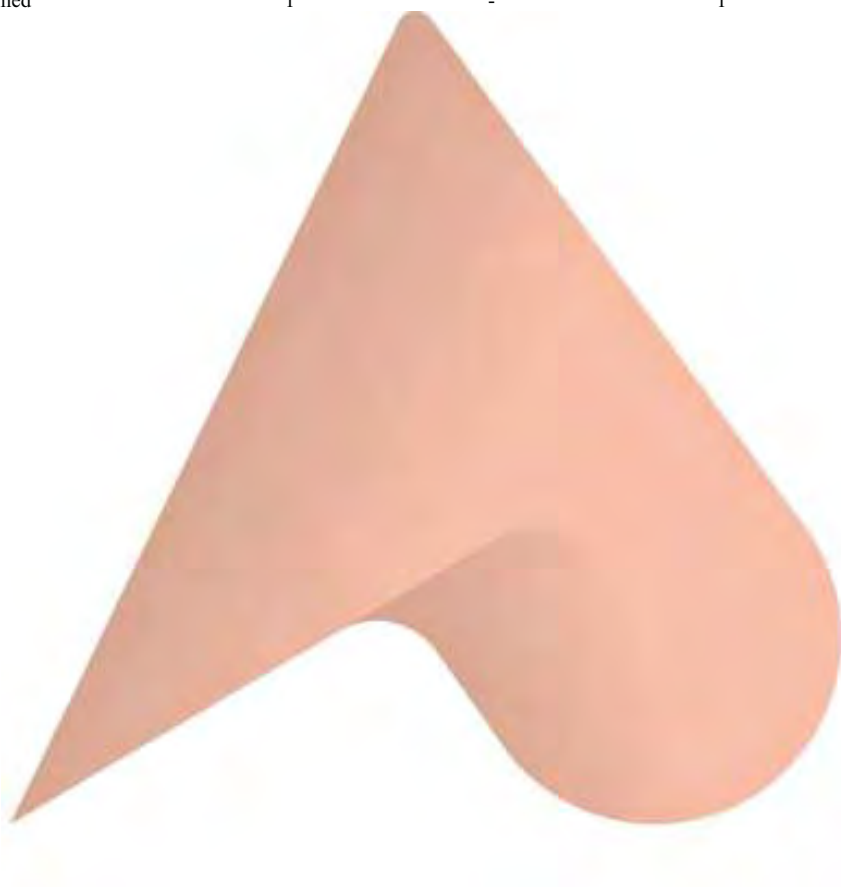
Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st , 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017 ,26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGHPIIF

	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
	----- (Rupees in '000) -----				
Net Assets	4,435,964	2,775,156	100,172	112,176	104,196
NAV per unit	105.5066	101.2353	100.6098	100.5030	100.9551
Selling price per unit	106.6988	102.3793	101.9403	101.8437	102.3136
Redemption price per unit	105.5066	101.2353	100.6098	100.5030	100.9551
Highest selling price per unit	106.6988	106.9915	106.4243	109.2365	103.3054
Highest redemption price per unit	105.5066	105.7960	105.0353	107.7985	102.2826
Lowest selling price per unit	102.3363	101.9137	1018566.0000	101.8437	101.2045
Lowest redemption price per unit	101.1928	100.7749	100.5272	100.5030	100.2025
Total interim distribution per unit	Nil	4.7495	4.8198	7.5632	5.3198
Interim distribution date	N/A	22-Jun-17	29-Jun-16	23-Jun-15	27-Sep-13
					27-Dec-13
					4-Apr-14
					30-Jun-14
Final distribution per unit	4.2713	Nil	Nil	Nil	Nil
Final distribution date	2-Jul-18	N/A	N/A	N/A	N/A
Annualized returns	4.22%	5.35%	4.91%	6.85%	6.05%
Income distribution	4.22%	4.72%	4.80%	7.49%	5.20%
Weighted avg. portfolio duration	2.02Yrs	2.33Yrs	2.57Yrs	0.79 Yrs	1.37 Yrs

Return since inception is 6.96%

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

Board of Directors of the Management Company:

Ms. Maheen Rahman (CEO)
Syed Ali Sultan
Mr. Hanspeter Beier
Mr. Muhammad Tauqir Zafar
Mr. Abid Naqvi
Mr. Tufail Jawed Ahmad
Mr. Adeel Bajwa
Ms. Mehreen Ahmed

Audit Committee:

Mr. Abid Naqvi
Syed Ali Sultan
Mr. Muhammad Tauqeer Zafar

HR Committee:

Syed Ali Sultan
Mr. Tufail Jawed Ahmed
Ms. Maheen Rahman (CEO)
Mr. Adeel Bajwa

Risk Committee:

Mr. Tufail Jawed Ahmad
Syed Ali Sultan
Mr. Muhammad Tauqeer Zafar
Ms. Maheen Rahman (CEO)

Chief Operating Officer and Company Secretary :

Mr. Noman Ahmed Soomro

Chief Financial Officer:

Syed Hyder Raza Zaidi

Trustee:

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', SMCHS,
Main Share-e-Faisal, Karachi

Bankers to the Fund:

Bank Alfalah Limited

Auditors:

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C I.I. Chundrigar Road,
P.O.Box 4716 Karachi,
Pakistan

Legal Advisor:

Ahmed & Qazi
Advocates & Legal Consultants
402,403,404,417
Clifton Centre,
Clifton, Karachi

Registrar:

Alfalah GHP Investment Management Limited
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4,
Clifton, Karachi.

Distributor:

Bank Alfalah Limited

Alfalah GHP Alpha Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

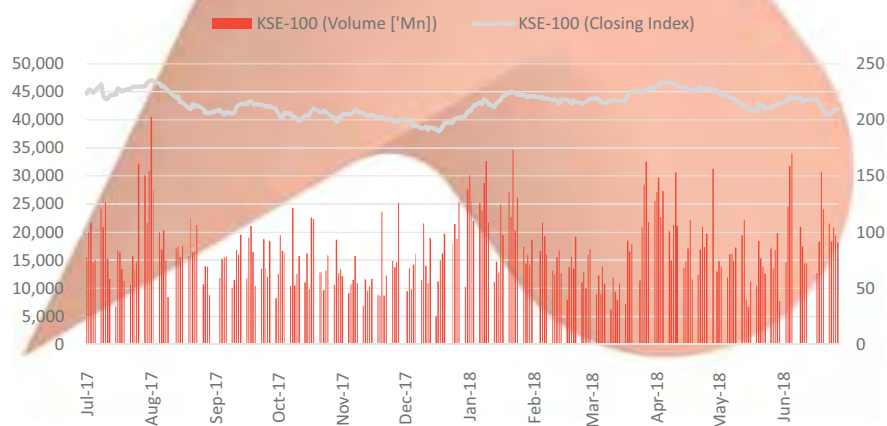
The investment objective of Alfalah GHP Alpha Fund (AGAF) is seeking long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

Accomplishment of Objective

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

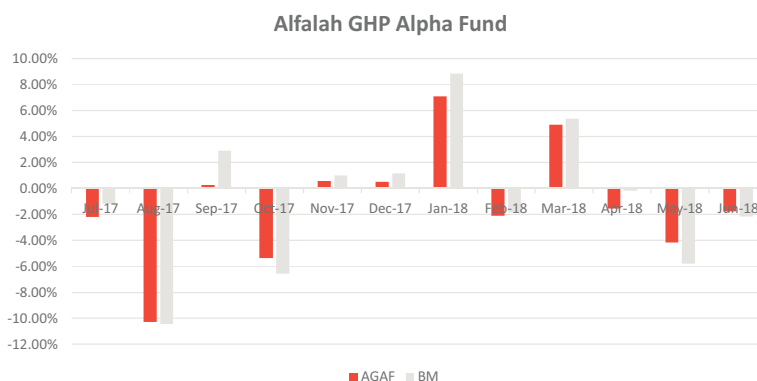
Equity Market Review

The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of the year, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.

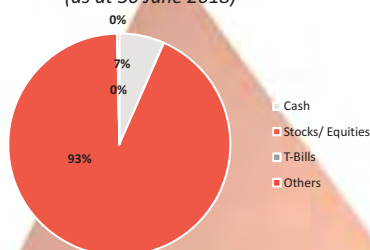


Fund Performance

During the period under review, equity market posted negative return of -10% as investors opted to maintain cautious stance over equities. The positives like Country's updated status to MSCI Emerging market and increase in CPEC related investments were overshadowed by concerns related to political instability and general concerns over deteriorating macroeconomic indicators. In the similar period, Alfalah GHP Alpha Fund posted a return of -14.2% due mainly to underperformance by Automobile, Cement, Banks, Steel, and Oil Marketing companies. The volatile margins, regulatory issues, and currency depreciation were the major reasons for this underperformance. On the positive side, exposures to Upstream Oil & Gas and Fertilizer sectors rendered much needed support. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies.



**Alpha Fund Asset Allocation
(as at 30 June 2018)**



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) 34326020 - 28
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ALPHA FUND

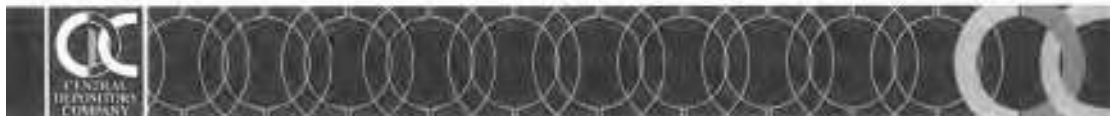
**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Alpha Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Divan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2018



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah GHP Alpha Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Alpha Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds 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, 2018, and of its financial performance, its cash flows and transactions 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	Amendments to NBFC Regulations, 2008 (Refer note 3.9 to the annexed financial statements) The Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756(I) / 2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impact of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly include changes with respect to recognition, measurement and presentation of "element of income", addition of certain disclosures	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income.verified transactions on a test basis with the underlying records of the reports provided by the management to ensure their compliance with the

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund'.</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.9.</p> <p>The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<p>revised regulations.</p> <ul style="list-style-type: none"> • verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value</p> <p>(Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 1,790.86 million and bank balances aggregated to Rs 126.04 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments. • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled 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. • obtained approval of Board of Directors of the management company in relation to opening and closing of bank accounts. • 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 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.

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 Requirement

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

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

Chartered Accountants

Karachi

Date: September 24, 2018

ALFALAH GHP ALPHA FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2018

	Note	2018	2017
		----- (Rupees) -----	
Assets			
Bank balances	4	126,036,188	95,220,941
Investments	5	1,790,863,413	1,421,523,440
Dividend and mark-up receivable	6	4,012,051	6,435,552
Advance and deposits	7	2,752,734	2,752,734
Total assets		1,923,664,386	1,525,932,667
Liabilities			
Payable to the Management Company	8	15,627,859	16,168,385
Payable to the Trustee	9	262,384	265,827
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	1,721,915	1,584,307
Payable against purchase of investments		807,627	-
Accrued and other liabilities	11	13,397,316	14,726,731
Total liabilities		31,817,101	32,745,250
Net assets attributable to unit holders		1,891,847,285	1,493,187,417
Unit holders' funds (as per the statement attached)		1,891,847,285	1,493,187,417
Contingencies and commitments	12	----- (Number of units) -----	
Number of units in issue		26,088,124	17,671,135
Net asset value per unit		72.52	84.50

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017
Income			
Profit / mark-up income	13	13,279,646	8,089,318
Dividend income		80,096,341	59,024,534
(Loss) / gain on sale of investments - net		(239,219,690)	224,968,114
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.5	(88,870,206)	117,211,191
		(247,993,555)	401,203,839
Reversal of provision against Workers' Welfare Fund (WWF)	11.1	-	7,288,665
Total income		(234,713,909)	416,581,822
Expenses			
Remuneration of the Management Company	8.1	31,879,888	29,264,325
Performance fee of the Management Company	8.2	2,373,634	4,090,745
Sindh sales tax on remuneration of the Management Company	8.3	4,144,377	3,805,102
Sindh sales tax on performance fee of the Management Company	8.3	308,571	531,796
Selling and marketing expenses	8.5	9,386,797	755,510
Allocated expenses	8.4	1,821,606	1,668,152
Remuneration of the Trustee	9.1	2,821,716	2,666,623
Sindh sales tax on remuneration of the Trustee	9.2	366,831	347,285
Annual fee to the Securities and Exchange Commission of Pakistan	10	1,721,941	1,584,331
Bank and settlement charges		613,708	524,184
CDS charges		343,979	290,365
Auditors' remuneration	14	776,321	654,441
Printing charges		67,429	66,246
Brokerage expense and capital value tax		4,824,627	7,529,103
Legal and professional charges		-	11,667
Fees and subscriptions		220,601	269,451
Provision against Sindh Workers' Welfare Fund (SWWF)	11.1	-	11,039,300
Total expenses		61,672,026	65,098,626
Net (loss) / income from operating activities		(296,385,935)	351,483,196
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(9,134,805)
Net (loss) / income for the year before taxation		(296,385,935)	342,348,391
Taxation	16	-	-
Net (loss) / income for the year after taxation		(296,385,935)	342,348,391
Allocation of net (loss) / income for the year			
Net (loss) / 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 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

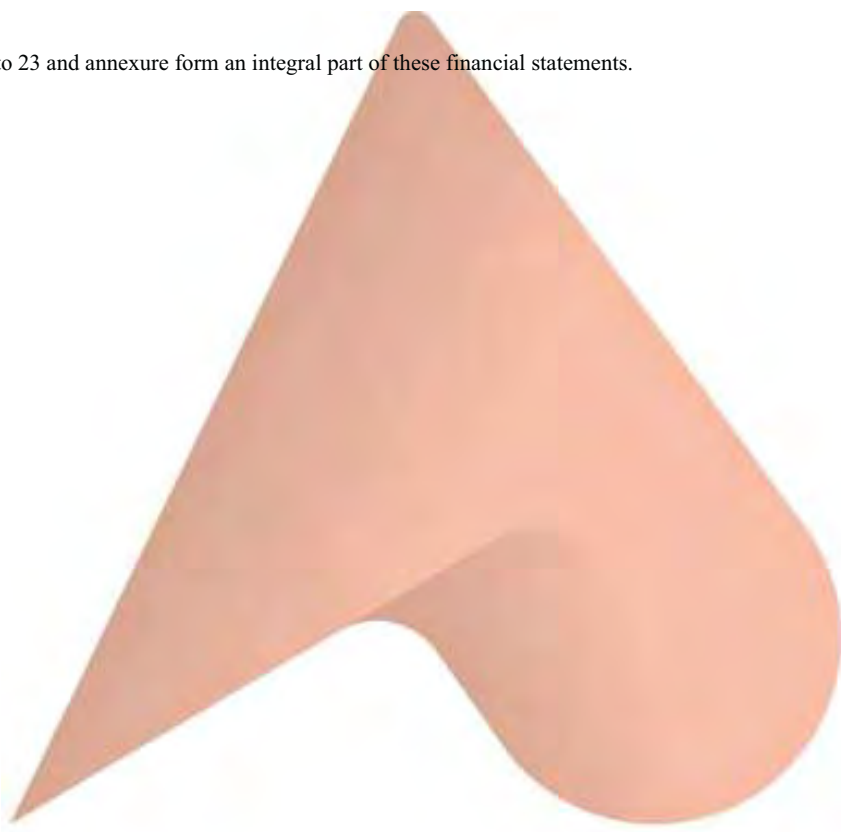
Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----- (Rupees) -----	
Net (loss) / income for the year after taxation	(296,385,935)	342,348,391
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	<u>(296,385,935)</u>	<u>342,348,391</u>

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



For Alfalah GHP Investment Management Limited
 (Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director

ALFALAH GHP ALPHA FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the year before taxation		(296,385,935)	342,348,391
Adjustments for:			
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		88,870,206	(117,211,191)
Reversal of provision against Workers' Welfare Fund (WWF)		-	(7,288,665)
Provision against Sindh Workers' Welfare Fund		-	11,039,300
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net		-	9,134,805
		<u>(207,515,729)</u>	<u>238,022,640</u>
(Increase) / decrease in assets			
Investments - net		(458,210,179)	(473,604,286)
Dividend and mark-up receivable		2,423,501	(2,341,707)
Advance and deposits		-	(52,734)
Receivable against sale of investments		-	-
		<u>(455,786,678)</u>	<u>(475,998,727)</u>
Increase / (decrease) in liabilities			
Payable to the Management Company		(540,526)	7,621,640
Payable to the Trustee		(3,443)	77,267
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)		137,608	716,186
Payable against sale of investments		807,627	-
Accrued and other liabilities		(1,329,415)	135,422
		<u>(928,149)</u>	<u>8,550,515</u>
Net cash flows used in operating activities		<u>(664,230,556)</u>	<u>(229,425,572)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		960,071,666	2,043,072,607
Amount paid against redemption of units		(265,025,863)	(1,879,745,089)
Dividend paid		-	(47,110,032)
Net cash flows generated from financing activities		<u>695,045,803</u>	<u>116,217,486</u>
Net increase / (decrease) in cash and cash equivalents during the year		<u>30,815,247</u>	<u>(113,208,086)</u>
Cash and cash equivalents at beginning of the year		95,220,941	208,429,027
Cash and cash equivalents at end of the year	4	<u><u>126,036,188</u></u>	<u><u>95,220,941</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalaha GHP Alpha Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on December 27, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules), on February 29, 2008. The SECP approved the first Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. NBFC/RS/AGIML/AGAF/176/2010 dated February 26, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Alpha Fund.

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, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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

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 securities. The Fund invests in equity securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on December 22, 2017.

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 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.

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to 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 approved accounting standards that are not yet effective

2.3.1 The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	July 1, 2018
- IFRS-15 Revenue from contracts with customers	July 1, 2018
- IFRS-16 Leases	January 1, 2019

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of financial assets (notes 3.3 and 5)
- ii. Impairment of financial assets (note 3.3.5)
- iii. Taxation (note 3.7 and 16)
- iv. Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 8.6 and 11.1 respectively)

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 3.9 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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or change in price.

3.2.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.2.3 Regular way contracts

Regular 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 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 the related transaction costs are expensed out in the income statement.

3.2.5 Subsequent measurement

a) Financial assets at "fair value through profit or loss" and "available for sale"

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in listed equity securities is determined by reference to Stock Exchange quoted market prices at the close of period end.
- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

Gains or losses are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.2.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.2.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership.

3.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.4 Offsetting of financial assets and liabilities

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

3.5 Provisions

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

3.6 Taxation

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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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.

3.7 Dividend distribution and appropriations

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 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 the prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of loss been recognised as per the previous accounting policy, the loss of the Fund would have been higher by Rs 16.18 million with no effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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 is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit / mark-up income on bank balances and government securities is recognised on an accrual basis using the effective yield method.

3.12 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

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

Note 2018 2017
----- (Rupees) -----

4 BANK BALANCES

In saving accounts 4.1 126,036,188 95,220,941

4.1 This includes balance of Rs 16.454 million (2017: Rs. 12.996 million) maintained with Bank Alfalah (a related party) that carries profit ranging from 5.3% to 7.35% per annum (2017: 5.3%) . Other profit and loss sharing accounts of the Fund carries profit rates ranging from 5.3% to 7.35% per annum (2017: 4% to 6.6% per annum).

Note 2018 2017
----- (Rupees) -----

5 INVESTMENTS

At fair value through profit or loss' - held for trading

Listed equity securities 5.1 1,790,863,413 1,421,523,440

5.1 Listed equity securities - 'at fair value through profit or loss' - held for trading

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2017	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments	
----- Number of shares -----						----- (Rupees) -----			----- (%) -----		
Chemical											
Engro Polymer & Chemicals Limited	745,000	1,019,000	-	1,191,000	573,000	19,754,715	17,969,280	(1,785,435)	0.95%	1.00%	0.009%
ICI Pakistan Limited	16,850	5,000	-	11,500	10,350	11,163,869	8,295,525	(2,868,344)	0.44%	0.46%	0.001%
						<u>30,918,584</u>	<u>26,264,805</u>	<u>(4,653,779)</u>	<u>1.39%</u>	<u>1.46%</u>	
Fertilizer											
Engro Corporation Limited	178,600	421,800	-	290,500	309,900	95,094,316	97,265,214	2,170,898	5.14%	5.43%	0.006%
Fauji Fertilizer Company Limited	-	1,539,500	-	604,500	935,000	86,296,055	92,462,150	6,166,095	4.89%	5.16%	0.007%
Fauji Fertilizer Bin Qasim Limited	-	1,174,500	-	411,500	763,000	32,569,260	29,451,800	(3,117,460)	1.56%	1.66%	0.008%
Engro Fertilizers Limited	371,000	1,437,000	-	226,000	1,582,000	102,946,362	118,507,620	15,561,258	6.26%	6.62%	0.012%
						<u>316,905,993</u>	<u>337,686,784</u>	<u>20,780,791</u>	<u>17.85%</u>	<u>18.87%</u>	
Commercial Banks											
Bank Alfalah Limited	812,000	1,901,500	-	1,101,500	1,612,000	73,152,342	84,291,480	11,139,138	4.46%	4.71%	0.010%
Bank Al-Habib Limited	607,500	591,000	-	441,500	757,000	48,866,312	59,674,310	10,807,998	3.15%	3.33%	0.007%
Bank of Punjab	738,500	2,636,500	-	1,852,500	1,522,500	18,654,805	18,376,575	(278,230)	0.97%	1.03%	0.006%
Bank of Punjab (Right)	980,000	-	-	980,000	-	-	-	-	0.00%	0.00%	-
Habib Bank Limited	288,100	880,400	-	475,300	693,200	144,581,709	115,376,208	(29,205,501)	6.10%	6.44%	0.005%
Habib Metropolitan Bank Limited	-	126,000	-	-	126,000	5,665,100	5,462,100	(203,000)	0.29%	0.30%	0.001%
Meezan Bank Limited	-	467,000	-	161,000	306,000	23,166,765	25,006,320	1,839,555	1.32%	1.40%	0.003%
Meezan Bank Limited (Right)	-	48,500	-	48,500	-	-	-	-	0.00%	0.00%	-
MCB Bank Limited	226,800	557,900	-	399,200	385,500	83,028,395	76,240,335	(6,788,060)	4.03%	4.26%	0.003%
United Bank Limited	271,100	527,900	-	211,500	587,500	124,203,320	99,275,750	(24,927,570)	5.25%	5.54%	0.005%
Faysal Bank Limited	-	1,217,500	89,250	400,000	906,750	22,389,461	23,575,500	1,186,039	1.25%	1.32%	0.006%
National Bank of Pakistan	-	380,500	-	380,500	-	-	-	-	0.00%	0.00%	-
JS Bank Limited	492,000	-	-	492,000	-	-	-	-	0.00%	0.00%	0.000%
						<u>543,708,209</u>	<u>507,278,578</u>	<u>(36,429,631)</u>	<u>26.81%</u>	<u>28.33%</u>	
Investments Banks / Investment Companies / Securities Companies											
Arif Habib Limited	158,800	-	-	158,800	-	-	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cement											
D. G Khan Cement Company Limited	205,600	681,300	-	634,500	252,400	36,020,046	28,897,276	(7,122,770)	1.53%	1.61%	0.006%
Cherat Cement Company Limited	149,700	243,800	-	382,500	11,000	1,436,619	1,069,530	(367,089)	0.06%	0.06%	0.001%
Kohat Cement Company Limited	-	89,000	-	79,100	9,900	1,491,329	1,218,393	(272,936)	0.06%	0.07%	0.001%
Maple Leaf Cement Factory Limited	198,700	703,988	-	561,701	340,987	22,669,883	17,301,680	(5,368,203)	0.91%	0.97%	0.006%
Maple Leaf Cement Factory Limited (Right)	-	22,488	-	22,488	-	-	-	-	0.00%	0.00%	0.000%
Attock Cement Pakistan Limited	-	15,100	-	-	15,100	2,871,954	2,030,648	(841,306)	0.11%	0.11%	-
Lucky Cement Limited	89,000	105,800	-	74,200	120,600	83,715,060	61,256,358	(22,458,702)	3.24%	3.42%	0.004%
Fauji Cement Company Limited	-	1,392,500	-	1,052,000	340,500	8,864,799	7,780,425	(1,084,374)	0.41%	0.43%	0.002%
Fecto Cement Limited	-	-	-	-	-	-	-	-	0.00%	0.00%	-
Pioneer Cement Limited	134,000	45,500	-	179,500	-	-	-	-	0.00%	0.00%	-
						<u>157,069,690</u>	<u>119,554,310</u>	<u>(37,515,380)</u>	<u>6.32%</u>	<u>6.67%</u>	
Power Generation and Distribution											
Hub Power Company Limited	377,600	496,500	-	115,500	758,600	85,092,830	69,912,576	(15,180,254)	3.70%	3.90%	0.007%
Kot Addu Power Company	-	677,000	-	1,000	676,000	38,810,426	36,443,160	(2,367,266)	1.93%	2.03%	0.008%
						<u>123,903,256</u>	<u>106,355,736</u>	<u>(17,547,520)</u>	<u>5.63%</u>	<u>5.93%</u>	

Name of the investee company	As at July 01, 2017	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments	
					Number of shares			Rupees		%	
Oil and Gas Marketing Companies											
Pakistan State Oil Company limited	67,200	177,400	28,220	129,000	143,820	48,986,981	45,779,344	(3,207,637)	2.42%	2.56%	0.004%
Attock Petroleum Limited	23,500	-	-	23,500	-	-	-	-	0.00%	0.00%	-
Hascol Petroleum Limited	44,600	43,354	-	84,200	3,754	1,134,085	1,177,855	43,770	0.06%	0.07%	0.000%
Hascol Petroleum Limited (Right)	-	854	-	854	-	-	-	-	0.00%	0.00%	-
Sui Northern Gas Pipelines Limited	441,500	600,600	-	859,100	183,000	23,233,423	18,340,260	(4,893,163)	0.97%	1.02%	0.003%
Hi-Tech Lubricants Limited	-	16,000	-	13,000	3,000	269,998	303,960	33,962	0.02%	0.02%	0.000%
Sui Southern Gas Company Limited	-	-	-	-	-	-	-	-	0.00%	0.00%	-
Shell (Pakistan) Limited	30,000	5,000	-	35,000	-	-	-	-	0.00%	0.00%	0.000%
						73,624,487	65,601,419	(8,023,068)	3.47%	3.67%	
Oil and Gas Exploration Companies											
Oil & Gas Development Company Limited	425,200	868,700	-	315,200	978,700	152,939,401	152,305,294	(634,107)	8.05%	8.50%	0.002%
Pakistan Petroleum Limited	96,100	839,000	-	255,600	679,500	130,876,683	146,024,550	15,147,867	7.72%	8.15%	0.003%
Pakistan Oilfields Limited	66,600	159,600	-	83,500	142,700	81,339,811	95,864,433	14,524,622	5.07%	5.35%	0.006%
Mari Petroleum Company Limited	35,170	29,820	-	12,780	52,210	80,561,943	78,637,658	(1,924,285)	4.16%	4.39%	0.005%
						445,717,838	472,837,935	27,114,097	25.00%	26.39%	
Engineering											
Crescent Steel & Allied Products Limited	96,500	28,000	-	99,500	25,000	3,700,543	2,279,250	(1,421,293)	0.12%	0.13%	0.003%
Amreli Steels Limited	172,500	41,000	-	213,500	-	-	-	-	0.00%	0.00%	-
International Industries Limited	115,500	147,100	-	120,600	142,000	44,573,821	32,985,180	(11,588,641)	1.74%	1.84%	0.012%
Mughal Iron & Steels Industries Limited	-	277,500	-	47,000	230,500	16,785,758	14,157,310	(2,628,448)	0.75%	0.79%	0.009%
International Steels Limited	315,500	491,300	-	453,000	353,800	42,226,168	35,981,460	(6,244,708)	1.90%	2.01%	0.008%
						107,286,290	85,403,200	(21,883,090)	4.51%	4.77%	
Automobile Assembler											
Pak Suzuki Motor Company Limited	48,700	33,650	-	82,350	-	-	-	-	-	-	0.000%
Indus Motor Company Limited	22,600	10,140	-	26,200	6,540	11,587,233	9,296,348	(2,290,885)	0.49%	0.52%	0.001%
Millat Tractors Limited	-	4,600	-	-	4,600	6,190,199	5,465,076	(725,123)	0.29%	0.31%	0.001%
Honda Atlas Cars (Pakistan) Limited	22,000	25,000	-	47,000	-	-	-	-	-	-	0.000%
						17,777,432	14,761,424	(3,016,008)	0.78%	0.83%	
Food and Personal Care Products											
Fauji Foods Limited	-	470,500	-	-	470,500	17,879,605	15,187,740	(2,691,865)	0.80%	0.85%	0.009%
Treet Corporation Limited	320,000	111,000	-	431,000	-	-	-	-	0.00%	0.00%	0.000%
						17,879,605	15,187,740	(2,691,865)	0.80%	0.85%	
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	20,850	-	-	20,850	-	-	-	-	0.00%	0.00%	-
The Searle Company Limited	56,052	76,800	8,280	104,750	36,382	14,220,493	12,351,689	(1,868,804)	0.65%	0.69%	0.002%
						14,220,493	12,351,689	(1,868,804)	0.65%	0.69%	
Textile Composite											
Gul Ahmed Textile Mills Limited	1,769	-	-	-	1,769	72,494	75,943	3,449	0.00%	0.00%	0.000%
Nishat Mills Limited	308,000	225,500	-	345,500	188,000	29,150,848	26,492,960	(2,657,888)	1.40%	1.48%	0.005%
Nishat (Chunian) Limited	-	672,000	-	672,000	-	-	-	-	0.00%	0.00%	-
						29,223,342	26,568,903	(2,654,439)	1.40%	1.48%	
Automobile Parts and Accessories											
Thal Limited (face value of Rs. 5 each)	94,000	36,350	-	130,350	-	-	-	-	-	-	-
The General Tyre and Rubber	118,900	17,200	-	136,100	-	-	-	-	-	-	-
						-	-	-	-	-	-

Name of the investee company	As at July 01, 2017	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments	
					Number of shares			Rupees		%	
Paper and Board											
Packages Limited	52,700	32,600	-	85,300	-	-	-	-	-	-	-
Cable and Electrical Goods											
Pak Elektron Limited	-	520,000	-	520,000	-	-	-	-	-	-	-
Miscellaneous											
Synthetic Products Limited	225,900	500	-	206,500	19,900	1,498,400	1,016,890	(481,510)	0.05%	0.06%	0.002%
						1,498,400	1,016,890	(481,510)	0.05%	0.06%	
As at June 30, 2018						1,879,733,619	1,790,863,413	(88,870,206)	94.66%	100.00%	
As at June 30, 2017						1,304,312,249	1,421,523,440	117,211,191	95.20%	100.00%	

5.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 ('the Ordinance'). As a result of these amendments, companies are liable to withhold tax on bonus shares at the rate of 5%. In accordance with the requirement of the Ordinance, these shares shall only be released if the Fund deposits tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end prices on the first day of book closure.

In this regard, a constitutional petition has 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, which is pending adjudication. The petition is 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 not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

8 PAYABLE TO THE MANAGEMENT COMPANY	Note	2018	2017
		----- (Rupees) -----	
Management remuneration payable	8.1	2,809,395	2,678,562
Performance fee payable to the management company	8.2	1,166,987	2,103,001
Sindh sales tax payable on performance fee	8.3	253,421	375,103
Sindh sales tax payable on management remuneration	8.3	1,033,603	1,016,603
Payable against allocated expenses	8.4	941,350	809,435
Payable against marketing and selling expenses	8.5	3,765,406	755,510
Federal excise duty payable on management remuneration	8.6	4,879,884	4,879,884
Federal excise duty payable on performance fee	8.6	297,850	297,850
Sales load payable		479,963	3,252,437
		<u>15,627,859</u>	<u>16,168,385</u>

8.1 The Management Company has charged remuneration at a rate of 1.75% of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 The Management Company has charged performance fee on out-performance of the Fund over the hurdle rate as defined in the offering document.

8.3 During the year, Sindh Sales Tax on management remuneration and performance fee has been charged at the rate of 13% (2017: 13%).

8.4 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

8.5 The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 40 of 2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the Fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the year ended June 30, 2018 at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

Further, during the year ended June 30, 2017 the Fund charged marketing expenses at the rate of 0.4% of the net assets of the Fund, being lower than actual expenses incurred w.e.f. May 26, 2017 (date of opening of branch). However, the SECP subsequently issued a clarification that marketing expenses which are not specifically linked to opening of new branches shall become applicable from the date of approval of the annual plan by the Board of Directors of the Management Company. Accordingly, based on the clarification issued by the SECP, marketing expenses (which are not specifically linked to opening of new branches) incurred for the period from February 14, 2017 (plan approval date) to May 25, 2017 amounting to Rs 2.1 million have been charged during the current year.

8.6 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.

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.

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.

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. 5.18 million (2017: 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 provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re 0.20 per unit (2017: Re 0.29 per unit).

9 PAYABLE TO THE TRUSTEE	Note	2018	2017
		----- (Rupees) -----	
Trustee remuneration payable	9.1	242,693	235,250
Sindh Sales Tax payable on trustee remuneration	9.2	19,691	30,577
		<u>262,384</u>	<u>265,827</u>

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

Average net asset value	Tariff per annum
Up to Rs 1 billion	Rs 0.7 million or 0.20% per annum of net assets whichever is higher
Over Rs 1 billion	Rs 2 million plus 0.10% per annum of net assets exceeding Rs 1 billion

9.2 During the year, Sindh Sales Tax on trustee remuneration has been charged at the rate of 13% (2017: 13%).

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

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 percent of the average annual net assets of the Fund.

11 ACCRUED AND OTHER LIABILITIES	Note	2018	2017
		----- (Rupees) -----	
Provision against Sindh Workers' Welfare Fund	11.1	11,039,300	11,039,300
Auditors' remuneration payable		564,614	478,043
Withholding tax payable		729,568	2,112,650
Capital gain tax payable		3,514	52,719
Brokerage payable		553,332	550,662
Settlement charges payable		42,577	15,218
Annual fee payable		415,277	112,643
Sales load payable		2,104	330,496
Printing charges payable		47,030	35,000
		<u>13,397,316</u>	<u>14,726,731</u>

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Rs 0.42 per unit (June 30, 2017: Re 0.62 per unit).

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2018 and June 30, 2017.

13 PROFIT / MARK-UP INCOME	2018	2017
	----- (Rupees) -----	
Profit / mark-up income on:		
- Market Treasury Bills	2,159,449	142,137
- Bank balances	11,120,197	7,947,181
	<u>13,279,646</u>	<u>8,089,318</u>
14 AUDITORS' REMUNERATION		
Audit fee	400,000	338,800
Review and other certifications	227,000	230,384
Sindh sales tax	50,160	34,151
Out of pocket expenses	99,161	51,106
	<u>776,321</u>	<u>654,441</u>

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Rs 0.42 per unit (June 30, 2017: Re 0.62 per unit).

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13 PROFIT / MARK-UP INCOME

Profit / mark-up income on:

- Market Treasury Bills
- Bank balances

2018	2017
----- (Rupees) -----	
2,159,449	142,137
<u>11,120,197</u>	<u>7,947,181</u>
<u>13,279,646</u>	<u>8,089,318</u>

14 AUDITORS' REMUNERATION

- Audit fee
- Review and other certifications
- Sindh sales tax
- Out of pocket expenses

400,000	338,800
227,000	230,384
50,160	34,151
<u>99,161</u>	<u>51,106</u>
<u>776,321</u>	<u>654,441</u>

15 TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended June 30, 2018 is 3.39% which includes 0.36% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the 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 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 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 has incurred a net loss during the year, no provision for taxation has been made in these financial statements.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund. 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, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

17.1 Unit Holder's Fund

June 30, 2018											
Note	As at July 01, 2017	Issued for cash / conversion in transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2018	
	(Units)					(Rupees)					
Associated companies / undertakings											
Bank Alfalah Limited - Employees Provident Fund	17.1.1	2,379,694	-	-	2,379,694	201,081,008	-	-	-	172,569,644	
Alfalah GHP Prosperity Planning Fund *	17.1.1	3,236,003	937,053	-	646,370	3,526,686	273,437,941	74,400,000	-	47,500,000	255,746,703
Key Management personnel (Employees)											
Chief Financial Officer	17.1.1	-	135	-	-	135	-	9,748	-	-	9,817
Unit Holders Holding 10% or more units											
The Nishat Mills Limited Employees Provident Fund	17.1.1	-	8,179,335	-	-	8,179,335	-	682,976,142	-	-	593,145,441
Sindh General Provident Investment Fund	17.1.1	3,623,029	-	-	-	3,623,029	306,141,152	-	-	-	262,733,264
June 30, 2017											
Note	As at July 01, 2016	Issued for cash / conversion in transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash / conversion in / transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2017	
	(Units)					(Rupees)					
Associated companies / undertakings											
Bank Alfalah Limited - Employees Provident Fund	2,635,651	2,299,645	80,051	2,635,652	2,379,694	178,670,785	200,000,000	6,765,091	224,004,069	201,081,008	
Alfalah GHP Capital Preservation Fund	4,578,866	391,804	-	4,970,670	-	310,401,296	28,000,000	-	364,668,683	-	
Alfalah GHP Prosperity Planning Fund	1,401,116	2,690,445	108,856	964,414	3,236,003	94,981,638	228,000,000	9,199,440	79,000,000	273,437,941	
Key management personnel (Employees)											
Head of finance	5,042	4,887	-	9,929	-	341,797	382,890	-	836,893	-	
Unit holder holding 10% or more units											
Sindh General Provident Investment Fund	3,501,154	-	121,875	-	3,623,029	237,343,213	-	10,299,695	-	306,141,152	
Nusrat Bukhari	1,011,286	3,000,209	60,003	2,181,253	1,890,245	68,555,058	241,718,473	5,070,830	160,122,243	159,723,137	

* This unit holder also holds more than 10% of the units in the Fund as at June 30, 2018.

17.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

	2018	2017
	(Rupees)	
17.2 Other transactions		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	31,879,888	29,264,325
Performance fee of the Management Company	2,373,634	4,090,745
Sindh sales tax on remuneration of the Management Company	4,144,377	3,805,102
Sindh sales tax on performance fee of the Management Company	308,571	531,796
Allocated expenses	1,821,606	1,668,152
Selling and marketing expenses	9,386,797	755,510
Sales load	22,073,508	28,698,442
Bank Alfalah Limited		
Mark-up on bank balances	6,352,928	7,502,534
Bank charges	15,325	77,930
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,821,716	2,666,623
Sindh sales tax on remuneration of the Trustee	366,831	347,285
CDS charges	343,979	290,365

	2018	2017
	----- (Rupees) -----	
17.3 Other balances		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Management remuneration payable	2,809,395	2,678,562
Performance fee payable to the management company	1,166,987	2,103,001
Sindh sales tax payable on performance fee	253,421	375,103
Sindh sales tax payable on management remuneration	1,033,603	1,016,603
Payable against allocated expenses	941,350	809,435
Payable against marketing and selling expenses	3,765,406	755,510
Federal excise duty payable on management remuneration	4,879,884	4,879,884
Federal excise duty payable on performance fee	297,850	297,850
Sales load payable	479,963	3,252,437
Bank Alfalah Limited		
Bank balance	16,454,697	12,996,240
Mark-up receivable	311,049	628,548
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	242,693	235,250
Sindh Sales Tax payable on trustee remuneration	19,691	30,577
Security deposit	200,000	200,000

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
	----- (Rupees) -----			
Financial assets				
Bank balances	126,036,188	-	-	126,036,188
Investments	-	1,790,863,413	-	1,790,863,413
Dividend and mark-up receivable	4,012,051	-	-	4,012,051
Deposits	2,700,000	-	-	2,700,000
	<u>132,748,239</u>	<u>1,790,863,413</u>	<u>-</u>	<u>1,923,611,652</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	15,627,859	15,627,859
Payable to the Trustee	-	262,384	262,384
Payable against purchase of investments	-	807,627	807,627
Accrued and other liabilities	-	1,624,934	1,624,934
	<u>-</u>	<u>18,322,804</u>	<u>18,322,804</u>

Particulars	June 30, 2017			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
(Rupees)				
Financial assets				
Bank balances	95,220,941	-	-	95,220,941
Investments	-	1,421,523,440	-	1,421,523,440
Dividend and mark-up receivable	6,435,552	-	-	6,435,552
Deposits	2,700,000	-	-	2,700,000
	<u>104,356,493</u>	<u>1,421,523,440</u>	<u>-</u>	<u>1,525,879,933</u>

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	16,168,385	16,168,385
Payable to the Trustee	-	265,827	265,827
Accrued and other liabilities	-	1,522,062	1,522,062
	<u>-</u>	<u>17,956,274</u>	<u>17,956,274</u>

19 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Profit rate risk

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

	Note	2018	2017
-----Rupees-----			
Variable rate instrument (financial asset)			
Bank balance	4	<u>126,036,188</u>	<u>95,220,941</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 1.260 million (2017: Rs 0.186 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

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

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2018 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	As at June 30, 2018					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.3% to 7.35%	126,036,188	-	-	-	126,036,188
Investments		-	-	-	1,790,863,413	1,790,863,413
Dividend and mark-up receivable		-	-	-	4,012,051	4,012,051
Deposits		-	-	-	2,700,000	2,700,000
Sub total		126,036,188	-	-	1,797,575,464	1,923,611,652
Financial liabilities						
Payable to the Management Company		-	-	-	15,627,859	15,627,859
Payable to the Trustee		-	-	-	262,384	262,384
Payable against purchase of investments		-	-	-	807,627	807,627
Accrued and other liabilities		-	-	-	1,624,934	1,624,934
Sub total		-	-	-	18,322,804	18,322,804
On-balance sheet gap		126,036,188	-	-	1,779,252,660	1,905,288,848
Total interest rate sensitivity gap		126,036,188	-	-	1,779,252,660	1,905,288,848
Cumulative interest rate sensitivity gap		126,036,188	126,036,188	126,036,188		

Particulars	As at June 30, 2017					
	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	4% to 6.6%	95,220,941	-	-	-	95,220,941
Investments		-	-	-	1,421,523,440	1,421,523,440
Dividend and mark-up receivable		-	-	-	6,435,552	6,435,552
Deposits		-	-	-	2,700,000	2,700,000
Sub total		95,220,941	-	-	1,430,658,992	1,525,879,933
Financial liabilities						
Payable to the Management Company		-	-	-	16,168,385	16,168,385
Payable to the Trustee		-	-	-	265,827	265,827
Accrued and other liabilities		-	-	-	1,522,062	1,522,062
Sub Total		-	-	-	17,956,274	17,956,274
On-balance sheet gap		95,220,941	-	-	1,412,702,718	1,507,923,659
Total interest rate sensitivity gap		95,220,941	-	-	1,412,702,718	1,507,923,659
Cumulative interest rate sensitivity gap		95,220,941	95,220,941	95,220,941		

19.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2018. The analysis is based on the assumption that the PSX index had increased or 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 PSX index, having regard to the historical volatility of the index of the past three years.

At June 30, 2018, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	2018	2017
	-----Rupees-----	
Investment and net assets	17,908,634	14,215,234
Income statement	17,908,634	14,215,234

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, 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.

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	126,036,188	126,036,188	95,220,941	95,220,941
Investments	1,790,863,413	-	1,421,523,440	-
Dividend and mark-up receivable	4,012,051	4,012,051	6,435,552	6,435,552
Deposits	2,700,000	2,700,000	2,700,000	2,700,000
	1,923,611,652	132,748,239	1,525,879,933	104,356,493

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 1,790.863 million (2017: Rs 1,421.523 million) are not exposed to credit risk.

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

No financial assets were considered to be either past due or impaired at June 30, 2018 and June 30, 2017.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Rating	2018		2017	
	Rupees	%	Rupees	%
A1+ / AAA	109,561,491	87.00%	-	-
A1+ / AA+	16,454,697	13.00%	95,210,941	99.99%
A1+ / AA	10,000	0.00%	10,000	0.01%
A1+ / AA-	10,000	0.00%	-	-
	126,036,188	100.00%	95,220,941	100.00%

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

19.2.3 Concentration of credit risk

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

	2018		2017	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable)	126,805,025	95.52%	96,294,493	92.27%
Dividend receivable	3,243,214	2.44%	5,362,000	5.14%
National Clearing Company of Pakistan Limited (deposits)	2,500,000	1.89%	2,500,000	2.40%
Central Depository Company of Pakistan Limited (security deposit)	200,000	0.15%	200,000	0.19%
	<u>132,748,239</u>	<u>100.00%</u>	<u>104,356,493</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 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 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.

2018	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
Rupees					
Financial assets					
Bank balances	126,036,188	-	-	-	126,036,188
Investments	1,790,863,413	-	-	-	1,790,863,413
Dividend and mark-up receivable	4,012,051	-	-	-	4,012,051
Deposits	2,700,000	-	-	-	2,700,000
	<u>1,923,611,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,923,611,652</u>
Financial liabilities					
Payable to the Management Company	15,627,859	-	-	-	15,627,859
Payable to the Trustee	262,384	-	-	-	262,384
Payable against purchase of investments	807,627	-	-	-	807,627
Accrued and other liabilities	1,624,934	-	-	-	1,624,934
	<u>18,322,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,322,804</u>
Net assets	<u>1,905,288,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,905,288,848</u>

2017	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- Rupees -----				
Financial assets					
Bank balances	95,220,941	-	-	-	95,220,941
Investments	1,421,523,440	-	-	-	1,421,523,440
Dividend and mark-up receivable	6,435,552	-	-	-	6,435,552
Deposits	2,700,000	-	-	-	2,700,000
	1,525,879,933	-	-	-	1,525,879,933
Financial liabilities					
Payable to the Management Company	16,168,385	-	-	-	16,168,385
Payable to the Trustee	265,827	-	-	-	265,827
Accrued and other liabilities	1,522,062	-	-	-	1,522,062
	17,956,274	-	-	-	17,956,274
Net assets	1,507,923,659	-	-	-	1,507,923,659

19.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.2 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

	----- As at June 30, 2018 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss - held for trading				
Listed equity securities	1,790,863,413	-	-	1,790,863,413
	----- As at June 30, 2017 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss - held for trading				
Listed equity securities	1,421,523,440	-	-	1,421,523,440

During the year ended June 30, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit Holders' Fund risk management

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

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

21 CORRESPONDING FIGURES

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

22 GENERAL

Figures have been rounded off to the nearest rupee.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	89	4,226,139	306,469,305	16%
Insurance Co.	2	654,944	47,494,929	3%
Retirement & Other Funds	13	16,689,625	1,210,291,002	64%
Others	9	4,517,416	327,592,048	17%
	113	26,088,124	1,891,847,284	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	80	3,773,559	318,865,728	14%
Insurance Co.	2	729,795	61,667,670	3%
Retirement & Other Funds	13	8,867,528	749,306,138	34%
Others	7	4,300,253	363,371,396	16%
	102	17,671,135	1,493,210,932	68%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018
	%
Inter Market Securities Limited	10.55%
Foundation Securities Limited	8.80%
IGI Finex Securities Limited	6.94%
Next Capital Limited	5.87%
Al Habib Capital Markets Limited	5.81%
Alfalah Securities (Private) Limited	5.39%
Optimus Capital Management (Pvt) Limited	5.17%
Shajar Capital Pakistan Private Limited	5.16%
Topline Securities (Pvt) Limited	5.07%
JS Global Capital Limited	5.03%
	30 June 2017
	%
Al Habib Capital Markets Limited	8.17%
Alfalah securities Private Limited	6.53%
Global Securities Limited	6.53%
IGI Finex Securities Limited	7.46%
Inter Market Securities Limited	8.62%
JS Global Capital Limited	4.91%
NAEL Capital (Pvt) Limited	4.37%
Next Capital Limited	4.63%
Optimus Capital Management Private Limited	9.22%
Taurus Securities Limited	6.23%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st, 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017, 26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGAF

	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
	(Rupees in '000)				
Net Assets	1,891,847	1,493,187	1,025,487	801,220	203,651
NAV per unit	72.52	84.50	67.79	66.2400	57.5500
Selling price per unit	74.9800	87.3600	70.4800	70.6600	61.4200
Redemption price per unit	72.52	84.50	67.79	66.2400	57.5500
Highest selling price per unit	87.5600	101.4200	80.8300	79.6200	77.8400
Highest redemption price per unit	84.6900	98.0900	77.7500	74.6400	74.1300
Lowest selling price per unit	70.0500	70.8200	66.7500	57.5800	58.7100
Lowest redemption price per unit	67.7500	68.5000	64.2000	53.9500	55.9100
Total interim distribution per unit	Nil	2.9418	7.63	7.0466	15.9323
Interim distribution date	N/A	22-Jun-17	29-Jun-16	26-Jun-15	30-Jun-14
	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-14.18%	24.65%	14.12%	27.39%	29.55%
Income distribution	N/A	4.34%	11.51%	12.24%	28.04%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **20.48%**

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

**Summary of Actual Proxy voted by Alfalah
GHP ALPHA Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
General Tyre & Rubber Co.							
EOGM	22-Aug-17	Election of Directors	136,100	0.228%	✓		
Pakistan Petroleum Limited							
EOGM	16-Sep-17	Confirm Minutes of previous AGM Election of Directors	166,600	0.008%	✓		
Thal Limited							
AGM	9-Oct-17	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor	116,250	0.143%	✓		
Pak Suzuki Motor Company Limited							
EOGM	2-Feb-18	Election of Directors	58,450	0.071%	✓		
Habib Bank Limited							
EOGM	19-Mar-18	Election of Directors	535,600	0.037%	✓		
Engro Corporation Limited							
AGM	24-Apr-18	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor Election of Directors	267,000	0.051%	✓		
Bank Alfalah Limited							
AGM	28-Mar-18	Confirm Minutes of previous AGM Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor	1,135,000	0.071%	✓		
MCB Bank Limited							
AGM	27-Mar-18	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor Election of Directors	411,800	0.035%	✓		
Habib Bank Limited							
AGM	27-Apr-18	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor	729,000	0.050%	✓		
Bank Alfalah Limited							
EOGM	27-May-18	Confirm Minutes of previous AGM Election of Directors	1,372,000	0.085%	✓		



**Alfalah
GHP Stock Fund**

FUND INFORMATION

Board of Directors of the Management Company:

Ms. Maheen Rahman (CEO)
Syed Ali Sultan
Mr. Hanspeter Beier
Mr. Muhammad Tauqir Zafar
Mr. Abid Naqvi
Mr. Tufail Jawed Ahmad
Mr. Adeel Bajwa
Ms. Mehreen Ahmed

Audit Committee:

Mr. Abid Naqvi
Syed Ali Sultan
Mr. Muhammad Tauqeer Zafar

HR Committee:

Syed Ali Sultan
Mr. Tufail Jawed Ahmed
Ms. Maheen Rahman (CEO)
Mr. Adeel Bajwa

Risk Committee:

Mr. Tufail Jawed Ahmad
Syed Ali Sultan
Mr. Muhammad Tauqeer Zafar
Ms. Maheen Rahman (CEO)

Chief Operating Officer and Company Secretary :

Mr. Noman Ahmed Soomro

Chief Financial Officer:

Syed Hyder Raza Zaidi

Trustee:

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', SMCHS,
Main Share-e-Faisal, Karachi

Bankers to the Fund:

Bank Alfalah Limited

Auditors:

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

Legal Advisor:

Ahmed & Qazi
Advocates & Legal Consultants
402,403,404,417
Clifton Centre,
Clifton, Karachi

Registrar:

Alfalah GHP Investment Management Limited
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4,
Clifton, Karachi.

Distributor:

Bank Alfalah Limited

Alfalah GHP Stock Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

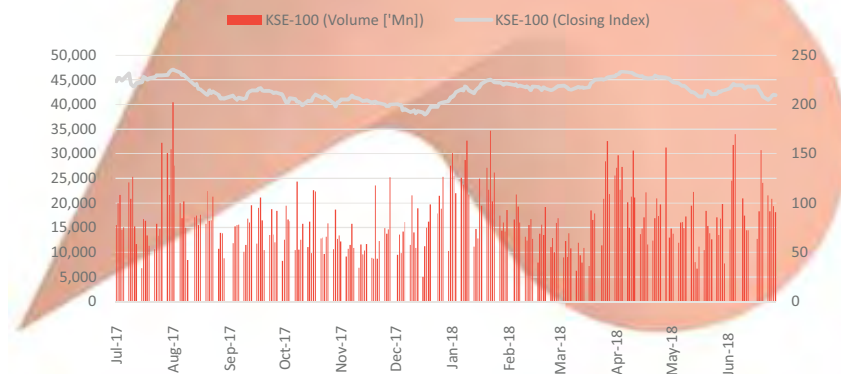
The investment objective of Alfalah GHP Stock Fund (GHPSF) is to seek long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments, management team shall ensure the active implementation of prudent investment practices, the highest professional standards 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.

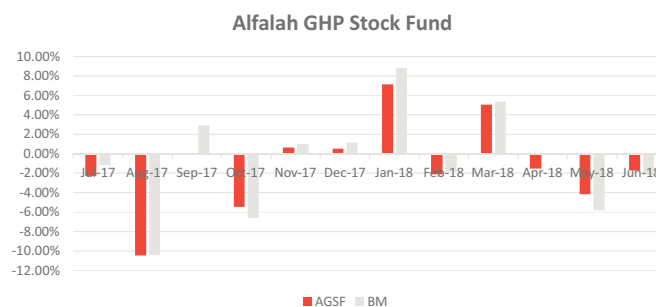
Equity Market Review

The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of the year, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.

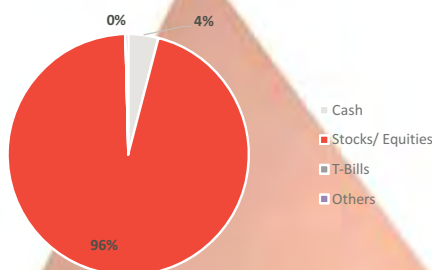


Fund Performance

During the period under review, equity market posted negative return of -10% as investors opted to maintain cautious stance over equities. The positives like Country's updated status to MSCI Emerging market and increase in CPEC related investments were overshadowed by concerns related to political instability and general concerns over deteriorating macroeconomic indicators. In the similar period, Alfalah GHP Stock Fund posted a return of -14.61% due mainly to underperformance by Automobile, Cement, Banks, Steel, and Oil Marketing companies. The volatile margins, regulatory issues, and currency depreciation were the major reasons for this underperformance. On the positive side, exposures to Upstream Oil & Gas and Fertilizer sectors rendered much needed support. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies.



Asset Allocation (as at 30 June 2018)



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-9F,
5th Floor, Main Shaheed-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 344-411-500
Fax: (92-21) 34476020-23
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(b) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Adnan Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi-September 19, 2018





INDEPENDENT AUDITORS' REPORT
 TO THE UNIT HOLDERS OF ALFALAH GHP STOCK FUND
 FOR THE YEAR ENDED 30 JUNE 2018

ALFALAH GHP STOCK FUND
 INVESTMENT MANAGEMENT COMPANY (PVT) LIMITED
 100, F-7/2, Islamabad

INDEPENDENT AUDITORS' 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, 2018**, and the income statement, comprehensive income, cash flows statement and 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 June 30, 2018, 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 these 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of equity investments	
As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the investments held by the Fund comprised of listed shares which represent 95% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:
In view of the significance of investment in relation to the total assets and the Net Asset Value (NAV) of the Fund, we have	<ul style="list-style-type: none"> - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review custodian's statement, and related

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Key audit matter	How our audit addressed the key audit matter
<p>considered the existence and valuation of such investments as a key audit matter.</p>	<p>reconciliations, re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange as at 30 June 2018.</p> <p>- We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and the adequacy of disclosures as may be applicable in situations of non-compliance.</p> <p>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.</p>
<p>2. Amendment to the NBFC Regulations, 2008</p>	
<p>As disclosed in note 3.1 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the Securities and Exchange Commission of Pakistan through its SRO no. 756(I)/2017 dated 03 August 2017 made certain amendments in the Non Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).</p> <p>These amendments are considered significant to our audit because application of the said amendments resulted in change in accounting policy relating to presentation "element of income / loss" in the financial statements and certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' (the Statements).</p>	<p>We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the amended provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the revised Regulations and assessed its implementation by the Fund.</p> <p>We evaluated the adequacy of disclosures regarding the change in accounting policy with respect to element of income / loss in accordance with the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.</p>

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.

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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 which, 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.

Other matter

The financial statements of the Fund for the year ended 30 June 2017, were audited by another auditor who expressed an unmodified opinion on those financial statements on 20 September 2017.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salmen.

Chartered Accountants

Date: September 24, 2018

Karachi

ALFALAH GHP STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
Assets			
Bank balances	4	99,329,068	478,581,673
Investments	5	2,352,144,295	2,620,166,678
Security deposits	6	2,600,000	2,600,000
Dividend and other receivables	7	5,807,588	6,129,393
Receivable against sales of investments - net	8	4,743,365	-
Total assets		2,464,624,316	3,107,477,744
Liabilities			
Payable to the Management Company	9	26,169,753	22,841,234
Payable to the Trustee	10	311,310	334,985
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	2,530,385	2,410,750
Payable against purchase of investments		-	332,846,444
Payable against redemption of units		-	4,317,663
Accrued and other liabilities	12	21,893,488	23,984,470
Total liabilities		50,904,936	386,735,546
Net assets attributable to unit holders		2,413,719,380	2,720,742,198
Unit holders' fund (as per the statement attached)		2,413,719,380	2,720,742,198
Contingencies and commitments	13	----- (Number of units) -----	
Number of units in issue		18,018,626	17,342,558
		----- (Rupees) -----	
Net asset value per unit		133.9569	156.8824

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
----- (Rupees) -----			
Income			
Profit / mark-up income	14	18,184,376	13,205,076
'At fair value through profit or loss' - held-for-trading			
- (Loss) / gain on sale of investments - net		(419,489,083)	342,370,776
- Unrealised (loss) / gain on revaluation of investments - net	5.3	(121,415,149)	192,879,926
- Dividend income from listed equity securities		118,070,503	88,996,013
Reversal of provision against Workers' Welfare Fund		-	7,280,222
Total (loss) / income		(404,649,353)	644,732,013
Expenses			
Remuneration of the Management Company	9.1	53,271,225	50,752,890
Sindh sales tax on remuneration of the Management Company	9.2	6,925,254	6,597,875
Remuneration of the Trustee	10.1	3,663,570	3,537,569
Sindh sales tax on remuneration of the Trustee	10.2	476,267	459,882
Annual fee to the Securities and Exchange Commission of Pakistan	11	2,530,385	2,410,775
Brokerage expense and capital value tax		7,300,939	9,707,847
Bank and settlement charges		41,765	70,680
CDS charges		273,315	403,361
Auditors' remuneration	15	750,915	529,735
Fees and subscriptions		187,301	263,958
Clearing charges		690,782	557,023
Printing charges		57,717	24,815
Legal and professional charges		-	68,333
Allocated expenses	9.3	2,663,382	2,537,656
Selling and marketing expenses	9.4	13,887,854	1,177,624
Provision against Sindh Workers' Welfare Fund	12.1	-	17,625,220
Total expenses		92,720,671	96,725,243
Net (loss) income for the year before element of income and capital gains included in prices of units issued less those in units redeemed - net		(497,370,024)	548,006,770
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	66,825,505
Net (loss) / income for the year before taxation		(497,370,024)	614,832,275
Taxation	17	-	-
Net (loss) / income for the year after taxation		(497,370,024)	614,832,275

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Net (loss) / income for the year after taxation	(497,370,024)	614,832,275
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	<u>(497,370,024)</u>	<u>614,832,275</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018		
	Capital value	Undistributed income (Rupees)	Total
Capital value	1,837,298,714	-	1,837,298,714
Undistributed income brought forward			
- Realised	-	690,563,558	690,563,558
- Unrealised	-	192,879,926	192,879,926
Net assets at beginning of the year [Rs.156.8824 per unit]	1,837,298,714	883,443,484	2,720,742,198
Issuance of 14,632,430 units			
- Capital value (at net asset value per unit at the beginning of the year)	2,295,570,736	-	2,295,570,736
- Element of income	(193,157,948)	-	(193,157,948)
Total proceeds on issuance of units	2,102,412,788	-	2,102,412,788
Redemption of 13,956,362 units			
- Capital value (at net asset value per unit at the beginning of the year)	(2,189,507,568)	-	(2,189,507,568)
- Element of loss	277,441,986	-	277,441,986
Total payments on redemption of units	(1,912,065,582)	-	(1,912,065,582)
Total comprehensive loss for the year	-	(497,370,024)	(497,370,024)
Distribution during the year	-	-	-
Net income for the year less distribution	-	(497,370,024)	(497,370,024)
Net assets at end of the year [Rs.133.9569 per unit]	5,851,777,084	386,073,460	2,413,719,380
Undistributed income carried forward			
- Realised	-	507,488,609	-
- Unrealised	-	(121,415,149)	-
	-	386,073,460	-
			June 30, 2017
			--- (Rupees) ---
Net assets at beginning of the year [Rs.126.0747 per unit]			1,527,839,442
Issue of 26,220,982 units			3,965,139,379
Redemption of 20,996,948 units			(3,239,695,382)
			2,253,283,439
Element of income and capital gains included in prices of units sold less those in units redeemed transferred to income statement - net			(66,825,505)
Element of income and capital gains included in prices of units sold less those in units redeemed transferred to distribution statement - net			(105,175,928)
			(172,001,433)
Other income (net of expenses) for the year			79,581,573
Capital gain on sale of investments - net			342,370,776
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net			192,879,926
First interim distribution of cash dividend @ Rs. 3.6164 (2016: @ Re. 0.5001 per unit)			(50,522,491)
First interim distribution of cash dividend @ Rs.1.7596			(30,025,520)
Total comprehensive income for the year			534,284,264
Net element of income and capital gains included in the prices of units issued less those in units redeemed - distribution statement			105,175,928
Net assets at end of the year (Rs.156.8824 per unit)			2,720,742,198

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the year before taxation	(497,370,024)	614,832,275
Adjustments for:		
Unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net	121,415,149	(192,879,926)
Reversal of provision against Workers' Welfare Fund	-	(7,280,222)
Provision against Sindh Workers' Welfare Fund	-	17,625,220
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(66,825,505)
	<u>(375,954,875)</u>	<u>365,471,842</u>
Decrease / (Increase) in assets		
Investments - net	146,607,234	(1,140,452,604)
Receivable against sale of investments	(4,743,365)	-
Dividend, prepayment and other receivables	321,805	8,773,833
	<u>142,185,674</u>	<u>(1,131,678,771)</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	3,328,519	(723,699)
Payable to the Trustee	(23,675)	(213,973)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	119,635	870,762
Payable against purchase of investments	(332,846,444)	332,846,444
Payable against redemption of units	(4,317,663)	-
Accrued and other liabilities	(2,090,982)	(1,615,670)
	<u>(335,830,610)</u>	<u>331,163,864</u>
Net cash flows used in operating activities	<u>(569,599,811)</u>	<u>(435,043,065)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(80,550,158)
Amount received against issuance of units	2,102,412,788	3,965,139,379
Amount paid against redemption of units	(1,912,065,582)	(3,235,377,719)
Net cash flows generated from financing activities	<u>190,347,206</u>	<u>649,211,502</u>
Net (decrease) / increase in cash and cash equivalents during the year	<u>(379,252,605)</u>	<u>214,168,437</u>
Cash and cash equivalents at beginning of the year	478,581,673	264,413,236
Cash and cash equivalents at end of the year	<u>4</u> <u>99,329,068</u>	<u>478,581,673</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Stock Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on June 10, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984. On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved Second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Stock Fund.

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 09, 2014. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.

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

According to the trust deed, the objective of the Fund is to provide good total return through a long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its assets in debt and money market securities in order to meet liquidity requirements from time to time. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on December 22, 2017, and 4 star (long term) and 4 star (short term,) by PACRA to the Fund in its rating report dated September 26, 2017.

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. Such standards comprise of:

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

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

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

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

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

2.3 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective

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

	Effective date (annual periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)	July 01, 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

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

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standards, Interpretations or Amendments	IASB Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral	January 1, 2021
IFRS 17 - Insurance	January 1, 2021

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

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

- Classification and valuation of investments (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.6)
- Taxation (notes 3.7 and 17)
- Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (notes 9.5 and 12.1 respectively).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments which are stated at fair value.

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except for as disclosed in note 2.2 and 3.1.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 year. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting year (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter no (S.R.O) no. 756(I) / 2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been higher by Rs 84.28 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.3.3 Regular way contracts

Regular 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 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 expensed out in the income statement.

3.3.5 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in listed equity securities is determined by reference to Stock Exchange quoted market prices at the close of period end.
- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.3.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.3.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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.

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

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 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 section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Dividend distribution and appropriations

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

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 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 is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit / mark-up on bank balances and government securities is recognised on an accrual basis using effective interest method.

3.12 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

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

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
4. BANK BALANCES			
In saving accounts	4.1	99,329,068	478,581,673
4.1	The rate of return on these accounts ranges from 4% to 7.35% (2017: 5% to 6.6%) per annum. It includes bank balance of Rs. 31.69 million (2017: Rs. 158.87 million) maintained with Bank Alfalah Limited (a related party).		
5. INVESTMENTS			
At fair value through profit or loss' - held for trading			
Listed equity securities	5.1	2,352,144,295	2,620,166,678
Treasury bills	5.2	-	-
		<u>2,352,144,295</u>	<u>2,620,166,678</u>

5.1 Listed equity securities - 'at fair value through profit or loss' - held for trading

Ordinary shares have a face value of Rs.10 each unless stated otherwise

Name of the investee company	Note	As at July 01, 2017	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018		Market value as a percentage of		Holding as a percentage of paid- up capital of the investee company
							Carrying value	Market value	Net assets of the fund	Total market value of investments	
						Number of shares	(Rupees)	(%)			
Commercial banks											
Bank Alfalah Limited (a related party)		1,514,000	2,754,500	-	2,178,500	2,090,000	93,694,456	109,286,100	4.53	4.65	0.013
Bank AL Habib Limited		1,088,500	742,000	-	820,500	1,010,000	64,583,084	79,618,300	3.30	3.38	0.009
The Bank of Punjab		1,250,500	3,947,000	-	3,218,500	1,979,000	24,222,440	23,886,530	0.99	1.02	0.007
Habib Bank Limited		566,300	1,085,900	-	736,000	916,200	194,039,729	152,492,328	6.32	6.48	0.006
JS Bank Limited		573,500	-	-	573,500	-	-	-	0.00	0.00	0.000
MCB Bank Limited		501,800	583,000	-	579,200	505,600	109,684,566	99,992,512	4.14	4.25	0.004
Meezan Bank Limited		-	767,000	-	364,000	403,000	30,651,745	32,933,160	1.36	1.40	0.004
National Bank of Pakistan		-	626,000	-	626,000	-	-	-	0.00	0.00	0.000
Faysal Bank Limited	5.1.1	-	1,709,000	127,200	627,000	1,209,200	29,818,082	31,439,200	1.30	1.34	0.008
United Bank Limited		552,400	745,500	-	518,600	779,300	164,268,802	131,686,114	5.46	5.60	0.006
Habib Metropolitan Bank		-	183,000	-	-	183,000	8,286,225	7,933,050	0.33	0.34	0.002
							<u>719,249,129</u>	<u>669,267,294</u>	<u>27.73</u>	<u>28.46</u>	
Power generation and distribution											
Hub Power Company Limited		747,000	630,000	-	391,900	985,100	111,503,218	90,786,816	3.76	3.86	0.009
Kot Addu Power Company Limited		-	926,500	-	41,000	885,500	50,433,815	47,737,305	1.98	2.03	0.010
							<u>161,937,033</u>	<u>138,524,121</u>	<u>5.74</u>	<u>5.89</u>	
Oil and gas marketing companies											
Attock Petroleum Limited		36,500	-	-	36,500	-	-	-	0.00	0.00	-
Hascol Petroleum Limited	5.1.1	73,940	80,600	-	146,800	7,740	2,156,370	2,428,502	0.10	0.10	0.001
Pakistan State Oil Company Limited	5.1.1	121,700	272,200	-	206,500	187,400	64,116,747	59,651,294	2.47	2.54	0.006
Shell (Pakistan) Limited		46,400	11,750	-	58,150	-	-	-	0.00	0.00	-
Hi-Tech Lubricants Limited		-	77,000	-	71,500	5,500	498,868	557,260	0.02	0.02	-
Sui Northern Gas Pipelines Limited		728,100	924,000	-	1,414,200	237,900	30,270,694	23,842,338	0.99	1.01	0.004
							<u>97,042,679</u>	<u>86,479,394</u>	<u>3.58</u>	<u>3.67</u>	
Oil and gas exploration companies											
Mari Petroleum Company Limited		58,300	39,040	-	29,400	67,940	105,944,775	102,329,869	4.24	4.35	0.006
Oil and Gas Development Company Limited		788,400	1,224,800	-	705,600	1,307,600	204,995,365	203,488,712	8.43	8.65	0.003
Pakistan Oilfields Limited		113,800	209,800	-	152,350	67,940	95,035,886	115,044,038	4.77	4.89	0.007
Pakistan Petroleum Limited		452,100	967,400	-	544,900	874,600	167,016,917	187,951,540	7.79	7.99	0.004
							<u>572,992,943</u>	<u>608,814,159</u>	<u>25.23</u>	<u>25.88</u>	

Name of the investee company	Note	As at July 01, 2017	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018		Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Net assets of the fund	Total market value of investments	
						Number of shares		(Rupees)		(%)	
Chemical											
Biafo Industries Limited	5.1.1	3,640	-	-	3,400	240	60,072	76,795	0.00	0.00	0.000
Engro Polymer and Chemicals Limited		1,599,000	1,247,000	-	2,082,000	764,000	26,407,205	23,959,040	0.99	1.02	0.012
ICI Pakistan Limited		30,900	7,540	-	28,920	9,520	10,303,577	7,630,280	0.32	0.32	0.001
							36,770,854	31,666,115	1.31	1.34	
Food and personal care products											
Fauji Foods Limited		-	612,000	-	-	612,000	23,395,205	19,755,360	0.82	0.84	0.012
							23,395,205	19,755,360	0.82	0.84	
Cement											
Attock Cement Pakistan Limited		-	135,100	-	64,700	70,400	13,670,299	9,467,392	0.39	0.40	0.006
Cherat Cement Company Limited		248,000	361,000	-	578,500	30,500	3,952,701	2,965,515	0.12	0.13	0.002
D. G. Khan Cement Company Limited		353,200	916,600	-	936,900	332,900	47,898,375	38,113,721	1.58	1.62	0.008
Kohat Cement Limited		-	261,800	-	244,100	17,700	2,708,166	2,178,339	0.09	0.09	0.001
Fauji Cement Limited		-	1,885,500	-	1,426,000	459,500	11,911,671	10,499,575	0.43	0.45	0.003
Lucky Cement Limited		158,550	160,000	-	164,550	154,000	105,710,480	78,221,220	3.24	3.33	0.005
Maple Leaf Cement Factory Limited		372,000	906,250	-	831,125	447,125	29,933,794	22,687,123	0.94	0.96	0.008
Pioneer Cement Limited		254,500	57,000	-	311,500	-	-	-	-	0.00	-
							215,785,486	164,132,885	6.79	6.98	
Fertilizer											
Engro Corporation Limited		338,300	599,000	-	531,400	405,900	124,438,727	127,395,774	5.28	5.42	0.008
Engro Fertilizers Limited		609,000	2,157,000	-	664,000	2,102,000	136,942,311	157,460,820	6.52	6.69	0.016
Fauji Fertilizer Company Limited		-	2,102,500	-	880,500	1,222,000	111,955,491	120,843,580	5.01	5.14	0.010
Fauji Fertilizer Bin Qasim Limited		-	1,493,500	-	462,500	1,031,000	43,915,750	39,796,600	1.65	1.69	0.011
							417,252,279	445,496,774	18.46	18.94	
Engineering											
Amreli Steels Limited		308,000	72,500	-	380,500	-	-	-	-	-	-
Crescent Steel and Allied Products Limited		159,400	46,900	-	171,400	34,900	5,166,480	3,181,833	0.13	0.14	0.004
International Industries Limited		207,900	187,600	-	208,300	187,200	58,064,047	43,484,688	1.80	1.85	0.016
International Steels Limited		582,000	656,500	-	771,900	466,600	56,608,520	47,453,220	1.97	2.02	0.011
Mugal Iron & Steel Industries		-	370,500	-	28,000	342,500	25,063,456	21,036,350	0.87	0.89	0.014
							144,902,503	115,156,091	4.77	4.90	
Food and personal care products											
Treet Corporation Limited		635,000	140,000	-	775,000	-	-	-	-	-	-
Textile composite											
Gul Ahmed Textile Mills Limited	5.1.1	4,554	-	-	-	4,554	186,623	195,503	0.01	0.01	0.000
Nishat Mills Limited		516,300	352,000	-	623,700	244,600	38,334,373	34,469,032	1.43	1.47	0.007
Nishat Chunian Limited		-	1,005,500	-	1,005,500	-	-	-	-	-	-
							38,520,996	34,664,535	1.44	1.48	
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited		26,650	-	-	26,650	-	-	-	-	-	-
The Searle Company Limited	5.1.1	106,297	120,039	-	178,900	47,436	18,684,470	16,104,522	0.67	0.68	0.003
							18,684,470	16,104,522	0.67	0.68	
Automobile assembler											
Honda Atlas Cars (Pakistan) Limited		42,000	29,800	-	71,800	-	-	-	-	-	-
Indus Motor Company Limited		37,900	19,240	-	48,060	9,080	16,053,717	12,906,857	0.53	0.55	0.001
Millat Tractors Limited		-	6,300	-	-	6,300	8,478,000	7,484,778	0.31	0.32	0.014
Pak Suzuki Motor Company Limited		79,250	47,300	-	126,550	-	-	-	-	-	-
							24,531,717	20,391,635	0.84	0.87	
Automobiles parts and accessories											
Thal Limited (face value of Rs.5 each)		174,400	48,050	-	222,450	-	-	-	-	-	-
The General Tyre and Rubber Company of Pakistan Limited		200,000	41,800	-	241,800	-	-	-	-	-	-
							-	-	-	-	-
Paper and board											
Packages Limited		110,350	28,600	-	138,950	-	-	-	-	-	-
Security Paper Limited		-	500	-	500	-	-	-	-	-	-
							-	-	-	-	-
Cable and electrical goods											
Pak Elektron Limited		-	730,000	-	730,000	-	-	-	-	-	-
							-	-	-	-	-
Miscellaneous											
Synthetic Products Enterprises Limited	5.1.1	404,100	500	-	371,500	33,100	2,494,150	1,691,410	0.07	0.07	0.004
							2,494,150	1,691,410	0.07	0.07	
Investment banks / investment companies / securities companies											
Arif Habib Limited		261,500	-	-	261,500	-	-	-	-	-	-
							-	-	-	-	-
As at June 30, 2018							2,473,559,444	2,352,144,295			
As at June 30, 2017							2,427,286,752	2,620,166,678			

5.1.1 The investment in equity securities include bonus shares having market value of Rs. 5.032 million (June 30, 2017: Rs. 4.71 million) withheld by the investee companies, as issuance of bonus shares has been made taxable through Finance Act, 2014. Consequently, bonus shares equivalent to 5% (representing tax impact of the bonus announcement) have been withheld by the investee companies.

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

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

	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	----(Number of shares)----		----- (Rupees)-----	
Lucky Cement Limited	20,000	20,000	10,158,600	16,725,200
Nishat Mills Limited	100,000	100,000	14,092,000	15,868,000
Hub Power Company Limited	470,000	470,000	43,315,200	55,192,100
	<u>590,000</u>	<u>590,000</u>	<u>67,565,800</u>	<u>87,785,300</u>

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

	Face Value				Carrying amount as at June 30, 2018	Market value as at June 30, 2018	% Net assets on the basis of market value	% Total investment on the basis of market value
	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018				
	----- No of Certificate -----				----- (Rupees) -----		----- % -----	
Treasury bills having face value of Rs.100 each								
Market Treasury Bills - 3 month	-	4,600,000	4,600,000	-	-	-	-	-

5.3 Unrealised (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss - held for trading' - net

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
Market value of investments	5.1	2,352,144,295	2,620,166,678
Less: Carrying value of investments	5.1	(2,473,559,444)	(2,427,286,752)
		<u>(121,415,149)</u>	<u>192,879,926</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. DIVIDEND AND OTHER RECEIVABLES

Dividend receivable		4,253,899	5,812,151
Profit receivable on bank balances	7.1	1,259,861	220,374
Advance tax		293,828	96,868
		<u>5,807,588</u>	<u>6,129,393</u>

7.1 This includes accrued markup of Rs. 273,061 (June 30, 2017 Rs. 2,895) receivable from Bank Alfalah Limited (a related party).

8. RECEIVABLE AGAINST SALE OF INVESTMENTS - NET

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.

9. PAYABLE TO THE MANAGEMENT COMPANY	Note	June 30, 2018	June 30, 2017
----- (Rupees) -----			
Management remuneration payable	9.1	4,163,147	4,710,099
Sindh sales tax payable on management remuneration	9.2	1,971,942	2,043,054
Payable against allocated expenses	9.3	1,306,561	1,274,079
Payable against selling and marketing expenses	9.4	5,226,267	1,177,624
Federal excise duty payable on management remuneration	9.5	10,130,262	10,130,262
Sales load payable		3,371,574	3,506,116
		<u>26,169,753</u>	<u>22,841,234</u>

9.1 The Management Company has charged remuneration at a rate of 2% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 Sindh Sales Tax on management remuneration has been charged at the rate of 13% (2017: 13%).

9.3 In accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund.

9.4 In connection with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan has issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017). In accordance with the provisions contained in these circulars, selling and marketing expenses will be allowed initially for a period of three years (from January 1, 2017 till December 31, 2019) to be charged to the Fund upto a maximum of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower for the year. Accordingly, the Management Company has charged expenses at the rate of 0.4% per annum of the net assets of the Fund being lower than actual expenses chargeable to the Fund.

9.5 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

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

During the previous year, 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 July 01, 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 July 1, 2016. However, as a matter of abundant caution the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2018 aggregates to Rs 10.13 million (2017: Rs 10.13 million). Had the provision for FED not been recorded in the financial statements of the Fund, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 0.56 per unit (2017: Re 0.58 per unit).

10. PAYABLE TO THE TRUSTEE	Note	June 30, 2018	June 30, 2017
----- (Rupees) -----			
Trustee remuneration payable	10.1	265,803	293,152
Sindh Sales Tax payable on trustee remuneration	10.2	45,507	41,833
		<u>311,310</u>	<u>334,985</u>

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

Average net asset value	Tariff per annum
Up to Rs 1 billion	Rs 0.7 million or 0.20% per annum of net assets whichever is higher.
Over Rs 1 billion	Rs 2 million plus 0.10% per annum of net assets exceeding Rs 1 billion.

10.2 Sindh Sales Tax on trustee remuneration has been charged at the rate of 13% (2017: 13%).

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

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a Collective Investment Scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 percent of the average annual net assets of the Fund.

12. ACCRUED AND OTHER LIABILITIES	Note	June 30, 2018	June 30, 2017
----- (Rupees) -----			
Provision against Sindh Workers' Welfare Fund (SWWF)	12.1	17,625,220	17,625,220
Brokerage expense payable		2,014,894	997,637
Auditors' remuneration payable		510,015	360,000
Annual rating fee payable		185,814	160,438
Clearing charges payable		-	56,715
Printing charges payable		31,313	25,000
Capital gain tax payable		157,798	669,331
Sales load payable		-	178,170
Withholding tax payable		1,368,434	3,911,959
		<u>21,893,488</u>	<u>23,984,470</u>

12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.5 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. However, as a matter of abundant caution, MUFAP has recommended to all its members to record a provision of Sindh WWF from the date of enactment of Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

The provision for SWWF is now being made on a daily basis. Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re.0.98 per unit (2017: 1.02 per unit).

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2018 and June 30, 2017.

14. PROFIT / MARK-UP INCOME	June 30, 2018	June 30, 2017
----- (Rupees) -----		
Profit / mark-up income on:		
As at fair value through profit or loss' - held for trading		
- Market Treasury Bills	3,288,283	212,969
Loans and receivables		
- Bank balances	14,896,093	12,992,107
	<u>18,184,376</u>	<u>13,205,076</u>

15. AUDITORS' REMUNERATION

Audit fee	366,800	284,592
Review and other certifications	291,900	170,343
Sindh sales tax	35,344	27,296
Out of pocket expenses	56,871	47,504
	<u>750,915</u>	<u>529,735</u>

16. TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended June 30, 2018 is 3.48% (June 30, 2017: 3.61%) which includes 0.42% (June 30, 2017: 0.93%) representing Government levy, Workers' Welfare Fund and SECP fee. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 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 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 has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, 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. The transactions with connected persons are in the normal course of business and at contractual rates.

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

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

18.1 Unit Holders' Fund

June 30, 2018											
Note	As at	Issued	Dividend	Redeemed /	As at June	As at July 01,	Issued	Dividend	Redeemed /	As at June 30,	
	July 01, 2017	for cash / conversion in / transfer in	reinvest-ment	conversion out / transfer out	30, 2018	2017	for cash / conversion in / transfer in	reinvestment	out / transfer out	2018	
Units											
(Rupees)											
Associated companies / undertakings											
Alfalah Insurance Company Limited	18.1.1	586,576	946,116	-	1,052,789	479,903	92,023,451	135,000,000	-	144,187,700	64,286,318
Alfalah GHP Prosperity Planning Fund Conservative Plan	18.1.1	218,072	44,390	-	61,903	200,559	34,211,659	6,200,000	-	8,500,000	26,866,262
Alfalah GHP Prosperity Planning Fund Moderate Allocation Plan	18.1.1	1,024,654	135,782	-	428,874	731,562	160,750,179	18,700,000	-	58,500,000	97,997,778
Alfalah GHP Prosperity Planning Fund Active Allocation Plan	18.1.1	835,429	375,676	-	192,252	1,018,853	131,064,107	56,500,000	-	26,000,000	136,482,389
Key management personnel (Employees)											
Head of marketing	18.1.1	3,507	5	-	564	2,948	550,187	628	-	75,000	394,905
Chief Executive Officer	18.1.1	28,546	-	-	28,546	4,478,365	-	-	-	-	3,823,934
Chief operating officer and company secretary	18.1.1	9,078	10,111	-	9,078	10,111	1,424,178	1,335,880	-	1,243,349	1,354,438
Head of Human Resource	18.1.1	610	-	-	610	95,698	-	-	-	-	81,714
Chief Financial officer	18.1.1	-	97	-	97	-	-	12,826	-	-	12,994
Unit holder holding 10% or more units											
The Nishat Mills Limited Employees Provident Fund Trust	18.1.1	-	4,425,170	-	4,425,170	-	682,828,878	-	-	-	592,782,055
June 30, 2017											
Note	As at	Issued	Dividend	Redeemed /	As at June	As at July 01,	Issued	Dividend	Redeemed /	Net asset value	
	July 01, 2016	for cash / conversion in / transfer in	reinvest-ment	conversion out / transfer out	30, 2017	July 01, 2016	for cash / conversion in / transfer in	reinvestment	out / transfer out	as at June 30, 2017	
Units											
(Rupees)											
Associated companies / undertakings											
Alfalah GHP Capital Preservation Fund		2,608,803	211,146	-	2,819,949	-	328,904,056	28,000,000	-	383,846,797	-
Alfalah Insurance Company Limited		659,413	898,109	19,468	990,416	586,574	83,135,296	141,000,000	3,081,839	155,665,198	92,023,137
Alfalah GHP Prosperity Planning Fund*		764,594	1,828,028	68,748	583,215	2,078,155	96,395,902	290,000,000	10,883,143	89,000,000	326,025,944
Key management personnel (Employees)											
Head of marketing		-	4,116	116	725	3,507	-	564,651	18,424	102,303	550,187
Chief executive officer		15,909	14,653	947	2,963	28,546	2,005,722	2,028,027	149,985	418,748	4,478,365
Chief operating officer and company secretary		1,163	9,159	301	1,546	9,077	146,748	1,550,000	47,693	255,962	1,424,022
AVP compliance		-	593	20	3	610	-	100,000	3,210	401	95,698
Head of finance		6,480	3,522	-	10,002	-	816,964	532,890	-	1,517,407	-
Unit holder holding 10% or more units											
Habib Metropolitan Bank Limited		-	2,818,178	65,157	913,760	1,969,575	-	475,000,000	10,314,515	159,645,612	308,991,653

* This unit holder also holds more than 10% of the units in the Fund as at June 30, 2018.

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
18 Other transactions		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	53,271,225	50,752,890
Sindh sales tax on remuneration of the Management Company	6,925,254	6,597,875
Allocated expenses	2,663,382	2,537,656
Selling and marketing expenses	13,887,854	1,177,624
Sales load	19,507,718	14,437,487
Bank Alfalah Limited		
Profit on bank balances	3,012,946	2,032,662
Bank charges	26,428	57,628
Sales load	1,653,795	843,152
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	3,663,570	3,537,569
Sindh sales tax on remuneration of the Trustee	476,267	459,882
CDS charges	273,315	403,361
19 Other balances		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Management remuneration payable	4,163,147	4,710,099
Sindh sales tax payable on management remuneration	1,971,942	2,043,054
Payable against allocated expenses	1,306,561	1,274,079
Payable against selling and marketing expenses	5,226,267	1,177,624
Federal excise duty payable on management remuneration	10,130,262	10,130,262
Sales load payable	3,371,574	3,506,116
Bank Alfalah Limited		
Bank balance	31,698,850	158,879,881
Profit on bank balances	273,061	2,895
Other related parties		
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Trustee remuneration payable	265,803	293,152
Sindh Sales Tax payable on trustee remuneration	45,507	41,833
Security deposit	100,000	100,000

19. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
----- (Rupees) -----			
Financial assets			
Bank balances	99,329,068	-	99,329,068
Investments	-	2,352,144,295	2,352,144,295
Security deposits	2,600,000	-	2,600,000
Dividend and other receivables	5,807,588	-	5,807,588
Receivable against sales of investments - net	4,743,365	-	4,743,365
	<u>112,480,021</u>	<u>2,352,144,295</u>	<u>2,464,624,316</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	14,067,549	14,067,549
Payable to the Trustee	-	265,803	265,803
Accrued and other liabilities	-	2,742,036	2,742,036
	<u>-</u>	<u>17,075,388</u>	<u>17,075,388</u>

Particulars	June 30, 2017		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
----- (Rupees) -----			
Financial assets			
Bank balances	478,581,673	-	478,581,673
Investments	-	2,620,166,678	2,620,166,678
Security deposits	2,600,000	-	2,600,000
Dividend and other receivables	6,032,525	-	6,032,525
	<u>487,214,198</u>	<u>2,620,166,678</u>	<u>3,107,380,876</u>

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	10,667,918	10,667,918
Payable to the Trustee	-	293,152	293,152
Payable against purchase of investments	-	332,846,444	332,846,444
Payable against redemption of units	-	4,317,663	4,317,663
Accrued and other liabilities	-	1,777,960	1,777,960
	<u>-</u>	<u>349,903,137</u>	<u>349,903,137</u>

20. 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.

20.1 Market risk

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

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

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

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 interest rate profile of the Fund's interest bearing financial instruments is as follows:

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
Variable rate instrument (financial asset)			
Bank balance	4	<u>99,329,068</u>	<u>478,581,673</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.0.993 million (2017: Rs.4.786 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) Fair value 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, 2018 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	As at June 30, 2018					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	4.00 to 7.35	99,329,068	-	-	-	99,329,068
Investments		-	-	-	2,352,144,295	2,352,144,295
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivables		-	-	-	5,807,588	5,807,588
Receivable against sales of investments - net		-	-	-	4,743,365	4,743,365
Sub total		<u>99,329,068</u>	<u>-</u>	<u>-</u>	<u>2,365,295,248</u>	<u>2,464,624,316</u>
Financial liabilities						
Payable to the Management Company		-	-	-	14,067,549	14,067,549
Payable to the Trustee		-	-	-	265,803	265,803
Accrued and other liabilities		-	-	-	2,742,036	2,742,036
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>17,075,388</u>	<u>17,075,388</u>
On-balance sheet gap		<u>99,329,068</u>	<u>-</u>	<u>-</u>	<u>2,348,219,860</u>	<u>2,447,548,928</u>
Total interest rate sensitivity gap		<u>99,329,068</u>	<u>-</u>	<u>-</u>	<u>2,348,219,860</u>	<u>2,447,548,928</u>
Cumulative interest rate sensitivity gap		<u>99,329,068</u>	<u>99,329,068</u>	<u>99,329,068</u>		

Particulars	As at June 30, 2017					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	5.00 to 6.6	478,581,673	-	-	-	478,581,673
Investments		-	-	-	2,620,166,678	2,620,166,678
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivables		-	-	-	6,032,525	6,032,525
Sub total		<u>478,581,673</u>	<u>-</u>	<u>-</u>	<u>2,628,799,203</u>	<u>3,107,380,876</u>
Financial liabilities						
Payable to the Management Company		-	-	-	10,667,918	10,667,918
Payable to the Trustee		-	-	-	293,152	293,152
Payable against purchase of investments		-	-	-	332,846,444	332,846,444
Payable against redemption of units		-	-	-	4,317,663	4,317,663
Accrued and other liabilities		-	-	-	1,777,960	1,777,960
Sub Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>349,903,137</u>	<u>349,903,137</u>
On-balance sheet gap		<u>478,581,673</u>	<u>-</u>	<u>-</u>	<u>2,278,896,066</u>	<u>2,757,477,739</u>
Total interest rate sensitivity gap		<u>478,581,673</u>	<u>-</u>	<u>-</u>	<u>2,278,896,066</u>	<u>2,757,477,739</u>
Cumulative interest rate sensitivity gap		<u>478,581,673</u>	<u>478,581,673</u>	<u>478,581,673</u>		

20.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2018. The analysis is based on the assumption that PSX index increase and decreases by 5%, with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with index this represents managements' best estimate of a reasonable possible shift in the PSX index, having regards to the historical volatility of index of past three years.

At June 30, 2018, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Effect due to increase / decrease in PSX 100 index		
Investment and net assets	<u>117,607,215</u>	<u>131,008,334</u>
Income statement	<u>117,607,215</u>	<u>131,008,334</u>

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

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, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees) -----				
Bank balances	99,329,068	99,329,068	478,581,673	478,581,673
Investments	2,352,144,295	-	2,620,166,678	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividend and other receivables	5,807,588	5,807,588	6,032,525	6,032,525
Receivable against sales of investments - net	4,743,365	-	-	-
	2,464,624,316	107,736,656	3,107,380,876	487,214,198

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 2,352.144 million (2017: Rs 2,620.167 million) are not exposed to credit risk.

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

No financial assets were considered to be past due or impaired either at June 30, 2018 and June 30, 2017.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Rating	2018		2017	
	Rupees	%	Rupees	%
A1+ / AA+	31,708,850	31.92	478,540,687	99.99
A1+ / AA-	28,901	0.03	10,000	-
A1+ / AAA	67,591,317	68.05	30,986	0.01
	99,329,068	100	478,581,673	100.00

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

20.2.3 Concentration of credit risk

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

20.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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

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

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

2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees) -----				
Financial assets					
Bank balances	99,329,068	-	-	-	99,329,068
Investments	2,352,144,295	-	-	-	2,352,144,295
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and other receivables	5,807,588	-	-	-	5,807,588
Receivable against sale of investments - net	4,743,365	-	-	-	4,743,365
	2,464,624,316	-	-	-	2,464,624,316
Financial liabilities					
Payable to the Management Company	14,067,549	-	-	-	14,067,549
Payable to the Trustee	265,803	-	-	-	265,803
Accrued and other liabilities	2,742,036	-	-	-	2,742,036
	17,075,388	-	-	-	17,075,388
Net assets	2,447,548,928	-	-	-	2,447,548,928

2017	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees) -----				
Financial assets					
Bank balances	478,581,673	-	-	-	478,581,673
Investments	2,620,166,678	-	-	-	2,620,166,678
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and other receivables	6,032,525	-	-	-	6,032,525
	3,107,380,876	-	-	-	3,107,380,876
Financial liabilities					
Payable to the Management Company	10,667,918	-	-	-	10,667,918
Payable to the Trustee	293,152	-	-	-	293,152
Payable against purchase of investments	332,846,444	-	-	-	332,846,444
Payable against redemption of units	4,317,663	-	-	-	4,317,663
Accrued and other liabilities	1,777,960	-	-	-	1,777,960
	349,903,137	-	-	-	349,903,137
Net assets	2,757,477,739	-	-	-	2,757,477,739

20.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3.5 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

----- As at June 30, 2018 -----				
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss - held for trading				
- Listed equity securities	2,352,144,295	-	-	2,352,144,295
----- As at June 30, 2017 -----				
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss - held for trading				
- Listed equity securities	2,620,166,678	-	-	2,620,166,678

20.5 Unit Holders' Fund risk management

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

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

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

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

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

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

21. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22. 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.

23. GENERAL

Figures are rounded off to the nearest rupee.

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	260	2,288,322	306,536,569	13%
Associated Co./ Directors	1	479,903	64,286,342	3%
Insurance Co.	12	1,745,184	233,779,429	10%
Retirement & Other Funds	27	8,516,910	1,140,898,910	47%
Others	23	4,988,307	668,218,130	28%
	323	18,018,626	2,413,719,380	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	217	3,080,241	483,235,639	18%
Associated Co./ Directors	2	892,050	139,946,993	5%
Banks/Dfis	1	1,969,575	308,991,636	11%
Insurance Co.	12	1,451,211	227,669,408	8%
Retirement & Other Funds	26	4,989,628	782,784,785	29%
Others	20	4,959,853	778,113,736	29%
	278	17,342,558	2,720,742,198	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018
	%
Inter Market Securities Limited	10.88%
IGI Finex Securities Limited	9.45%
JS Global Capital Limited	6.35%
Optimus Capital Management (Pvt) Limited	6.26%
Next Capital Limited	6.23%
Alfalah Securities (Private) Limited	6.22%
Foundation Securities Limited	5.98%
Topline Securities (Pvt) Limited	5.10%
Shajar Capital Pakistan Private Limited	4.77%
Elixir Securities Pakistan (Pvt.) Limited	4.37%
	30 June 2017
	%
Optimus Capital Management (Pvt) Limited	9.20%
Inter Market Securities Limited	7.79%
JS Global Capital Limited	7.32%
Alfalah Securities (Private) Limited	7.28%
Al Habib Capital Markets Limited	6.70%
Taurus Securities Limited	5.68%
AKD Securities Ltd.	5.31%
Global Securities Limited	5.25%
IGI Finex Securities Limited	4.70%
Elixir Securities Pakistan (Pvt.) Limited	4.28%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

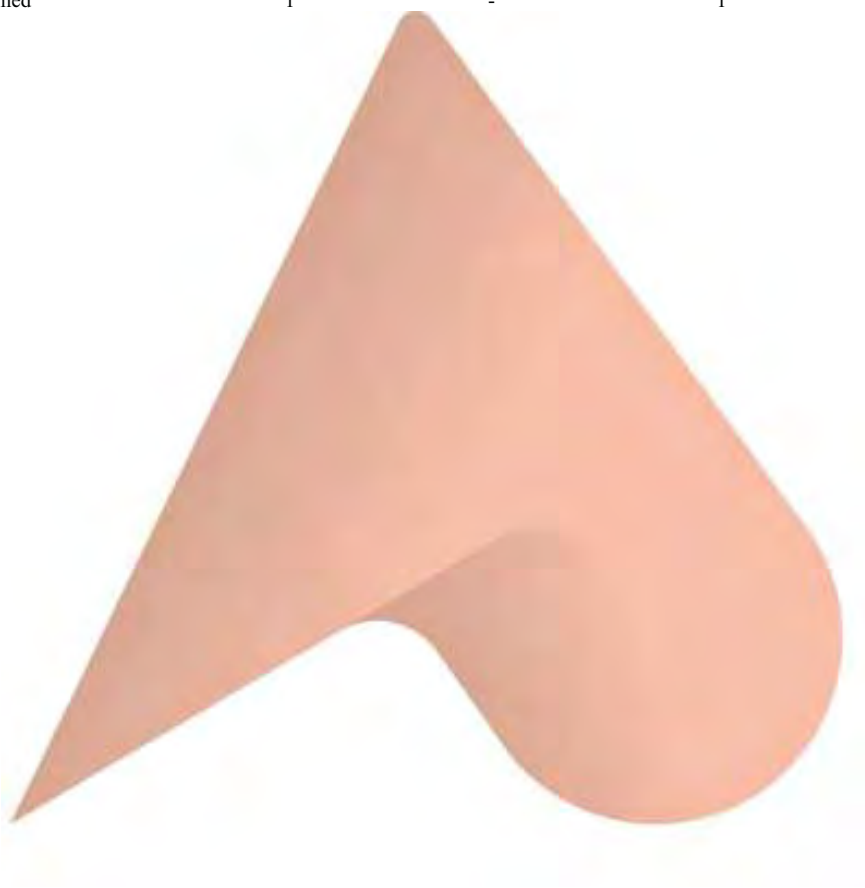
Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st , 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017 ,26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGSTF

	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
	(Rupees in '000)				
Net Assets	2,413,719	2,720,742	1,527,839	1,171,125	440,267
NAV per unit	133.9569	156.8824	126.0747	116.6099	102.7030
Selling price per unit	137.7412	161.3143	130.2427	120.4988	106.1579
Redemption price per unit	133.9569	156.8824	126.0747	116.6099	102.7030
Highest selling price per unit	161.5662	187.3510	142.3502	137.0684	152.1260
Highest redemption price per unit	157.1274	182.2037	137.7947	132.6447	148.4156
Lowest selling price per unit	128.4005	131.0540	117.6185	98.7204	114.9936
Lowest redemption price per unit	124.8728	127.4534	113.8545	95.5075	112.1889
Interim 1st distribution date	Nil	22-Jun-17	7.713	14,4405	44,562
Interim 2nd distribution date	Nil	29-Jun-17			
Interim distribution date	Nil	3.62	29-Jun-16	23-Jun-15	30-Jun-14
Final distribution per unit	Nil	1.76	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-14.61%	28.69%	14.88%	27.70%	24.58%
Income distribution	Nil	4.27%	6.61%	14.06%	26.09%

Return since inception is 23.63%

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
General Tyre & Rubber Co.							
EOGM	22-Aug-17	Election of Directors	225,600	0.377%	✓		
Pakistan Petroleum Limited							
EOGM	16-Sep-17	Confirm Minutes of previous AGM Election of Directors	248,500	0.013%	✓		
Thal Limited							
AGM	9-Oct-17	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor	156,450	0.193%	✓		
Pak Suzuki Motor Company Limited							
EOGM	2-Feb-18	Election of Directors	85,850	0.104%	✓		
Habib Bank Limited							
EOGM	19-Mar-18	Election of Directors	784,000	0.053%	✓		
Engro Corporation Limited							
AGM	24-Apr-18	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor Election of Directors	387,700	0.074%	✓		
Bank Alfalah Limited							
AGM	28-Mar-18	Confirm Minutes of previous AGM Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor	1,595,000	0.099%	✓		
MCB Bank Limited							
AGM	27-Mar-18	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor Election of Directors	579,600	0.049%	✓		
Habib Bank Limited							
AGM	27-Apr-18	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor	964,800	0.066%	✓		
Bank Alfalah Limited							
EOGM	27-May-18	Confirm Minutes of previous AGM Election of Directors	1,850,500	0.115%	✓		



Alfalah
GHP Islamic Stock Fund

CORPORATE INFORMATION

Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Islamic Stock Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

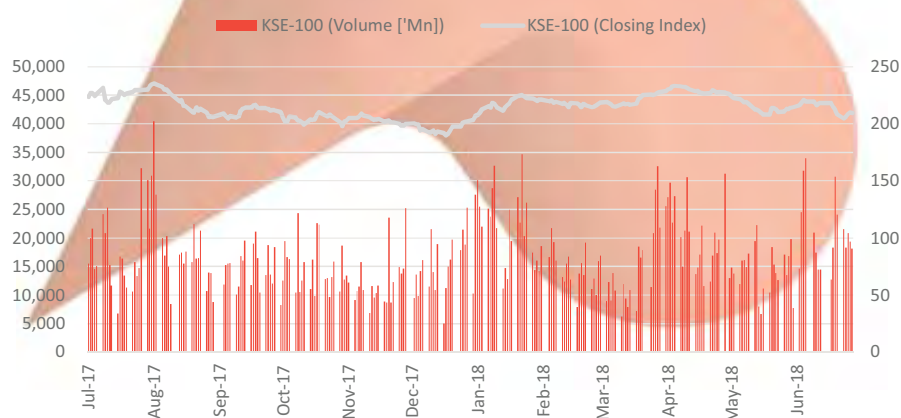
The investment objective of Alfalah GHP Islamic Stock Fund (AGISF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds via investments in Shariah Compliant avenues.

Equity Market Review

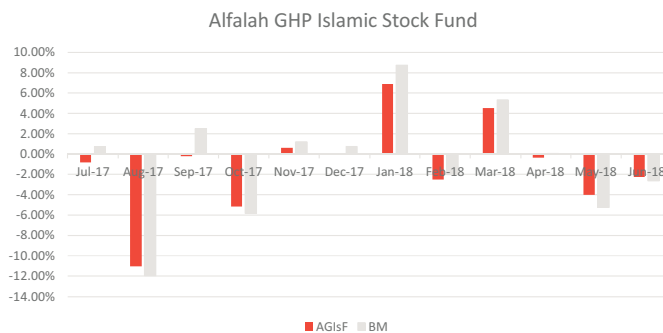
The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of the year, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.



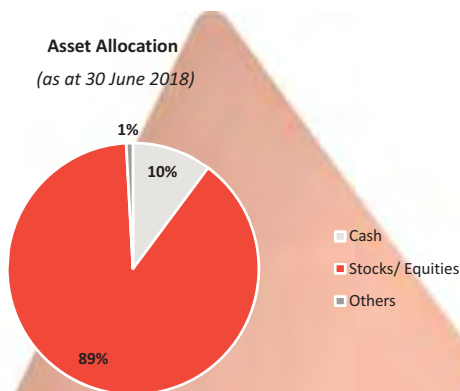
Fund Performance

During the period under review, equity market posted negative return of 9.6% as investors opted to maintain cautious stance over equities. The positives like Country's updated status to MSCI Emerging market and increase in CPEC related investments were overshadowed by concerns related to political instability and general concerns over deteriorating macroeconomic indicators. In the similar period, Alfalah GHP Islamic Stock Fund posted a return of -14.4% due mainly to underperformance by Automobile, Cement, Steel, and Oil Marketing companies. The volatile margins, regulatory issues, and currency depreciation were the major reasons for this underperformance. On the positive side, exposures to Upstream Oil & Gas and Fertilizer sectors rendered much needed support. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies.

Performance comparison with Benchmark



Asset Allocation



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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-900
Fax: (92-21) 34326020 - 23
URL: www.cdc-pakistan.com
Email: info@cdc-pak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC STOCK FUND

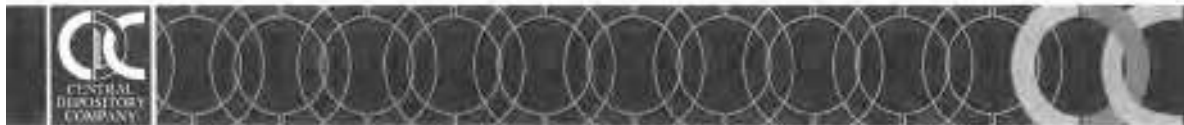
**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2018





REPORT OF THE SHARIAH ADVISORY BOARD ALFALAH GHP ISLAMIC STOCK FUND

We, the Shariah Advisers of the Alfalah GHP Islamic Stock Fund ('AGISF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplement Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we provide consent for Investment in Equities Securities based on the Shariah Guidelines during the period from July 1, 2017 to June 30, 2018.

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

In the Year 2016-17 Provision against Charity was made amounted to Rs. 2,450,421/. During the Year 2017-18 the said provisioning after adjustment on the basis of final dividend purification rates amounted to Rs. 2,278,515/- based on respective Companies Annual Financial Statement. The same was available for disbursement to Charitable Institution. For the Year 2017-18 Provision against Charity is made amount to Rs. 2,845,044/- in respect of dividend purification, which is subject to final adjustment on the basis of respective Companies Annual Financial Statement for the year ended 2019.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Javed Ahmed
Member Shariah Board

Mufti Atta ullah
Shariah Advisor
/ Member Shariah Board



INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of **Alfalah GHP Investment Management Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **Alfalah GHP Islamic Stock Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2018, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor (the Shariah Principles).

Management's Responsibility of Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed statement that is free from material misstatements. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control (ISQC) 1 (Redrafted), "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.



A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 476, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426721-5; Fax: +92 (21) 32425007/32427938/32424740; <www.pwc.com/pki>

* KARAACHI * LAHORE * ISLAMABAD



The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures primarily performed comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2018 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the year ended June 30, 2018.

Chartered Accountant

Dated: September 24, 2018

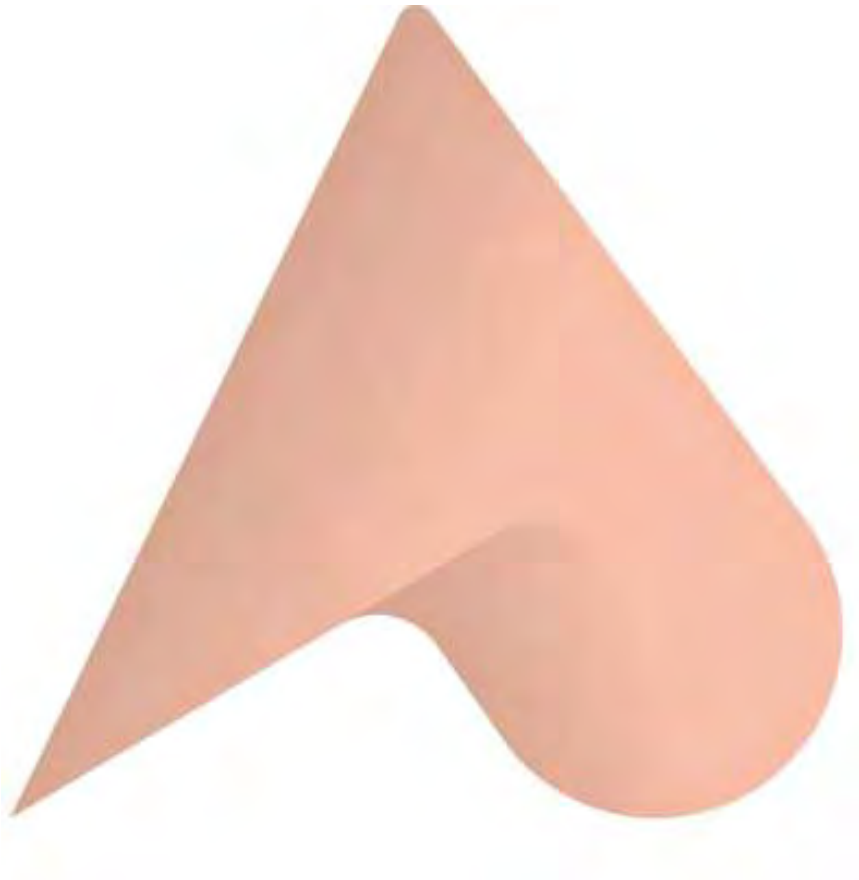
Karachi

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Stock Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2018. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 24, 2018

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah GHP Islamic Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds 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, 2018, and of its financial performance, its cash flows and transactions 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Amendments to NBFC Regulations, 2008 (Refer note 3.10 to the annexed financial statements)</p> <p>The Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756(I) / 2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impact of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly include changes with respect to recognition, measurement and presentation of "element of income", addition of certain disclosures with respect to 'Income Statement' (relating to allocation of net</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income.verified transactions on a test basis with the underlying records of the reports provided by the management to ensure their compliance with the revised regulations.

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>income for the year) and 'Statement of Movement in Unit Holders' Fund'.</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.10.</p> <p>The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<ul style="list-style-type: none"> ▪ verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value</p> <p>(Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 3,977.22 million and bank balances aggregated to Rs 460.28 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ tested the design and operating effectiveness of the key controls for valuation of investments. ▪ obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled 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. ▪ obtained approval of Board of Directors of the management company in relation to opening and closing of bank accounts, ▪ 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 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.

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 Requirement

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

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

Chartered Accountants

Karachi

Date: September 24, 2018

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Assets			
Bank balances	4	460,282,173	895,022,640
Investments	5	3,977,217,509	8,534,461,407
Security deposits	6	2,600,000	2,600,000
Receivable against sale of investments	12	19,011,542	-
Dividend, profit and other receivable	7	9,347,800	31,222,134
Total assets		4,468,459,024	9,463,306,181
Liabilities			
Payable to the Management Company	8	27,823,051	33,187,626
Payable to the Trustee	9	509,195	956,649
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	5,623,778	6,206,142
Accrued and other liabilities	11	51,533,246	114,950,739
Payable against purchase of investments		-	177,823,166
Total liabilities		85,489,270	333,124,322
Net assets attributable to unit holders		4,382,969,754	9,130,181,859
Unit holders' funds (as per statement attached)		4,382,969,754	9,130,181,859
Contingencies and Commitments	13	----- (Number of units) -----	
Number of units in issue		70,342,694	125,375,142
Net asset value per unit		62.3088	72.8229

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees) -----	2017
Income			
Profit on bank balances		39,489,111	28,083,288
(Loss) / gain on sale of investment - net		(1,225,574,615)	633,557,751
Dividend income		267,264,032	197,307,809
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3	(213,519,536)	477,050,387
		(1,171,830,119)	1,307,915,947
Reversal of provision against Workers' Welfare Fund	11.1	-	10,801,934
Total income		(1,132,341,008)	1,346,801,169
Expenses			
Remuneration of the Management Company	8.1	118,395,328	130,673,632
Sindh sales tax on remuneration of the Management Company	8.2	15,391,393	16,987,572
Allocated expenses	8.4	5,919,368	6,531,970
Selling and marketing expenses	8.5	33,004,726	3,714,474
Remuneration of the Trustee	9.1	6,919,771	7,532,705
Sindh sales tax on remuneration of the Trustee	9.2	899,570	979,252
Annual fee to the Securities and Exchange Commission of Pakistan	10	5,623,778	6,206,142
Brokerage expense, federal excise duty and capital value tax		10,647,132	22,533,408
Bank and settlement charges		1,611,820	1,647,545
Auditors' remuneration	14	802,000	676,311
Annual listing fee		27,501	55,012
Annual rating fee		150,000	140,360
Printing charges		70,000	89,604
Charity	11.2	2,845,044	2,431,942
Legal and professional charges		-	40,834
Shariah advisory fee		504,000	349,745
Provision against Sindh Workers' Welfare Fund (SWWF)	11.1	-	45,637,296
Total expenses		202,811,431	246,227,804
Net (loss) / income for the year before element of income and capital gains included in prices of units issued less those in units redeemed - net		(1,335,152,439)	1,100,573,365
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	803,783,332
Net (loss) / income for the year before taxation		(1,335,152,439)	1,904,356,697
Taxation	16	-	-
Net (loss) / income for the year after taxation		(1,335,152,439)	1,904,356,697
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 24 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

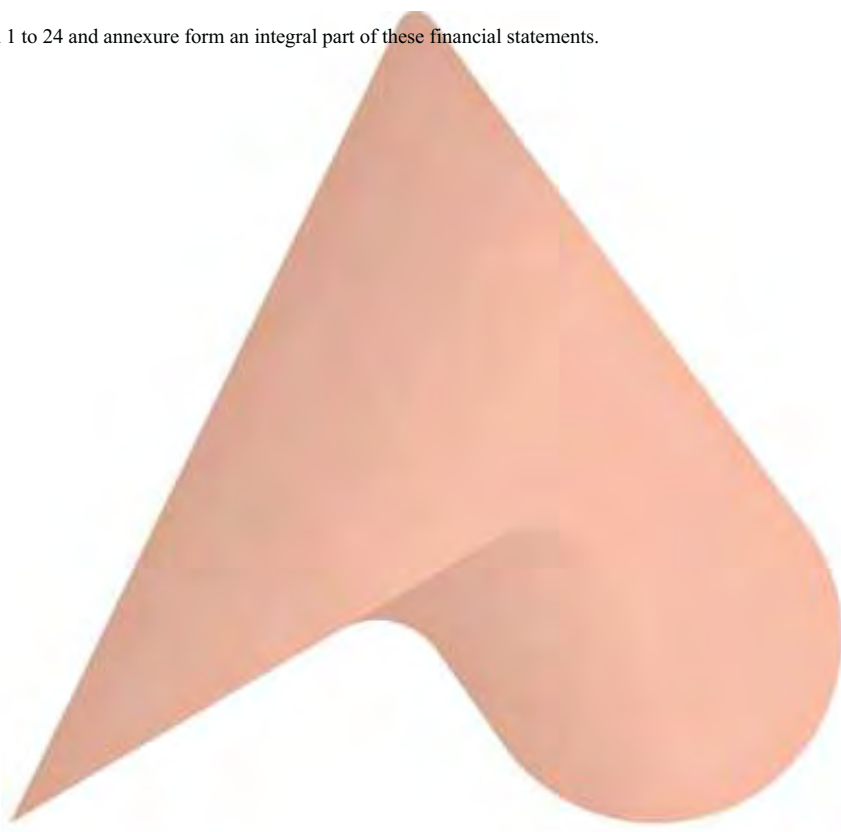
Director

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Net (loss) / income for the year after taxation	(1,335,152,439)	1,904,356,697
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	<u>(1,335,152,439)</u>	<u>1,904,356,697</u>

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



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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the year before taxation	(1,335,152,439)	1,904,356,697
Adjustments for:		
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	213,519,536	(477,050,387)
Reversal of provision against Workers' Welfare Fund	-	(10,801,934)
Provision against Sindh Workers' Welfare Fund	-	45,637,296
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	-	(803,783,332)
	(1,121,632,903)	658,358,340
(Increase) / decrease in assets		
Investments - net	4,343,724,362	(6,460,356,003)
Dividend, profit and other receivable	21,874,334	(24,664,845)
Receivable against sale of investments	(19,011,542)	-
	4,346,587,154	(6,485,020,848)
Increase / (decrease) in liabilities		
Payable to the Management Company	(5,364,575)	16,817,459
Payable to the Trustee	(447,454)	554,693
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(582,364)	5,388,316
Accrued and other liabilities	(63,417,493)	50,498,865
Payable against purchase of investments	(177,823,166)	177,823,166
	(247,635,052)	251,082,499
Net cash generated from / (used in) operating activities	2,977,319,199	(5,575,580,009)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	2,213,022,210	10,923,383,548
Payments made against redemption of units	(5,625,081,876)	(4,102,214,863)
Dividend paid	-	(778,286,624)
Net cash (used in) / generated from financing activities	(3,412,059,666)	6,042,882,061
Net (decrease) / increase in cash and cash equivalents during the year	(434,740,467)	467,302,052
Cash and cash equivalents at beginning of the year	895,022,640	427,720,588
Cash and cash equivalents at end of the year	17 460,282,173	895,022,640

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Islamic Stock Fund (formerly Alfalah GHP Islamic Fund) (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on April 11, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 29, 2007. The SECP approved the second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Stock Fund.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorized as a 'shariah compliant equity scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated December 22, 2017 to the Management Company and 3-Star (short-term) to the Fund in its rating report dated September 26, 2017.
- 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 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.

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to 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 approved accounting standards that are not yet effective

2.3.1 The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	July 1, 2018
- IFRS-15 Revenue from contracts with customers	July 1, 2018
- IFRS-16 Leases	January 1, 2019

These standards may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

2.3.2 There are certain new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2018 but are considered not to be relevant or to 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 approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- Classification and valuation of investments (notes 3.3.1, 3.3.5 and 5)
- Impairment of financial assets (note 3.3.6)
- Taxation (note 3.7 and 17)
- Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 8.3 and 11.1 respectively)

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 except for the change in accounting policy as explained in note 3.10 below.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.3.3 Regular way contracts

Regular 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 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 expensed out in the income statement.

3.3.5 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in listed equity securities and listed real investment trust units is determined by reference to Stock Exchange quoted market prices at the close of period end.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

3.3.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.3.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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.

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

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 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 section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Dividend distribution and appropriations

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

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 the prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted consequent to the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 595.563 million with no effect on the NAV per unit of the Fund. Furthermore, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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 loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Income on bank balances is recognised on an accrual basis.

3.13 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

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

	Note	2018	2017
----- (Rupees) -----			
4 BANK BALANCES			
In savings accounts	4.1	437,945,900	352,741,673
In current accounts	4.2	22,336,273	542,280,967
		<u>460,282,173</u>	<u>895,022,640</u>

4.1 The rate of return on these accounts ranges from 4% to 6.50% (2017: 3.37% to 5.60%) per annum. It includes bank balance of Rs 0.008 million (2017: Rs 28.409 million) maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

4.2 This balance is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

	Note	2018	2017
----- (Rupees) -----			
5 INVESTMENTS			
'At fair value through profit or loss' - held-for-trading			
Listed equity securities	5.1	3,977,217,509	8,534,455,977
Listed real estate investment trust units	5.2	-	5,430
		<u>3,977,217,509</u>	<u>8,534,461,407</u>

5.1 Listed equity securities - 'at fair value through profit or loss' - held-for-trading

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2017	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company	
						Carrying value	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments		
						(Rupees)						
Fertilizer						(Number of shares)						
Engro Fertilizers Limited	2,787,400	3,819,500	-	2,856,507	3,750,393	223,773,507	280,941,940	57,168,433	6.41%	7.06%	0.28%	
Engro Corporation Limited	1,444,100	1,227,700	-	1,687,181	984,619	305,000,202	309,032,519	4,032,317	7.05%	7.77%	0.19%	
Dawood Hercules Corporation Limited	1,238,100	11,000	-	436,616	812,484	110,776,685	90,006,978	(20,769,707)	2.05%	2.26%	0.17%	
Fauji Fertilizer Company Limited	-	2,027,500	-	789,000	1,238,500	114,550,160	122,475,265	7,925,105	2.79%	3.08%	0.10%	
						<u>754,100,554</u>	<u>802,456,702</u>	<u>48,356,148</u>	<u>18.3%</u>	<u>20.17%</u>		
Cement												
Cherat Cement Company Limited	1,136,100	498,500	-	1,587,600	47,000	5,802,300	4,569,810	(1,232,490)	0.1%	0.12%	0.03%	
D.G. Khan Cement Company Limited	1,302,000	1,427,000	-	1,778,360	950,640	152,025,375	108,838,774	(43,186,601)	2.48%	2.75%	0.22%	
Fauji Cement Company Limited	-	4,110,000	-	1,531,000	2,579,000	69,583,094	58,930,150	(10,652,944)	1.34%	1.49%	0.19%	
Kohat Cement Company Limited	-	676,300	-	646,200	30,100	4,600,870	3,704,407	(896,463)	0.08%	0.09%	0.02%	
Lucky Cement Limited	806,250	367,700	-	728,382	445,568	314,476,685	226,317,354	(88,159,331)	5.16%	5.69%	0.14%	
Maple Leaf Cement Factory Limited	2,021,300	1,783,588	177,088	2,675,389	1,306,587	91,269,628	66,296,224	(24,973,404)	1.51%	1.67%	0.22%	
Pioneer Cement Limited	965,900	8,700	-	974,600	-	-	-	-	-	-	-	
						<u>637,757,952</u>	<u>468,656,719</u>	<u>(169,101,233)</u>	<u>10.67%</u>	<u>11.81%</u>		
Power generation and distribution												
Hub Power Company Limited	3,473,900	1,389,100	-	1,700,376	3,162,624	362,102,639	291,467,428	(70,635,211)	6.65%	7.33%	0.27%	
Kot Addu Power Company Limited	-	2,397,500	-	185,000	2,212,500	125,328,180	119,275,875	(6,052,305)	2.72%	3%	0.25%	
						<u>487,430,819</u>	<u>410,743,303</u>	<u>(76,687,516)</u>	<u>9.37%</u>	<u>10.33%</u>		
Oil and gas marketing companies												
Attock Petroleum Limited	139,550	2,000	-	141,550	-	-	-	-	-	-	-	
Haseol Petroleum Limited	278,208	104,927	2,227	379,027	6,335	1,772,270	1,987,670	215,400	0.05%	0.05%	0.00%	
Hi-Tech Lubricants Limited	-	25,000	-	20,000	5,000	448,874	506,600	57,726	0.01%	0.01%	0.00%	
Pakistan State Oil Company Limited	474,700	473,300	126,440	759,668	314,772	107,566,493	100,195,075	(7,371,418)	2.29%	2.52%	0.10%	
Shell (Pakistan) Limited	153,200	21,000	-	174,200	-	-	-	-	-	-	-	
Sui Northern Gas Pipelines Limited	2,784,000	809,000	-	2,729,393	863,607	121,093,396	86,550,694	(34,542,702)	1.97%	2.18%	0.14%	
						<u>230,881,033</u>	<u>189,240,039</u>	<u>(41,640,994)</u>	<u>4.32%</u>	<u>4.76%</u>		

Name of the investee company	As at July 01, 2017	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Appreciation/(diminution)	Net assets of the fund	Total market value of investments	
						(Rupees)					
Automobile parts and accessories											
The General Tyre & Rubber Company of Pakistan Limited	619,400	81,400	-	700,800	-	-	-	-	-	-	-
Thal Limited (Face value of Rs. 5 per share)	621,500	9,700	-	631,200	-	-	-	-	-	-	-
Oil and gas exploration companies											
Mari Petroleum Company Limited	247,630	9,220	-	131,077	125,773	197,772,308	189,436,777	(8,335,531)	4.32%	4.76%	0.11%
Oil & Gas Development Company Limited	3,781,900	1,490,400	-	2,368,130	2,904,170	435,287,877	451,946,935	16,659,058	10.31%	11.36%	0.07%
Pakistan Oilfields Limited	672,100	268,800	-	446,139	494,761	245,419,035	332,375,492	86,956,457	7.58%	8.36%	0.21%
Pakistan Petroleum Limited	2,328,500	1,556,000	-	1,947,946	1,936,554	342,576,971	416,165,455	73,588,484	9.5%	10.46%	0.10%
						1,221,056,191	1,389,924,659	168,868,468	31.71%	34.94%	
Automobile assembler											
Honda Atlas Cars (Pakistan) Limited	219,500	10,200	-	229,700	-	-	-	-	-	-	-
Milat Tractors Limited	-	18,800	-	-	18,800	24,465,630	22,335,528	(2,130,102)	0.51%	0.56%	0.04%
Pak Suzuki Motor Company Limited	293,550	65,800	-	359,350	-	-	-	-	-	-	-
						24,465,630	22,335,528	(2,130,102)	0.51%	0.56%	
Textile composite											
Kohinoor Textile Mills Limited	1,725	26	26	26	1,751	182,909	96,287	(86,622)	-	-	0.00%
Nishat Mills Limited	2,158,700	431,000	-	1,779,426	810,274	127,488,308	114,183,812	(13,304,496)	2.61%	2.87%	0.23%
						127,671,217	114,280,099	(13,391,118)	2.61%	2.87%	
Engineering											
Amreli Steels Limited	1,232,500	85,000	-	1,317,500	-	-	-	-	-	-	-
Crescent Steel & Allied Products Limited	559,350	74,600	-	564,350	69,600	10,301,721	6,345,432	(3,956,289)	0.14%	0.16%	0.09%
International Industries Limited	743,700	190,500	-	527,594	406,606	137,052,263	94,450,508	(42,601,755)	2.15%	2.37%	0.34%
International Steels Limited	1,949,500	775,800	-	1,677,071	1,048,229	131,251,338	106,604,889	(24,646,449)	2.43%	2.68%	0.24%
						278,605,322	207,400,829	(71,204,493)	4.72%	5.21%	
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	100,600	800	-	101,400	-	-	-	-	-	-	-
The Searle Company Limited	396,399	141,700	67,399	413,501	191,997	78,991,907	65,182,982	(13,808,025)	1.49%	1.64%	0.10%
Highnoon Laboratories Limited	6	-	-	-	6	3,758	2,463	(1,295)	-	-	0.00%
						78,994,765	65,185,445	(13,809,320)	1.49%	1.64%	
Cable and electrical goods											
Pak Elektron Limited	6,250	2,110,000	-	2,116,250	-	-	-	-	-	-	-
Food and personal care products											
Al Shaheer Corporation Limited	475	-	-	-	475	19,052	12,944	(6,108)	-	-	0.00%
Fauji Foods Limited	-	1,098,000	-	-	1,098,000	42,519,975	35,443,440	(7,076,535)	0.81%	0.89%	0.21%
Treet Corporation Limited	1,903,000	384,000	-	2,287,000	-	42,539,027	35,456,384	(7,082,643)	0.81%	0.89%	-
						42,539,027	35,456,384	(7,082,643)	0.81%	0.89%	
Commercial Banks											
Mezzan Bank Limited	2,125,000	1,024,690	144,690	1,620,346	1,674,034	129,668,257	136,802,058	7,133,801	3.12%	3.44%	0.14%
Chemical											
Engro Polymer & Chemicals Limited	5,348,000	2,181,500	-	6,214,000	1,315,500	45,458,590	41,254,080	(4,204,510)	0.94%	1.04%	0.20%
ICI Pakistan Limited	126,100	4,800	-	114,913	15,987	17,434,598	12,813,581	(4,621,017)	0.29%	0.32%	0.02%
						62,893,188	54,067,661	(8,825,527)	1.23%	1.36%	
Miscellaneous											
Synthetic Products Limited	1,093,950	8,000	-	1,028,114	73,836	5,560,799	3,773,230	(1,787,569)	0.09%	0.09%	0.09%
Paper and board											
Packages Limited	371,800	17,800	-	232,582	157,018	109,112,291	76,894,853	(32,217,438)	1.75%	1.93%	0.18%
As at June 30, 2018	45,905,843	33,217,851	517,870	48,588,464	31,053,100	4,190,737,045	3,977,217,509	(213,519,536)	90.70%	100%	
As at June 30, 2017	9,661,713	84,192,450	266,750	48,215,070	45,905,843	8,057,406,063	8,534,455,977	477,049,914	93.48%	100%	

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposits tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has 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, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at June 30, 2018, the following bonus shares of the Fund were withheld by certain companies at the time of declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of investee Company	2018		2017	
	Bonus Shares			
	Number	Market value	Number	Market value
Hascol Petroleum Limited	3,071	963,557	3,071	1,047,518
Kohinoor Textile Mills Limited	1,287	70,772	1,287	135,302
The Searle Company Limited	10,055	3,413,673	5,618	2,876,304
Highnoon Laboratories Limited	1	411	1	626
Al Shaheer Corporation Limited	274	7,467	274	10,990
Pakistan State Oil Company Limited	6,322	2,012,356	-	-
Synthetic Products Limited	9,123	466,211	9,123	688,330
	30,133	6,934,447	19,374	4,759,070

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs. 99.029 million (June 30, 2017: Rs. 130.220 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	2018	2017	2018	2017
	Number of shares		Rupees in '000'	
D.G Khan Cement Company Limited	60,000	60,000	6,869,400	12,789,600
The Hub Power Company Limited	1,000,000	1,000,000	92,160,000	117,430,000
	<u>1,060,000</u>	<u>1,060,000</u>	<u>99,029,400</u>	<u>130,219,600</u>

5.2 Listed Real Estate Investment Trust Units - 'at fair value through profit or loss' - held-for-trading

Name of the investee company	As at July 01, 2017	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company	
						Carrying value	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments		
					(Number of units)	(Rupees)						
Dolmen City REIT (face value of Rs.10 each)	459	-	-	459	-	-	-	-	-	-	-	-
As at June 30, 2018	459	-	-	459	-	-	-	-	-	-	-	-
As at June 30, 2017	502,459	-	-	502,000	459	4,957	5,430	473	-	-	-	-

5.3 Unrealised (diminution) / appreciation on remeasurement of investments classified as 'fair value through profit or loss' - net	2018	2017
	----- (Rupees) -----	
Market value of investments	3,977,217,509	8,534,461,407
Less: carrying value of investments	<u>(4,190,737,045)</u>	<u>(8,057,411,020)</u>
	<u>(213,519,536)</u>	<u>477,050,387</u>

6 SECURITY DEPOSITS

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

7 DIVIDEND, PROFIT AND OTHER RECEIVABLE	Note	2018	2017
		----- (Rupees) -----	
Dividend receivable		5,725,656	26,604,735
Profit receivable on bank balances		2,939,981	3,935,236
Security margin with NCCPL		<u>682,163</u>	<u>682,163</u>
		<u>9,347,800</u>	<u>31,222,134</u>
8 PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	8.1	7,375,664	15,295,144
Sindh sales tax payable on management remuneration	8.2	1,747,797	2,777,329
Federal excise duty payable on management remuneration	8.3	5,412,371	5,412,371
Payable against allocated expenses	8.4	2,439,657	4,298,571
Payable against selling and marketing expenses	8.5	9,758,628	3,714,474
Sales load payable		<u>1,088,934</u>	<u>1,689,737</u>
		<u>27,823,051</u>	<u>33,187,626</u>

8.1 The Management Company has charged remuneration at a rate of 2% (2017: 2%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the year, Sindh Sales Tax on management remuneration has been charged at 13% (2017: 13%).

8.3 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 were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 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 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 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.

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. 5.412 million (2017: Rs. 5.412 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 the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re 0.08 per unit (2017: Re 0.04 per unit).

- 8.4** The Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.
- 8.5** The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 40 of 2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the Fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the year ended June 30, 2018 at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

Further, during the year ended June 30, 2017 the Fund charged marketing expenses at the rate of 0.4% of the net assets of the Fund, being lower than actual expenses incurred w.e.f. May 26, 2017 (date of opening of branch). However, the SECP subsequently issued a clarification that marketing expenses which are not specifically linked to opening of new branches shall become applicable from the date of approval of the annual plan by the Board of Directors of the Management Company. Accordingly, based on the clarification issued by the SECP, marketing expenses (which are not specifically linked to opening of new branches) incurred for the period from February 14, 2017 (plan approval date) to May 25, 2017 amounting to Rs 9.3 million have been charged during the current year.

9 PAYABLE TO THE TRUSTEE	Note	2018	2017
		----- (Rupees) -----	
Trustee remuneration payable	9.1	450,615	846,592
Sindh Sales tax payable on trustee remuneration	9.2	58,580	110,057
		509,195	956,649

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

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

The same level of trustee fee was charged during the year 2017.

- 9.2** During the year, Sindh Sales Tax on trustee remuneration has been charged at 13% (2017: 13%) .

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

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 (2017: 0.095) percent of the average annual net assets of the Fund.

11 ACCRUED AND OTHER LIABILITIES	Note	2018	2017
		----- (Rupees) -----	
Provision against Sindh Workers' Welfare Fund (SWWF)	11.1	45,637,296	45,637,296
Auditors' remuneration		676,529	577,928
Brokerage payable		478,097	2,809,654
Settlement charges		33,016	30,135
Withholding tax payable		456,125	47,560,877
Charity payable	11.2	3,345,466	2,681,344
Shariah advisory fee		279,746	279,745
Capital value tax payable		31,198	195,080
Federal excise duty		62,152	381,494
Sales load payable		292,196	14,760,395
Annual rating fee		153,631	3,630
Other liabilities		87,794	33,161
		51,533,246	114,950,739

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2018, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.65 per unit (2017: Re 0.36 per unit).

11.2 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments a portion of which has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the Fund.

12 RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents receivable against sale of investments which requires delivery and settlement / payment of securities within two days after transaction date as required by stock exchange regulations. These amounts have been received subsequent to the year ended June 30, 2018.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2018 and June 30, 2017.

14 AUDITORS' REMUNERATION

	2018	2017
	----- (Rupees) -----	
Audit fee	400,000	488,455
Review and other certification	260,517	87,687
Sindh Sales tax	52,841	34,569
Out of pocket expenses	88,642	65,600
	<u>802,000</u>	<u>676,311</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2018 is 3.43% which includes 0.40% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% 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 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 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 has incurred net loss for the year, accordingly, no provision for taxation has been made in these financial statements.

17 CASH AND CASH EQUIVALENTS

	Note	2018	2017
		----- (Rupees) -----	
Bank balances	4	<u>460,282,173</u>	<u>895,022,640</u>

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment 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. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

18.1 Unit Holder's Fund

Note	June 30, 2018										
	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	
	(Units)				(Rupees)						
Associated companies / undertakings											
Alfalah GHP Prosperity Planning Fund	18.1.1	1,242,817	-	-	383,149	859,668	90,505,569	-	-	24,000,000	53,564,908
Alfalah GHP Islamic Prosperity Planning Fund	18.1.1	44,836,642	-	-	38,571,097	6,265,545	3,265,134,261	-	-	2,435,771,714	390,398,560
Key management personnel (Employees)											
Head of marketing	18.1.1	8,794	6,496	-	8,135	7,155	640,383	443,548	-	540,000	445,819
AVP Human resource department	18.1.1	-	2	-	-	2	-	147	-	-	146
Chief investment officer	18.1.1	21,828	3,068	-	3,025	21,871	1,589,548	200,410	-	199,747	1,362,756
Head of compliance and risk management	18.1.1	6	-	-	-	6	452	-	-	-	374
Head of investment advisory and senior portfolio manager	18.1.1	2,930	4,885	-	-	7,815	213,387	330,240	-	-	486,943
Head of administration	18.1.1	9,280	1,270	-	4,494	6,056	675,797	86,703	-	300,000	377,342
Chief Financial Officer	18.1.1	2,446	2,374	-	1,764	3,056	178,125	165,751	-	130,000	190,416
Unit holders holding 10% or more units											
Sindh Province Pension Fund	18.1.1	8,208,772	-	-	-	8,208,772	597,786,582	-	-	-	511,478,733
Al-Hilal Industries Private Limited	18.1.1	8,146,119	1,854,632	-	1,029,008	8,971,743	593,224,009	125,000,000	-	67,300,000	559,018,540
June 30, 2017											
	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2017	
	(Units)				(Rupees)						
Associated companies / undertakings											
Bank Alfalah Limited - Islamic Banking Division		5,590,077	-	-	5,590,077	-	-	-	-	467,178,405	-
Alfalah GHP Prosperity Planning Fund		328,368	1,723,952	107,199	916,701	1,242,817	20,963,418	7,963,359	64,500,000	90,505,569	
Alfalah GHP Islamic Prosperity Planning Fund		2,192,553	48,202,297	3,867,366	9,425,575	44,836,642	139,975,443	3,376,000,000	287,290,990	694,500,000	3,265,134,261
Key management personnel (Employees)											
Head of marketing		11,112	-	766	3,084	8,794	709,391	-	56,874	207,109	640,383
Chief investment officer		10,180	29,793	1,900	20,046	21,828	649,886	2,340,000	141,171	1,532,931	1,589,548
Head of compliance and risk management		6	-	1	0	6	366	-	40	5	452
Head of investment advisory and senior portfolio manager		3,443	2,831	255	3,599	2,930	219,816	240,000	18,951	247,452	213,387
Head of administration		-	9,136	808	664	9,280	-	750,000	60,018	57,502	675,797
Head of finance		-	11,303	213	9,070	2,446	-	832,890	15,823	706,563	178,125

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

18.2 Other transactions	2018	2017
	(Rupees)	
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	118,395,328	130,673,632
Sindh sales tax on remuneration of the Management Company	15,391,393	16,987,572
Allocated expenses	5,919,368	6,531,970
Selling and marketing expenses	33,004,726	3,714,474
Sales load	3,562,336	19,605,591

	2018	2017
	----- (Rupees) -----	
Bank Alfalah Limited - Islamic Banking Division		
Profit on saving accounts	359,164	782,447
Bank charges	90,611	96,408
Sales load	2,033,072	21,403,692
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	6,919,771	7,532,705
Sindh sales tax on remuneration of the Trustee	899,570	979,252
Settlement charges	594,562	650,964

18.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	7,375,664	15,295,144
Sindh sales tax payable on management remuneration	1,747,797	2,777,329
Federal excise duty payable on management remuneration	5,412,371	5,412,371
Payable against allocated expenses	2,439,657	4,298,571
Payable against selling and marketing expenses	9,758,628	3,714,474
Sales load payable	1,088,934	1,689,737

Bank Alfalah Limited - Islamic Banking Division

Bank balances	22,343,839	570,690,358
Profit receivable	41,252	41,110
Sales load payable	292,196	14,760,395

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	450,615	846,592
Sindh Sales tax payable on trustee remuneration	58,580	110,057
Security deposit	100,000	100,000

18.3.1 This reflects the position of related party / connected persons status as at June 30, 2018.

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
----- (Rupees) -----				
Financial assets				
Bank balances	460,282,173	-	-	460,282,173
Investments	-	3,977,217,509	-	3,977,217,509
Security deposits	2,600,000	-	-	2,600,000
Receivable against sale of investments	19,011,542	-	-	19,011,542
Dividend, profit and other receivable	9,347,800	-	-	9,347,800
	<u>491,241,515</u>	<u>3,977,217,509</u>	<u>-</u>	<u>4,468,459,024</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	27,823,051	27,823,051
Payable to the Trustee	-	509,195	509,195
Accrued and other liabilities	-	5,346,475	5,346,475
	-	33,678,721	33,678,721

Particulars	June 30, 2017			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
	(Rupees)			
Financial assets				
Bank balances	895,022,640	-	-	895,022,640
Investments	-	8,534,461,407	-	8,534,461,407
Security deposits	2,600,000	-	-	2,600,000
Dividend, profit and other receivable	31,222,134	-	-	31,222,134
	928,844,774	8,534,461,407	-	9,463,306,181

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	33,187,626	33,187,626
Payable to the Trustee	-	956,649	956,649
Accrued and other liabilities	-	21,175,992	21,175,992
Payable against purchase of investments	-	177,823,166	177,823,166
	-	233,143,433	233,143,433

20 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.

20.1 Market risk

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

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

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

20.1.1 Currency risk

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

20.1.2 Profit rate risk

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

	Note	2018	2017
		-----Rupees-----	
Variable rate instrument (financial asset)			
Bank balance		<u>437,945,900</u>	<u>352,741,673</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.03 million (2017: Rs 0.04 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

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

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2018 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

Particulars	As at June 30, 2018					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	4% - 6.50%	437,945,900	-	-	22,336,273	460,282,173
Investments		-	-	-	3,977,217,509	3,977,217,509
Security deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	-	19,011,542	19,011,542
Dividend, profit and other receivable		-	-	-	9,347,800	9,347,800
Sub total		<u>437,945,900</u>	<u>-</u>	<u>-</u>	<u>4,030,513,124</u>	<u>4,468,459,024</u>
Financial liabilities						
Payable to the Management Company		-	-	-	27,823,051	27,823,051
Payable to the Trustee		-	-	-	509,195	509,195
Accrued and other liabilities		-	-	-	5,346,475	5,346,475
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>33,678,721</u>	<u>33,678,721</u>
On-balance sheet gap		<u>437,945,900</u>	<u>-</u>	<u>-</u>	<u>3,996,834,403</u>	<u>4,434,780,303</u>
Total profit rate sensitivity gap		<u>437,945,900</u>	<u>-</u>	<u>-</u>	<u>3,996,834,403</u>	<u>4,434,780,303</u>
Cumulative profit rate sensitivity gap		<u>437,945,900</u>	<u>437,945,900</u>	<u>437,945,900</u>		

Particulars	As at June 30, 2017					
	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 upto one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	3.37 - 5.60	352,741,673	-	-	542,280,967	895,022,640
Investments		-	-	-	8,534,461,407	8,534,461,407
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	31,222,134	31,222,134
Sub total		<u>352,741,673</u>	<u>-</u>	<u>-</u>	<u>9,110,564,508</u>	<u>9,463,306,181</u>
Financial liabilities						
Payable to the Management Company		-	-	-	33,187,626	33,187,626
Payable to the Trustee		-	-	-	956,649	956,649
Accrued and other liabilities		-	-	-	21,175,992	21,175,992
Payable against purchase of investments		-	-	-	177,823,166	177,823,166
Sub Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>233,143,433</u>	<u>233,143,433</u>
On-balance sheet gap		<u>352,741,673</u>	<u>-</u>	<u>-</u>	<u>8,877,421,075</u>	<u>9,230,162,748</u>
Total profit rate sensitivity gap		<u>352,741,673</u>	<u>-</u>	<u>-</u>	<u>8,877,421,075</u>	<u>9,230,162,748</u>
Cumulative profit rate sensitivity gap		<u>352,741,673</u>	<u>352,741,673</u>	<u>352,741,673</u>		

20.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2018. The analysis is based on the assumption that the PSX index had increased or 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 PSX index, having regard to the historical volatility of the index for the past three years.

At June 30, 2018, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	2018	2017
	-----Rupees-----	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investment and net assets	<u>39,772,175</u>	<u>85,344,614</u>
Income statement	<u>39,772,175</u>	<u>85,344,614</u>

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

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, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
(Rupees)				
Bank balances	460,282,173	460,282,173	895,022,640	895,022,640
Investments	3,977,217,509	-	8,534,461,407	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Receivable against sale of investments	19,011,542	19,011,542	-	-
Dividend, profit and other receivable	9,347,800	9,347,800	31,222,134	31,222,134
	<u>4,468,459,024</u>	<u>491,241,515</u>	<u>9,463,306,181</u>	<u>928,844,774</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 3,977.218 million (2017: Rs 8,534.461 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2018 and June 30, 2017.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Name of Bank	Rating Agency	Rating	2018	2017
			----- (%) -----	
BankIslami Pakistan Limited	PACRA	A1	94.73	36.42
Habib Bank Limited	JCR-VIS	A-1+	0.002	0.08
Silk Bank Limited (Emaan Islamic Banking)	JCR-VIS	A-2	0.03	0.02
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A-1	0.004	0.001
National Bank of Pakistan	PACRA	A1+	0.40	-
Bank Alfalah Limited	PACRA	A1+	4.83	63.48
			<u>100.00</u>	<u>100.00</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with banks having reasonably high credit rating and in listed equity securities which are not exposed to credit risk.

20.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in 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 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.

2018	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
Rupees					
Financial assets					
Bank balances	460,282,173	-	-	-	460,282,173
Investments	3,977,217,509	-	-	-	3,977,217,509
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	19,011,542	-	-	-	19,011,542
Dividend, profit and other receivable	9,347,800	-	-	-	9,347,800
	4,468,459,024	-	-	-	4,468,459,024
Financial liabilities					
Payable to the Management Company	27,823,051	-	-	-	27,823,051
Payable to the Trustee	509,195	-	-	-	509,195
Accrued and other liabilities	5,346,475	-	-	-	5,346,475
	33,678,721	-	-	-	33,678,721
Net assets	4,434,780,303	-	-	-	4,434,780,303

2017	Within	1 to 3	3 to 12	1 to 5	Total
	1 month	months	months	years	
Rupees					
Financial assets					
Bank balances	895,022,640	-	-	-	895,022,640
Investments	8,534,461,407	-	-	-	8,534,461,407
Security deposits	2,600,000	-	-	-	2,600,000
Dividend, profit and other receivable	31,222,134	-	-	-	31,222,134
	9,463,306,181	-	-	-	9,463,306,181
Financial liabilities					
Payable to the Management Company	33,187,626	-	-	-	33,187,626
Payable to the Trustee	956,649	-	-	-	956,649
Accrued and other liabilities	21,175,992	-	-	-	21,175,992
Payable against purchase of investments	177,823,166	-	-	-	177,823,166
	233,143,433	-	-	-	233,143,433
Net assets	9,230,162,748	-	-	-	9,230,162,748

20.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3.5 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

	As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through profit or loss - held for trading				
Listed equity securities	3,977,217,509	-	-	3,977,217,509

	As at June 30, 2017			
	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through profit or loss - held for trading				
Listed equity securities	8,534,461,407	-	-	8,534,461,407

20.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may causes 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 of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

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

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

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, 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.

22 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.

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 16, 2018** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	756	17,098,423	1,065,382,226	24%
Associated Co./ Directors	-	-	-	-
Retirement & Other Funds	31	21,669,367	1,350,192,314	31%
Insurance Co.	4	1,752,714	109,209,522	2%
Others	32	29,822,190	1,858,185,692	42%
	823	70,342,694	4,382,969,754	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	759	26,955,951	1,963,010,965	22%
Associated Co./ Directors	-	-	-	-
Retirement & Other Funds	23	14,156,690	1,030,931,223	11%
Insurance Co.	5	1,636,512	119,175,566	1%
Others	38	82,625,989	6,017,064,103	66%
	825	125,375,142	9,130,181,857	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018
	%
Inter Market Securities Limited	8%
Shajar Capital Pakistan Private Limited	7%
Arif Habib Limited	7%
Alfalah Securities (Private) Limited	7%
IGI Finex Securities Limited	7%
Insight Securities (Private) Limited	7%
Optimus Capital Management (Pvt) Limited	6%
Topline Securities (Pvt) Limited	5%
Nael Capital Private Limited	5%
Foundation Securities Limited	5%
	30 June 2017
	%
JS Global Capital Limited	9%
Inter Market Securities Limited	8%
EFG Hermes Pakistan Limited	8%
Nael Capital Private Limited	6%
AKD Securities Ltd.	6%
Next Capital Limited	6%
Optimus Capital Management (Pvt) Limited	5%
Alfalah Securities (Private) Limited	5%
Fortune Securities Limited	5%
Topline Securities (Pvt) Limited	4%

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

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st , 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017 ,26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGISF

	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
	(Rupees in '000)				
Net Assets	4,382,970	9,130,181	1,986,726	579,873	331,974
NAV per unit	62.3088	72.8229	63.8413	59.9615	54.3800
Selling price per unit	64.4211	75.2916	66.3740	63.9609	58.0387
Redemption price per unit	62.3088	72.8229	63.8413	59.9615	54.3800
Highest selling price per unit	76.4498	92.9008	76.8310	73.1806	73.7277
Highest redemption price per unit	73.9431	89.8547	73.8993	68.6047	69.0800
Lowest selling price per unit	60.5991	66.4375	60.6278	55.7200	58.0387
Lowest redemption price per unit	58.6121	64.2591	58.3144	52.2100	54.3800
Total interim distribution per unit	Nil	6.9204	8.1072	7.3107	14.991
Interim distribution date	N/A	29-Jun-17	29-Jun-16	30-Jun-15	30-Jun-14
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-14.43%	24.81%	20.33%	23.79%	18.42%
Income distribution	Nil	10.84%	13.52%	13.44%	25.53%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **9.08%**

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

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
The General Tyre & Rubber Company of Pakistan Limited							
EOGM	22-Aug-17	Election of Directors	678,200	1.135%	✓		
Pakistan Petroleum Limited							
EOGM	16-Sep-17	Confirm Minutes of previous AGM	1,439,600	0.073%	✓		
		Election of Directors					
Thal Limited							
AGM	9-Oct-17	Approval of Annual Accounts of the Company	463,600	0.572%	✓		
		Declaration of Dividend					
		Appointment of statutory Auditor					
Pak Suzuki Motors Company Limited.							
EOGM	2-Feb-18	Election of Directors	222,214	0.270%	✓		
Engro Corporation Limited							
AGM	24-Apr-18	Approval of Annual Accounts of the Company	1,080,419	0.201%	✓		
		Declaration of Dividend					
		Appointment of statutory Auditor					
		Election of Directors					



**Alfalah
GHP Value Fund**

CORPORATE INFORMATION

Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Value Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

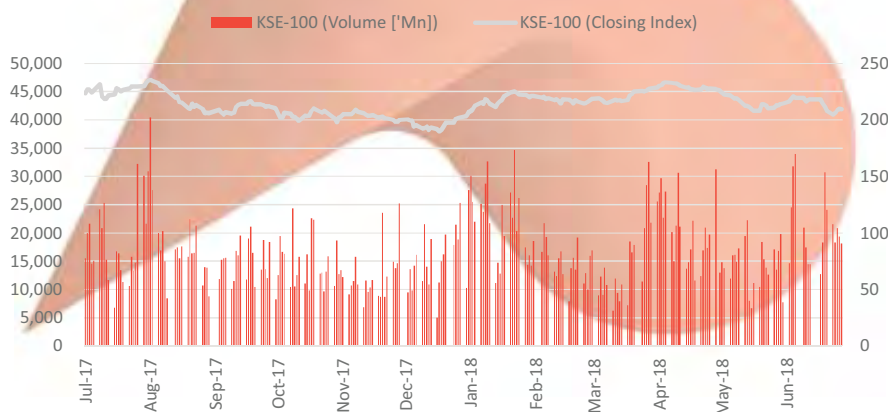
The investment objective of Alfalah GHP Value Fund (AGVF) is to generate stable and consistent returns from a well-diversified portfolio consisting of high quality equity and debt securities.

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.

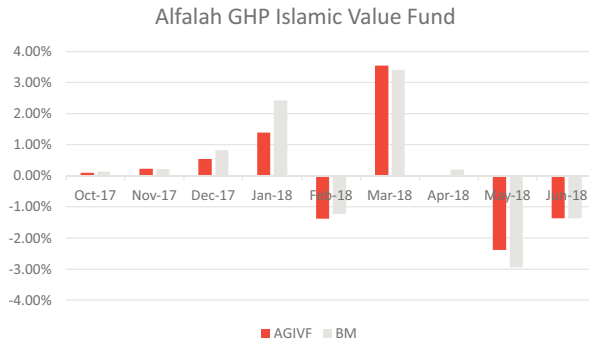
Equity Market Review

The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of the year, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.



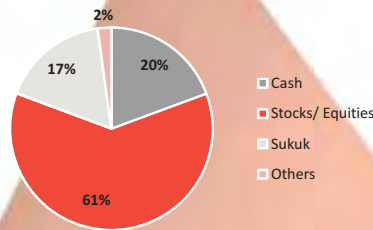
Fund Performance

During the period under review, KMI-30 posted a negative return of 9.6% as investors opted to maintain cautious stance over equities. The positives like Country's updated status to MSCI Emerging market and increase in CPEC related investments were overshadowed by concerns related to political instability and general concerns over deteriorating macroeconomic indicators. Alfalah GHP Islamic Value Fund posted a return of 0.5% since inception (12-Oct-2017) as compared to its benchmark of 1.5%. This was mainly due to underperformance by Automobile, Cement, Steel, and Oil Marketing companies. The volatile margins, regulatory issues, and currency depreciation were the major reasons for this underperformance. On the positive side, exposures to Upstream Oil & Gas and Fertilizer sectors rendered much needed support. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies.



Assets Allocation

**Asset Allocation
(as at 30 June 2018)**



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) 34326020-23
URL: www.cdc-pakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP VALUE FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 19, 2018



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah GHP Value Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds 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, 2018, and of its financial performance, its cash flows and transactions 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Amendments to NBFC Regulations, 2008</p> <p>(Refer note 3.10 to the annexed financial statements)</p> <p>The Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756(I) / 2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impact of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly include changes with respect to recognition, measurement and presentation of "element of</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income.verified transactions on a test basis with the underlying records of the reports provided by the management to ensure their compliance with the

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>income", addition of certain disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund'.</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.10.</p> <p>The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<p>revised regulations.</p> <ul style="list-style-type: none"> • verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value</p> <p>(Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 1,745.09 million and bank balances aggregated to Rs 413.83 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments. • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled 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. • obtained approval of Board of Directors of the management company in relation to opening and closing of bank accounts. • 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 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.

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 Requirement

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

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

Chartered Accountants

Karachi

Date: September 24, 2018

ALFALAH GHP VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

	2018	2017
	----- (Rupees) -----	-----
ASSETS		
Bank balances	4 413,834,710	124,504,277
Investments	5 1,745,094,605	2,036,181,378
Security deposits	6 2,600,000	2,600,000
Receivable against sale of investments	7 781,226	-
Dividend, prepayment and other receivables	8 8,162,350	4,569,368
Total assets	2,170,472,891	2,167,855,023
LIABILITIES		
Payable to the Management Company	9 16,598,966	13,802,495
Payable to the Trustee	10 377,508	397,107
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11 2,236,126	1,466,796
Accrued expenses and other liabilities	12 13,893,436	62,992,622
Total liabilities	33,106,036	78,659,020
NET ASSETS	<u>2,137,366,855</u>	<u>2,089,196,003</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	<u>2,137,366,855</u>	<u>2,089,196,003</u>
CONTINGENCIES AND COMMITMENTS	13	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	<u>34,484,056</u>	<u>29,648,513</u>
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	<u>61.9813</u>	<u>70.4655</u>

The annexed notes from 1 to 27 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Note	----- (Rupees) -----	
Income		
Profit / mark-up income	14 37,519,361	20,180,785
Dividend income	88,273,735	48,422,664
(Loss) / gain on sale of investment - net	(277,821,682)	125,270,953
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.8 (72,640,150)	75,911,346
	(262,188,097)	249,604,963
Reversal of provision against Workers' Welfare Fund	12.1 -	13,380,235
Total income	(224,668,736)	283,165,983
Expenses		
Remuneration of the Management Company	9.1 47,076,375	30,879,897
Sindh sales tax on remuneration of the Management Company	9.2 6,119,899	4,014,371
Allocated expenses	9.4 2,353,809	1,537,124
Selling and marketing expenses	9.5 12,036,510	964,461
Remuneration of the Trustee	10.1 3,353,969	2,438,187
Sindh sales tax on remuneration of the Trustee	10.2 436,012	316,966
Annual fee to the Securities and Exchange Commission of Pakistan	11 2,236,126	1,466,796
Brokerage expense and capital value tax	4,936,709	5,076,273
Bank and settlement charges	790,520	634,369
Auditors' remuneration	15 762,794	676,346
Fees and subscriptions	172,144	156,378
Legal and professional charges	-	11,667
Provision against Sindh Workers' Welfare Fund	12.1 -	12,040,338
Total expenses	80,274,867	60,213,173
Net (loss) / income for the year before element of income and capital gains included in prices of units issued less those in units redeemed - net	(304,943,603)	222,952,810
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	238,535,707
Net (loss) / income for the year before taxation	(304,943,603)	461,488,517
Taxation	18 -	-
Net (loss) / income for the year after taxation	(304,943,603)	461,488,517
Allocation of net income for the year		
Net income for the year after taxation	-	-
Income already paid on units redeemed	-	-
Accounting income available for distribution		
- Relating to capital gain	-	-
- Excluding capital gain	-	-

The annexed notes from 1 to 27 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

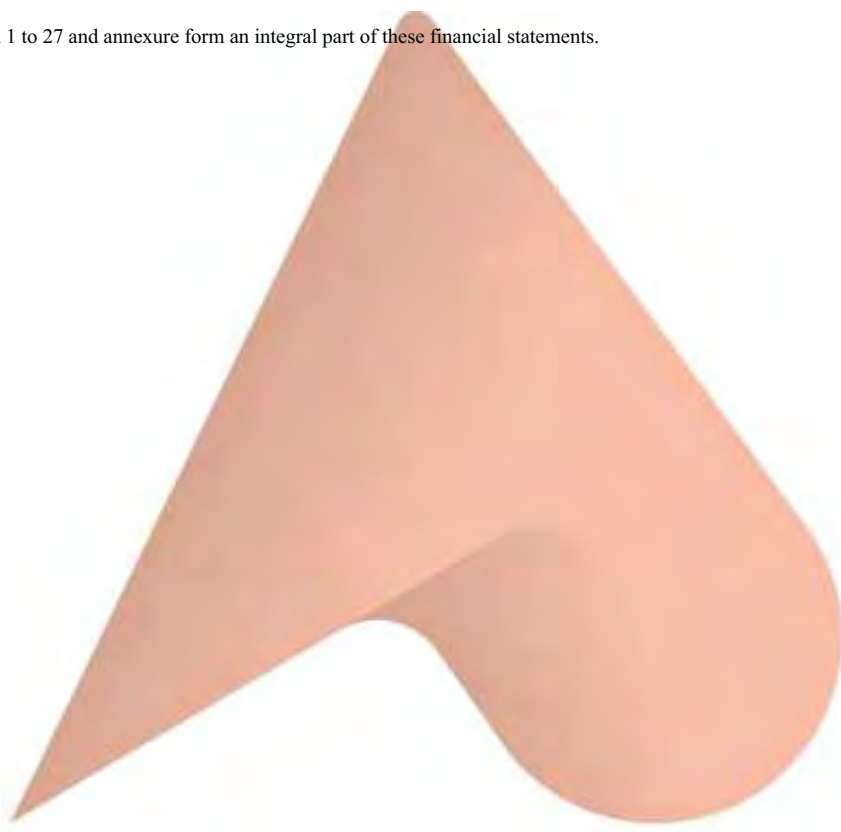
Chief Financial Officer

Director

ALFALAH GHP VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----- (Rupees) -----	
Net (loss) / income for the year after taxation	(304,943,603)	461,488,517
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	<u>(304,943,603)</u>	<u>461,488,517</u>

The annexed notes from 1 to 27 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the year before taxation	(304,943,603)	461,488,517
Adjustments for:		
Unrealised loss / (gain) on revaluation of investments classified as at fair value through profit or loss' - held-for-trading - net	72,640,150	(75,911,346)
Reversal of provision against Workers' Welfare Fund	-	(13,380,235)
Provision against Sindh Workers' Welfare Fund	-	12,040,338
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(238,535,707)
	<u>(232,303,453)</u>	<u>145,701,567</u>
Decrease / (increase) in assets		
Investments - net	19,525,423	(1,233,703,325)
Dividend, prepayment and other receivables	(3,592,982)	(1,191,959)
Receivable against sale of investments	(781,226)	-
	15,151,215	(1,234,895,284)
Increase / (decrease) in liabilities		
Payable to the Management Company	2,796,471	5,273,691
Payable to the Trustee	(19,599)	(11,275)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	769,330	789,986
Accrued expenses and other liabilities	(49,099,186)	41,790,968
	<u>(45,552,984)</u>	<u>47,843,370</u>
Net cash flows used in operating activities	<u>(262,705,222)</u>	<u>(1,041,350,347)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	1,368,912,801	3,530,234,066
Payments made against redemption of units	(1,015,798,346)	(2,068,786,793)
Dividend paid	-	(251,168,860)
Net cash flows generated from financing activities	353,114,455	1,210,278,413
Net increase in cash and cash equivalents during the year	90,409,233	168,928,066
Cash and cash equivalents at beginning of the year	323,425,477	154,497,411
Cash and cash equivalents at end of the year	16 <u>413,834,710</u>	<u>323,425,477</u>

The annexed notes from 1 to 27 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Value Fund is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on May 19, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on May 13, 2005. The SECP approved the first Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. NBFC/RS/AGIML/AGVF/200/2010 dated March 18, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Value Fund.

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, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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.

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.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated December 22, 2017 to the Management Company and 4-Star (short-term) and 4-Star (long-term) to the Fund in its rating report dated September 26, 2017.

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.

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to 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 approved accounting standards that are not yet effective

2.3.1 The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	July 1, 2018
- IFRS-15 Revenue from contracts with customers	July 1, 2018
- IFRS-16 Leases	January 1, 2019

These standards may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

2.3.2 There are certain other new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2018 but are considered not to be relevant or to 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 approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- i. Classification and valuation of financial assets (notes 3.3.1, 3.3.5 and 5)
- ii. Impairment of financial assets (note 3.3.6)
- iii. Taxation (note 3.7 and 18)
- iv. Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 9.3 and 12.1 respectively)

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except for the change in accounting policy as explained in note 3.10 below.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.3.3 Regular way contracts

Regular 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 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 expensed out in the income statement.

3.3.5 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in listed equity securities and listed real investment trust units is determined by reference to Stock Exchange quoted market prices at the close of period end.
- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.
- Other debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

3.3.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.3.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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.

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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 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 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 section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Dividend distribution and appropriations

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 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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to

'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 12.38 million with no effect on the NAV per unit of the Fund. Furthermore, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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 loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Unrealised gain / loss arising on revaluation of investments classified as held for trading is included in the income statement in the period in which it arises.
- Income on bank balances, certificates of modaraba, term deposit receipts, debt and Government securities is recognised on an accrual basis using the effective interest method.

3.13 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

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

	Note	2018	2017
		----- (Rupees) -----	
4 BANK BALANCES			
In savings accounts	4.1	<u>413,834,710</u>	<u>124,504,277</u>
4.1 The rate of return on these accounts ranges from 4% to 7.40% (2017: 5.30% to 6.60%) per annum. It includes Rs 411.196 million (2017: Rs 124.464 million) maintained with Bank Alfalah Limited, (a related party).			
5 INVESTMENTS			
		----- (Rupees) -----	
At fair value through profit or loss' - held for trading			
Listed equity securities	5.1	1,639,491,990	1,837,251,850
Listed real estate investment trust units	5.2	9,082	8,328
Market Treasury Bills	5.3	-	198,921,200
Sukuk certificates	5.4	75,038,760	-
Term finance certificates (TFCs)	5.5	30,554,773	-
Available for sale			
Term finance certificate	5.6	-	-
		<u>1,745,094,605</u>	<u>2,036,181,378</u>

5.1 Listed equity securities - 'At fair value through profit or loss' - held for trading

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2017	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018			Market value as a percentage of:		Holding as a percentage of paid up capital of the investee company
						Carrying Cost	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments	
						Number of shares			(Rupees)		
Fertilizer											
Engro Corporation Limited	245,500	332,600	-	298,900	279,200	85,183,467	87,629,712	2,446,245	4.10%	5.02%	0.01%
Engro Fertilizers Limited	418,000	1,345,000	-	315,000	1,448,000	92,213,206	108,469,680	16,256,474	5.07%	6.22%	0.01%
Fauji Fertilizer Company Limited	-	1,267,000	-	413,500	853,500	76,843,065	84,402,615	7,559,550	3.95%	4.84%	0.01%
Fauji Fertilizer Bin Qasim Limited	-	1,083,000	-	323,000	760,000	32,182,548	29,336,000	(2,846,548)	1.37%	1.68%	0.01%
						286,422,286	309,838,007	23,415,721	14.99%	17.76%	
Chemicals											
ICI Pakistan Limited	25,000	300	-	15,120	10,180	11,134,083	8,159,270	(2,974,813)	0.38%	0.47%	0.00%
Engro Polymer and Chemicals Limited	890,000	1,070,000	-	1,436,500	523,500	18,050,835	16,416,960	(1,633,875)	0.77%	0.94%	0.01%
						29,184,918	24,576,230	(4,608,688)	1.15%	1.41%	
Commercial banks											
Bank Alfalah Limited (a related party)	730,500	1,905,500	-	1,120,500	1,515,500	66,503,382	79,245,495	12,742,113	3.71%	4.54%	0.01%
Bank AL Habib Limited	539,000	739,500	-	599,000	679,500	43,594,013	53,564,985	9,970,972	2.51%	3.07%	0.01%
Faysal Bank Limited	-	1,125,500	102,000	400,000	827,500	19,825,844	21,515,000	1,689,156	1.01%	1.23%	0.01%
Meezan Bank Limited	-	392,500	48,500	165,000	276,000	20,790,714	22,554,720	1,764,006	1.06%	1.29%	
National Bank of Pakistan	-	432,000	-	432,000	-	-	-	-	-	-	-
Habib Bank Limited	365,400	870,700	-	622,100	614,000	128,001,251	102,194,160	(25,807,091)	4.78%	5.86%	0.00%
Habib Metropolitan Bank Limited	-	121,500	-	121,500	-	5,476,620	5,267,025	(209,595)	0.25%	0.30%	0.00%
JS Bank Limited	1,170,500	-	-	1,170,500	-	-	-	-	-	-	-
MCB Bank Limited	306,500	486,700	-	412,300	380,900	82,044,714	75,330,593	(6,714,121)	3.52%	4.32%	0.00%
United Bank Limited	342,200	446,300	-	264,800	523,700	17,171,135	88,494,826	71,323,691	4.14%	5.07%	0.00%
The Bank of Punjab	2,245,000	2,446,500	-	3,289,000	1,402,500	111,402,397	16,928,175	(94,474,222)	0.79%	0.97%	0.01%
						494,810,070	465,094,979	(29,715,091)	21.77%	26.65%	
Cement											
D.G. Khan Cement Company Limited	306,600	593,000	-	672,500	227,100	33,347,303	26,000,679	(7,346,624)	1.22%	1.49%	0.01%
Lucky Cement Limited	127,100	88,100	-	113,700	101,500	72,093,058	51,554,895	(20,538,163)	2.41%	2.95%	0.00%
Kohat Cement Limited	-	93,200	-	93,600	-	1,458,177	1,181,472	(276,705)	0.06%	0.07%	0.00%
Fauji Cement Company Limited	-	1,374,500	-	1,050,500	324,000	8,445,627	7,403,400	(1,042,227)	0.35%	0.42%	0.00%
Cherat Cement Company Limited	249,300	253,500	-	475,600	27,200	3,546,912	2,644,656	(902,256)	0.12%	0.15%	0.00%
Pioneer Cement Limited	158,100	45,500	-	203,600	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	234,700	687,900	25,100	641,600	306,100	20,292,126	15,531,514	(4,760,612)	0.73%	0.89%	0.01%
						139,183,203	104,316,616	(34,866,587)	4.89%	5.97%	
Power generation and distribution											
Hub Power Company Limited	355,900	604,000	-	205,200	754,700	85,169,655	69,553,152	(15,616,503)	3.25%	3.99%	0.01%
Kot Addu Power Company Limited	-	672,000	-	16,000	656,000	37,385,118	35,364,960	(2,020,158)	1.65%	2.03%	0.01%
						122,554,773	104,918,112	(17,636,661)	4.90%	6.02%	
Oil and gas marketing companies											
Attock Petroleum Limited	36,400	-	-	36,400	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	90,500	178,200	32,000	201,800	98,900	34,151,069	31,480,859	(2,670,210)	1.47%	1.80%	0.00%
Haseco Petroleum Limited	69,124	31,588	1,588	97,888	4,412	1,229,113	1,384,309	155,196	0.06%	0.08%	0.00%
Hi-Tech Lubricants Limited	-	14,000	-	12,000	2,000	180,000	202,640	22,640	0.01%	0.01%	0.00%
Shell Pakistan Limited	35,000	5,000	-	40,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	545,000	585,000	-	952,900	177,100	23,244,007	17,748,962	(5,495,045)	0.83%	1.02%	0.00%
						58,804,189	50,816,770	(7,987,419)	2.37%	2.91%	
Oil and gas exploration companies											
Mari Petroleum Company Limited	50,534	10,320	-	13,580	47,274	74,083,769	71,203,153	(2,880,616)	3.33%	4.08%	0.00%
Oil and Gas Development Company Limited	575,200	658,300	-	344,800	888,700	135,665,426	138,299,494	2,634,068	6.47%	7.93%	0.00%
Pakistan Oilfields Limited	99,100	143,000	-	109,700	132,400	73,262,829	88,944,996	15,682,167	4.16%	5.10%	0.01%
Pakistan Petroleum Limited	143,000	784,500	-	317,000	610,500	114,612,769	131,196,450	16,583,681	6.14%	7.52%	0.00%
						397,624,793	429,644,993	32,019,300	20.10%	24.63%	
Automobile assembler											
Pak Suzuki Motor Company Limited	67,300	28,150	-	95,350	100	69,207	39,338	(29,869)	0.00%	0.00%	0.00%
Millat Tractors Limited	-	4,500	-	4,500	4,500	6,057,500	5,346,270	(711,230)	0.25%	0.31%	0.00%
Honda Atlas Cars (Pakistan) Limited	8,900	36,500	-	45,400	-	-	-	-	-	-	-
Indus Motors Company Limited	31,660	5,140	-	30,840	5,960	10,638,170	8,471,902	(2,166,268)	0.40%	0.49%	0.00%
						16,764,877	13,857,510	(2,907,367)	0.65%	0.80%	
Automobile parts and accessories											
General Tyre and Rubber Company of Pakistan Limited	155,100	7,100	-	162,200	-	-	-	-	-	-	-
Thal Limited (Face Value of Rs. 5)	129,600	15,700	-	145,250	50	30,330	23,877	(6,453)	0.00%	0.00%	0.00%
						30,330	23,877	(6,453)	0.00%	0.00%	
Cable and electrical goods											
Pak Elektron Limited	-	606,000	-	606,000	-	-	-	-	-	-	-
Textile composite											
Gul Ahmed Textile Mills Limited	91,800	-	-	52,000	39,800	1,631,004	1,708,614	77,610	0.08%	0.10%	0.00%
Nishat Mills Limited	360,200	253,000	-	451,700	161,500	25,198,197	22,758,580	(2,439,617)	1.06%	1.30%	0.00%
Nishat Chunian Limited	-	818,000	-	818,000	-	-	-	-	-	-	-
Kohinoor Textile Mills Limited	1,300	-	2	-	1,302	136,789	71,597	(65,192)	0.00%	0.00%	0.00%
						26,965,990	24,538,791	(2,427,199)	1.14%	1.40%	
Food and personal care products											
Treet Corporation Limited	374,000	132,500	-	506,500	-	-	-	-	-	-	-
Fauji Foods Limited	-	425,000	-	-	425,000	16,287,610	13,719,000	(2,568,610)	0.64%	0.79%	0.04%
						16,287,610	13,719,000	(2,568,610)	0.64%	0.79%	
Engineering											
Anureli Steels Limited	279,000	16,000	-	295,000	-	-	-	-	-	-	-
Crecent Steel and Allied Products Limited	126,575	25,500	-	126,575	25,500	3,774,460	2,324,835	(1,449,625)	0.11%	0.13%	0.00%
International Industries Limited	142,300	98,100	-	103,700	136,700	44,134,160	31,754,109	(12,380,051)	1.49%	1.82%	0.01%
International Steels Limited	404,500	428,000	-	483,000	349,500	42,296,116	35,544,150	(6,751,966)	1.66%	2.04%	0.01%
Mughal Iron and Steel Industries Limited	-	288,000	-	34,500	253,500	18,510,548	15,569,970	(2,940,578)	0.73%	0.89%	0.01%
						108,715,284	85,193,064	(23,522,220)	3.99%	4.88%	
Pharmaceuticals											
Abbott Laboratories Pakistan Limited	21,500	-	-	21,500	-	-	-	-	-	-	-
The Searle Company Limited	68,147	86,100	10,489	131,800	32,936	12,874,771	11,181,772	(1,692,999)	0.52%	0.64%	0.00%
						12,874,771	11,181,772	(1,692,999)	0.52%	0.64%	
Paper and board											
Packages Limited	70,700	27,000	-	97,700	-	-	-	-	-	-	-
Miscellaneous											
Synthetic Products Limited	259,400	500	-	225,200	34,700	2,613,283	1,773,169	(840,114)	0.08%	0.10%	0.00%
Investment Banks / Investment Companies / Securities Companies											
Arif Habib Limited	220,500	-	-	220,500	-	-	-	-	-	-	-
As at June 30, 2018	13,165,640	24,186,998	219,679	21,518,303	16,054,014	1,712,836,377	1,639,491,990	(73,344,387)			
As at June 30, 2017	3,358,923	24,246,890	1,531,052	15,971,225	13,165,640	1,761,317,765	1,837,251,850	75,934,085			

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposits tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has 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, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at June 30, 2018, the following bonus shares of the Fund were withheld by certain companies at the time of declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of investee Company	2018		2017	
	Bonus Shares			
	Number	Market value	Number	Market value
Hascol Petroleum Limited	2,782	872,880	2,782	948,940
Kohinoor Textile Mills Limited	1,260	69,287	1,260	132,464
Mari Petroleum Company Limited	54	81,334	54	85,085
The Searle Company Limited	2,764	938,378	1,882	963,546
Synthetic Products Limited	1,245	63,620	1,245	93,935
Pakistan State Oil Company Limited	1,600	509,296	-	-
Faysal Bank Limited	5,100	132,600	-	-
	14,805	2,667,395	7,223	2,223,970

5.1.2 The above investments include shares having a market value (in aggregate) amounting to 59,957 million (June 30, 2017: Rs 37,125 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	2018	2017	2018	2017
	Number of shares		Rupees	
Oil and Gas Development Company Limited	320,000	145,000	49,798,400	20,400,050
Lucky Cement Limited	20,000	20,000	10,158,600	16,725,200
	340,000	165,000	59,957,000	37,125,250

5.2 Listed real estate investment trust units - 'At fair value through profit or loss' - held for trading

Name of the investee company	As at July 01, 2017	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying cost	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments	
						(Rupees)			(%)		
Dolmen City REIT (face value of Rs.10 each)	704	-	-	-	704	8,328	9,082	754	0.00%	0.00%	0.00%
As at June 30, 2018	704	-	-	-	704	8,328	9,082	754			
As at June 30, 2017	526,704	-	-	526,000	704	7,603	8,328	725			

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

Particulars	Face value				As at June 30, 2018	Carrying cost as at June 30, 2018	Market value as at June 30, 2018	Appreciation/ (diminution)	Market value as a percentage of	
	As at July 01, 2017	Purchased during the year	Sold / matured during the year	As at June 30, 2018					Net assets of the fund	Total market value of investments
Market Treasury Bills - 3 months	200,000,000	2,472,000,000	2,672,000,000	-	-	-	-	-	0.00%	0.00%
Total as at June 30, 2018	200,000,000	2,472,000,000	2,672,000,000	-	-	-	-	-		
Total as at June 30, 2017	50,000,000	3,550,000,000	3,400,000,000	200,000,000	198,944,664	198,921,200	(23,464)			

5.3.1 These represent market treasury bills carrying purchase yield of Nil (2017: 6.13% per annum). These market treasury bills have maturity upto Nil (2017: August 03, 2017).

5.4 Sukuk certificates - 'At fair value through profit or loss' - held for trading

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity	As at July 01, 2017	Purchased during the year	Matured / Sold during the year	As at June 30, 2018	Carrying cost as at June 30, 2018	Market value as at June 30, 2018	Appreciation/ (diminution)	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment	Investment as % of issue size
Dawood Hercules	3 Months Kibor + 1.00%	Secured	March 1, 2023	-	600	-	600	60,000,000	60,038,760	38,760	2.81%	3.44%	1.00%
International Bran	12 Month Kibor + 0.50%	Secured	November 15, 2021	-	150	-	150	15,030,000	15,000,000	(30,000)	0.70%	0.86%	0.53%
Total as at June 30, 2018								75,030,000	75,038,760	8,760			
Total as at June 30, 2017								-	-	-			

5.5 Term finance certificates - 'At fair value through profit or loss' - held for trading

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity	As at July 01, 2017	Purchased during the year	Matured / Sold during the year	As at June 30, 2018	Carrying cost as at June 30, 2018	Market value as at June 30, 2018	Appreciation/ (diminution)	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment	Investment as % of issue size
				----- (Number of certificates) -----			----- (Rupees) -----			----- (%) -----			
The Bank Of Punjab	6 Month Kibor + 1.00%	Unsecured	December 23, 2026	-	250	-	250	24,860,050	25,545,513	685,463	1.20%	1.46%	1.02%
TPL Corp Limited	3 Months Kibor + 1.50%	Secured	December 19, 2019	-	50	-	50	5,000,000	5,009,260	9,260	0.23%	0.29%	0.42%
Total as at June 30, 2018								<u>29,860,050</u>	<u>30,554,773</u>	<u>694,723</u>			
Total as at June 30, 2017													

5.6 Term finance certificates - Available for sale

Name of the Investee company	Face value				Carrying cost as at June 30, 2018	Market value as at June 30, 2018	Appreciation/ (diminution)	Market value as a percentage of	
	As at July 01, 2017	Purchased during the year	Sold during the year	As at June 30, 2018				Net assets of the fund	Total market value of investments
----- Number of certificate -----				----- (Rupees) -----					
Unlisted Term Finance Certificates									
Agritech Limited (IV issue) (Formerly Pak American Fertilizer Limited)	1,141	-	-	1,141	-	-	-	-	-
Total as at June 30, 2018	<u>1,141</u>	<u>-</u>	<u>-</u>	<u>1,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2017	<u>1,141</u>	<u>-</u>	<u>-</u>	<u>1,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 recognized in income upon realisation.

5.7 Non compliant investments

Name of non compliant investment	Type of investment	Value of Investment before provision	Provision balance as on July 01, 2017	Provision during the year	Provision held, if any	Value of investment after provision	Fair value as a percentage of:		Credit rating
							Net assets	Gross assets	
----- (Rupees) -----									
Agritech Limited (IV issue)	Term finance certificates	5,705,000	(5,705,000)	-	(5,705,000)	-	-	-	CCC

5.7.1 At the time of purchase / investment, the TFCs and Sukuk were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules. However, subsequently they were defaulted or downgraded upon default to non investment grade and became non-compliant with the investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules and with the requirements of the Constitutive Documents. Disclosure of the non-compliance is made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

5.8 Net unrealized (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss'

Note 2018 2017
----- (Rupees) -----

Market value of investments	1,745,094,605	2,036,181,378
Less: Carrying value of investments	<u>(1,817,734,755)</u>	<u>(1,960,270,032)</u>
	<u>(72,640,150)</u>	<u>75,911,346</u>

6 SECURITY DEPOSITS

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

7 RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents receivable against sale of investments which requires delivery and settlement / payment of securities within two days after transaction date as required by stock exchange regulations. These amounts have been received subsequent to the year ended June 30, 2018.

8 DIVIDEND, PREPAYMENT AND OTHER RECEIVABLES

Note 2018 2017
----- (Rupees) -----

Dividend receivable	3,306,372	4,490,398
Profit receivable on bank balances	566,642	6,030
Profit receivable on term finance certificates	54,685	-
Profit receivable on sukuk certificates	1,039,334	-
Prepaid rating fee	-	72,940
Advance against Initial Public Offer subscription	3,000,000	-
Advance tax	195,317	-
	<u>8,162,350</u>	<u>4,569,368</u>

9 PAYABLE TO THE MANAGEMENT COMPANY	Note	2018	2017
		----- (Rupees) -----	
Management remuneration payable	9.1	3,611,750	3,958,467
Sindh sales tax payable on management remuneration	9.2	1,085,642	1,130,724
Federal excise duty payable on management remuneration	9.3	5,888,310	5,888,310
Payable against allocated expenses	9.4	1,152,944	979,956
Payable against selling and marketing expenses	9.5	4,611,779	964,461
Sales load payable		248,541	880,577
		<u>16,598,966</u>	<u>13,802,495</u>

9.1 The Management Company has charged remuneration at the rate of 2% (2017: 2%) 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, Sindh Sales Tax on management remuneration has been charged at 13% (2017: 13%).

9.3 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.

During 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 July 01, 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 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 5.89 million (2017: 5.89 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 made, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 0.17 (2017: Re 0.20) per unit.

9.4 The Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

9.5 The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 40 of 2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the Fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the year ended June 30, 2018 at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

Further, during the year ended June 30, 2017 the Fund charged marketing expenses at the rate of 0.4% of the net assets of the Fund, being lower than actual expenses incurred w.e.f. May 26, 2017 (date of opening of branch). However, the SECP subsequently issued a clarification that marketing expenses which are not specifically linked to opening of new branches shall become applicable from the date of approval of the annual plan by the Board of Directors of the Management Company. Accordingly, based on the clarification issued by the SECP, marketing expenses (which are not specifically linked to opening of new branches) incurred for the period from February 14, 2017 (plan approval date) to May 25, 2017 amounting to Rs 2.62 million have been charged during the current year.

10 PAYABLE TO THE TRUSTEE	Note	2018	2017
		----- (Rupees) -----	
Trustee remuneration payable	10.1	343,252	360,592
Sindh Sales tax payable on trustee remuneration	10.2	34,256	36,515
		<u>377,508</u>	<u>397,107</u>

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

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

The same level of trustee fee was charged during the year 2017.

10.2 During the year, Sindh Sales Tax on trustee remuneration has been charged at 13% (2017: 13%).

11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2018	2017
		----- (Rupees) -----	
Annual fee payable to the SECP	11.1	2,236,126	1,466,796
11.1	Under the provisions of the NBFC Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 (2017: 0.095) percent of the average annual net assets of the Fund.		
	Note	2018	2017
		----- (Rupees) -----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision against Sindh Workers' Welfare Fund (SWWF)	12.1	12,040,338	12,040,338
Auditors' remuneration		583,693	502,248
Withholding tax		480,038	25,021,288
Brokerage expense		283,540	606,869
Sales load payable		260,774	24,518,406
Printing charges		82,757	138,156
Rating fee payable		71,704	-
Settlement charges		31,443	69,628
Capital value tax		10,558	18,461
Others		48,591	77,228
		<u>13,893,436</u>	<u>62,992,622</u>
12.1	As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).		
	In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.		
	Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2018, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.35 (2017: Re. 0.41) per unit.		
13 CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments outstanding as at June 30, 2018 and June 30, 2017.			
		2018	2017
		----- (Rupees) -----	
14 PROFIT / MARK-UP INCOME			
Profit / mark-up on:			
- Market Treasury bills		12,641,959	4,396,108
- Term finance certificates		2,931,740	-
- Bank balances		21,945,662	15,784,677
		<u>37,519,361</u>	<u>20,180,785</u>
15 AUDITORS' REMUNERATION			
Audit fee		400,000	332,750
Review and other certifications		227,000	226,270
Sindh Sales tax		50,160	33,541
Out of pocket expenses		85,634	83,785
		<u>762,794</u>	<u>676,346</u>

	2018	2017
	----- (Rupees) -----	
16 CASH AND CASH EQUIVALENTS		
Bank balances	413,834,710	124,504,277
Market Treasury Bills maturing within 3 months	-	198,921,200
	<u>413,834,710</u>	<u>323,425,477</u>

17 TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at June 30, 2018 is 3.41% which includes 0.41% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

18 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 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 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 Fund has incurred net loss for the year, accordingly, no provision for taxation has been made in these financial statements.

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund. 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, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

19.1 Unit Holder's Fund

		June 30, 2018								
Note	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2018		Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018
					(Units)	(Rupees)				
Other related parties										
Bank Alfalah Limited - Employees Provident Fund										
19.1.1	2,816,302	-	-	-	2,816,302	198,452,129	-	-	-	174,558,059
MAB Investment Incorporated										
19.1.1	-	2,050	-	-	2,050	-	-	-	-	127,062
Key management personnel										
Head of Marketing										
19.1.1	10,718	27	-	10,003	742	755,275	1,638	-	635,000	45,990
Chief Executive Officer										
19.1.1	14,191	-	-	-	14,191	1,000,000	-	-	-	879,577
Chief Financial Officer										
19.1.1	-	61	-	-	61	-	3,729	-	-	3,781
AVP - Human Resources										
19.1.1	1,548	-	-	1,548	-	109,119	-	-	101,641	-

June 30, 2017

	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2017
	----- (Units) -----					----- (Rupees) -----				
Other Related Parties										
Bank Alfalah Limited - Employees Provident Fund	1,348,870	2,481,833	334,469	1,348,870	2,816,302	85,479,511	200,000,000	23,872,565	106,374,856	198,452,129
MAB Investment Incorporated	3,295,487	-	-	3,295,487	-	208,838,966	-	-	218,667,718	-
Key management personnel										
Head of Marketing	-	10,770	1,290	1,342	10,718	-	831,000	92,092	104,512	755,275
Chief Executive Officer	-	14,191	-	-	14,191	-	1,000,000	-	-	1,000,000
AVP - Human Resources	-	1,385	186	23	1,548	-	94,000	13,305	1,663	109,119

19.1.1 This reflects the position of related party / connected party status as at June 30, 2018.

2018 **2017**
----- (Rupees) -----

19.2 Other transactions

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	47,076,375	30,879,897
Sindh sales tax on remuneration of the Management Company	6,119,899	4,014,371
Allocated expenses	2,353,809	1,537,124
Selling and marketing expenses	12,036,510	964,461
Sales load	17,095,426	6,213,773

Alfalah GHP Income Fund

Term Finance Certificate - Purchased	25,023,014	-
Sukuks - Purchased	15,307,845	-

Bank Alfalah Limited

Profit on bank balances	14,481,932	15,784,677
Bank charges	61,292	53,710
Sales load	3,372,621	38,798,857

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	3,353,969	2,438,187
Sindh sales tax on remuneration of the Trustee	436,012	316,966
Settlement charges	201,651	191,934

19.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	3,611,750	3,958,467
Sindh sales tax payable on management remuneration	1,085,642	1,130,724
Payable against allocated expenses	1,152,944	979,956
Payable against selling and marketing expenses	4,611,779	964,461
Federal excise duty payable on management remuneration	5,888,310	5,888,310
Sales load payable	248,541	880,577

	2018	2017
	----- (Rupees) -----	
Bank Alfalah Limited		
Bank balance	411,196,492	124,464,483
Profit receivable	26,928	4,985
Sales load payable	260,774	24,518,406

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	343,252	360,592
Sindh Sales tax payable on trustee remuneration	34,256	36,515
Security deposit	100,000	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
	----- (Rupees) -----			
Financial assets				
Bank balances	413,834,710	-	-	413,834,710
Investments	-	1,745,094,605	-	1,745,094,605
Security deposits	2,600,000	-	-	2,600,000
Receivable against sale of investments	781,226	-	-	781,226
Dividend and other receivables	7,967,033	-	-	7,967,033
	<u>425,182,969</u>	<u>1,745,094,605</u>	<u>-</u>	<u>2,170,277,574</u>

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	16,598,966	16,598,966
Payable to the Trustee	-	377,508	377,508
Accrued expenses and other liabilities	-	1,313,911	1,313,911
	<u>-</u>	<u>18,290,385</u>	<u>18,290,385</u>

Particulars	June 30, 2017			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
	----- (Rupees) -----			
Financial assets				
Bank balances	124,504,277	-	-	124,504,277
Investments	-	2,036,181,378	-	2,036,181,378
Security deposits	2,600,000	-	-	2,600,000
Dividend and other receivables	4,496,428	-	-	4,496,428
	<u>131,600,705</u>	<u>2,036,181,378</u>	<u>-</u>	<u>2,167,782,083</u>

Particulars	June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	13,802,495	13,802,495
Payable to the Trustee	-	397,107	397,107
Accrued expenses and other liabilities	-	25,835,307	25,835,307
	<u>-</u>	<u>40,034,909</u>	<u>40,034,909</u>

21 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.

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

21.1.2 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:

	2018	2017
	-----Rupees-----	
Variable rate instrument (financial asset)		
Bank balances	413,834,710	124,504,277
Sukuk certificates	75,038,760	-
Term finance certificates	<u>30,554,773</u>	<u>-</u>
	<u>519,428,243</u>	<u>124,504,277</u>
Fixed rate instruments (financial assets)		
Government securities - Market Treasury Bills	<u>-</u>	<u>198,921,200</u>

a) Sensitivity analysis for variable rate instruments

A reasonable 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 0.02 million (2017: Rs. 0.0001 million) and consequently statement of movement in unit holder's fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs Nil (2017: Rs. 1.99 million) and consequently statement of movement in unit holder's fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2018 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.

As at June 30, 2018					
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	4 - 7.40	413,834,710	-	-	413,834,710
Investments	6.98 - 8.39	65,048,020	40,545,513	1,639,501,072	1,745,094,605
Security deposits	-	-	-	2,600,000	2,600,000
Receivable against sale of investments	-	-	-	781,226	781,226
Dividend and other receivables	-	-	-	7,967,033	7,967,033
Sub total		478,882,730	40,545,513	1,650,849,331	2,170,277,574
Financial liabilities					
Pavable to the Management Company	-	-	-	16,598,966	16,598,966
Pavable to the Trustee	-	-	-	377,508	377,508
Accrued expenses and other liabilities	-	-	-	1,313,911	1,313,911
Sub total		-	-	18,290,385	18,290,385
On-balance sheet gap (a)		478,882,730	40,545,513	1,632,558,946	2,151,987,189
Total interest rate sensitivity gap		478,882,730	40,545,513	1,632,558,946	2,151,987,189
Cumulative interest rate sensitivity gap		478,882,730	519,428,243	519,428,243	

As at June 30, 2017					
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
%	(Rupees)				
On-balance sheet financial instruments					
Financial assets					
Bank balances	5.30 - 6.60	124,504,277	-	-	124,504,277
Investments	6.13	198,921,200	-	1,837,260,178	2,036,181,378
Security deposits	-	-	-	2,600,000	2,600,000
Dividend and other receivables	-	-	-	4,496,428	4,496,428
Sub total		323,425,477	-	1,844,356,606	2,167,782,083
Financial liabilities					
Pavable to the Management Company	-	-	-	13,802,495	13,802,495
Pavable to the Trustee	-	-	-	397,107	397,107
Accrued expenses and other liabilities	-	-	-	25,835,307	25,835,307
Sub total		-	-	40,034,909	40,034,909
On-balance sheet gap (a)		323,425,477	-	1,804,321,697	2,127,747,174
Total interest rate sensitivity gap		323,425,477	-	1,804,321,697	2,127,747,174
Cumulative interest rate sensitivity gap		323,425,477	323,425,477	323,425,477	

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from 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 listed equity securities and listed real estate investment trust units. The Fund manages its price risk arising from these investment 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 price movements as at June 30, 2018. The

analysis is based on the assumption that the PSX index had increased or decreased by 1%, with all other variables held constant and that the fair value of the Fund's portfolio of securities moved according to their historical correlation with the index. This represents managements' best estimate of a reasonable possible shift in the PSX index, having regard to the historical volatility of the index for the past three years.

At June 30, 2018, the fair value of securities exposed to price risk is disclosed in notes 5.1 and 5.2.

	2018	2017
	-----Rupees-----	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investment and net assets	16,395,011	18,372,602
Income statement	<u>16,395,011</u>	<u>18,372,602</u>

21.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, security deposits, dividend and other receivable.

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

21.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and	Maximum exposure	Balance as per statement of assets and	Maximum exposure
Bank balances	413,834,710	413,834,710	124,504,277	124,504,277
Investments	1,745,094,605	105,593,533	2,036,181,378	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Receivable against sale of investments	781,226	781,226	-	-
Dividend and other receivables	7,967,033	7,967,033	4,496,428	4,496,428
	<u>2,170,277,574</u>	<u>530,776,502</u>	<u>2,167,782,083</u>	<u>131,600,705</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, listed real estate investment trust units and Government securities of Rs 1,639.501 million (2017: Rs 2,036.181 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2018 and June 30, 2017, except as specified in note 5 to these financial statements.

21.2.2 Bank balances

The Fund held bank balances (including mark-up receivable) at June 30, 2018 with banks having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating Agency	Rating	2018	2017
			----- (%) -----	
Habib Bank Limited	JCR-VIS	A1+	0.002	-
National Bank of Pakistan	PACRA	A1+	0.051	-
Bank Alfalah Limited	PACRA	A1+	99.363	99.97
Allied Bank Limited	PACRA	A1+	0.226	-
Bank Al Habib Limited	PACRA	A1+	0.002	0.0079
JS Bank Limited	PACRA	A1+	0.330	-
Habib Metropolitan Bank Limited	PACRA	A1+	0.005	0.02
Zarai Taraqati Bank Limited	JCR-VIS	A1+	0.018	-
Soneri Bank Limited	PACRA	A1+	0.002	0.01
			<u>100.00</u>	<u>100.00</u>

21.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2018 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	2018	2017
			----- (%) -----	
Dawood Harcules Corporation Limited	PACRA	AA	56.86	-
International Brands Limited	JCR-VIS	AA	14.21	-
The Bank Of Punjab	PACRA	AA-	24.19	-
TPL Corp Limited	PACRA	AA-	4.74	-
			<u>100.00</u>	<u>-</u>

Above ratings are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2018.

21.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

21.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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

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

The table below 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.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
2018	----- Rupees -----				
Financial assets					
Bank balances	413,834,710	-	-	-	413,834,710
Investments	1,639,501,072	-	-	105,593,533	1,745,094,605
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	781,226	-	-	-	781,226
Dividend and other receivables	7,967,033	-	-	-	7,967,033
	2,064,684,041	-	-	105,593,533	2,170,277,574
Financial liabilities					
Payable to the Management Company	16,598,966	-	-	-	16,598,966
Payable to the Trustee	377,508	-	-	-	377,508
Accrued expenses and other liabilities	1,313,911	-	-	-	1,313,911
	18,290,385	-	-	-	18,290,385
Net assets	2,046,393,656	-	-	105,593,533	2,151,987,189
2017	----- Rupees -----				
Financial assets					
Bank balances	124,504,277	-	-	-	124,504,277
Investments	1,837,260,178	198,921,200	-	-	2,036,181,378
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and other receivables	4,496,428	-	-	-	4,496,428
	1,968,860,883	198,921,200	-	-	2,167,782,083
Financial liabilities					
Payable to the Management Company	13,802,495	-	-	-	13,802,495
Payable to the Trustee	397,107	-	-	-	397,107
Accrued expenses and other liabilities	25,835,307	-	-	-	25,835,307
	40,034,909	-	-	-	40,034,909
Net assets	1,928,825,974	198,921,200	-	-	2,127,747,174

22 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3.5 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss' - held-for-trading				
Listed equity securities	1,639,491,990	-	-	1,639,491,990
Listed real estate investment trust units	9,082	-	-	9,082
Sukuk certificates	-	75,038,760	-	75,038,760
Term finance certificates (TFCs)	-	30,554,773	-	30,554,773
	<u>1,639,501,072</u>	<u>105,593,533</u>	<u>-</u>	<u>1,745,094,605</u>

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss' - held-for-trading				
Listed equity securities	1,837,251,850	-	-	1,837,251,850
Listed real estate investment trust units	8,328	-	-	8,328
Market Treasury Bills	-	198,921,200	-	198,921,200
	<u>1,837,260,178</u>	<u>198,921,200</u>	<u>-</u>	<u>2,036,181,378</u>

23 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitors capital of the Fund on the basis of the value of net assets attributable to the unit holders and 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.

24 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.

25 CORRESPONDING FIGURES

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

26 GENERAL

Figures have been rounded off to the nearest rupee.

27 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **August 16, 2018**.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	652	19,195,949	1,189,789,978	56%
Associated Co./ Directors	2	11,016	682,810	0%
Banks/Dfis	-	-	-	-
Insurance Co.	1	402,540	24,949,973	1%
Retirement & Other Funds	28	11,146,232	690,858,018	32%
Others	16	3,728,319	231,086,075	11%
	699	34,484,056	2,137,366,855	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	651	20,044,094	1,412,415,793	68%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	1	402,540	28,365,203	1%
Retirement & Other Funds	21	6,254,092	440,697,728	21%
Others	14	2,947,787	207,717,280	10%
	687	29,648,513	2,089,196,003	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018
	%
Inter Market Securities Limited	9%
Foundation Securities Limited	7%
Alfalah Securities (Private) Limited	7%
IGI Finex Securities Limited	7%
Al Habib Capital Markets Limited	5%
Insight Securities (Private) Limited	5%
AKD Securities Ltd.	4%
Arif Habib Limited	3%
Elixir Securities Pakistan (Pvt.) Limited	3%
EFG Hermes Pakistan Limited	3%
	30 June 2017
	%
EFG Hermes Pakistan Limited	10
Nael Capital Private Limited	8
JS Global Capital Limited	8
Insight Securities (Private) Limited	8
Arif Habib Limited	6
Next Capital Limited	6
Inter Market Securities Limited	6
AKD Securities Ltd.	6
Topline Securities (Pvt) Limited	5
Alfalah Securities (Private) Limited	4

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

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

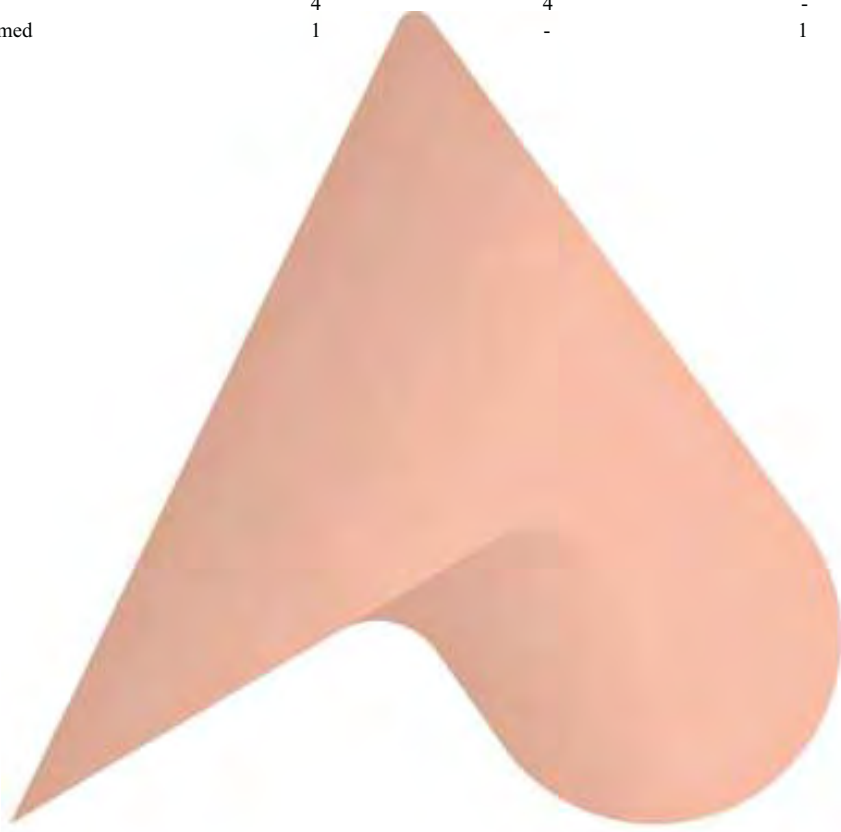
Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st , 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017 ,26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
	(Rupees in '000)				
Net Assets	2,137,367	2,089,196	655,950	572,209	560,777
NAV per unit	61.9813	70.4655	63.3712	61.2579	55.0400
Selling price per unit	72.8543	72.8543	65.8853	65.3438	58.7500
Redemption price per unit	61.9813	70.4655	63.3712	61.2579	55.0400
Highest selling price per unit	87.9451	91.2799	76.7872	74.7389	68.0700
Highest redemption price per unit	85.0615	88.2870	73.8571	70.0655	64.8300
Lowest selling price per unit	60.3693	66.1035	62.5807	55.6200	55.7200
Lowest redemption price per unit	58.3899	63.9361	60.1927	52.1100	53.0700
Total interim 1st distribution per unit	Nil	8.46	8.9	7.76	9.94
Total interim 2nd distribution per unit	Nil	103.89%	N/A	N/A	N/A
Interim 1st distribution date	Nil	22-Jun-17	29-Jun-16		30-Jun-13
Interim 2nd distribution date	Nil	4291500.00%	N/A	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	Nil	N/A	N/A	N/A	N/A
Annualized returns	-12.04%	26.18%	18.30%	25.48%	19.52%
Income distribution	Nil	14.98%	14.53%	14.10%	18.26%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **10.51%**

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
General Tyre & Rubber Co.							
EOGM	22-Aug-17	Election of Directors	154,000	0.258%	✓		
Pakistan Petroleum Limited							
EOGM	16-Sep-17	Confirm Minutes of previous AGM Election of Directors	186,800	0.009%	✓		
Thal Limited							
AGM	9-Oct-17	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor	21,500	0.027%	✓		
Pak Suzuki Motor Company Limited							
EOGM	2-Feb-18	Election of Directors	74,950	0.091%	✓		
Habib Bank Limited							
EOGM	19-Mar-18	Election of Directors	595,000	0.041%	✓		
Engro Corporation Limited							
AGM	24-Apr-18	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor Election of Directors	304,000	0.058%	✓		
Bank Alfalah Limited							
AGM	28-Mar-18	Confirm Minutes of previous AGM Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor	1,310,000	0.081%	✓		
MCB Bank Limited							
AGM	27-Mar-18	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor Election of Directors	472,500	0.040%	✓		
Habib Bank Limited							
AGM	27-Apr-18	Approval of Annual Accounts of the Company Declaration of Dividend Appointment of statutory Auditor	675,000	0.046%	✓		
Bank Alfalah Limited							
EOGM	27-May-18	Confirm Minutes of previous AGM Election of Directors	1,289,500	0.080%	✓		



**Alfalah GHP
Prosperity Planning Fund**

CORPORATE INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Prosperity Planning Fund

Annual Fund Manager`s Report

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

Investment Objective

Alfalah GHP Prosperity Planning Fund is an Open-ended Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Collective Investment Scheme in line with the risk tolerance of the investor.

Money Market Review:-

Pakistan's GDP posted a growth of 5.79% in FY 18 as compared to 5.37% in FY 17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

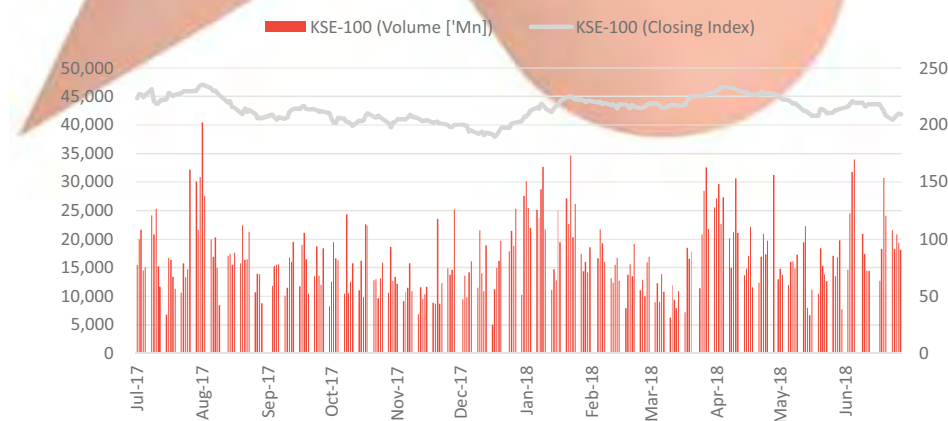
The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.

Equity Market Review

The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of the year, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.



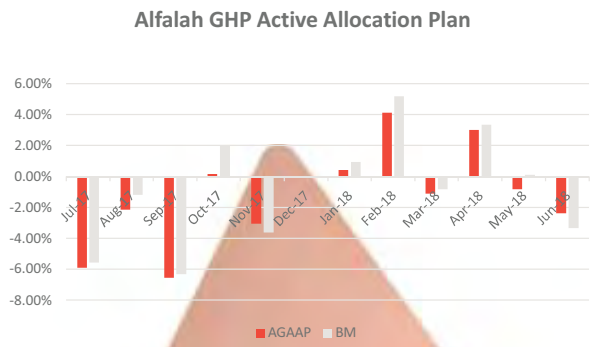
Accomplishment of Objective

The Fund has achieved its objective of generating higher return by investing in a mix of underlying fixed income and equity based mutual funds within the guidelines provided under NBFC rules.

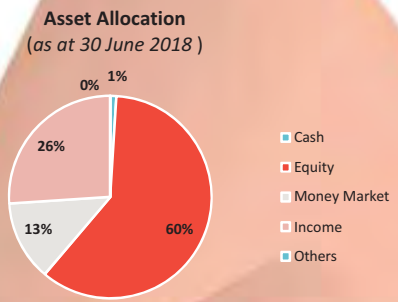
Active Allocation Plan

During the period under review, Alfalah GHP Prosperity Planning Fund - Active posted a return of -8.88% as compared to its benchmark of -4.49%. During the period, average equity exposure stood at 60.05%, fixed income at 25.67%, and money market at 12.86%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.

AGPPF-Active Return Vs Benchmark:



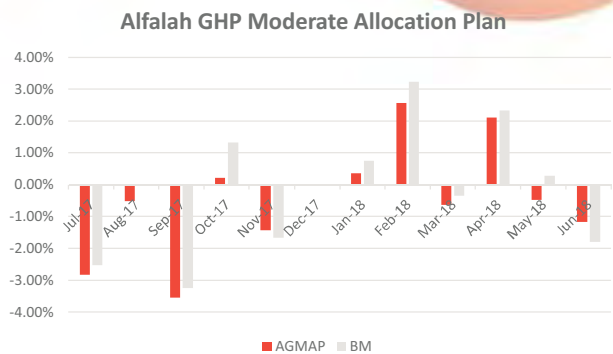
Assets Allocation/Portfolio quality:



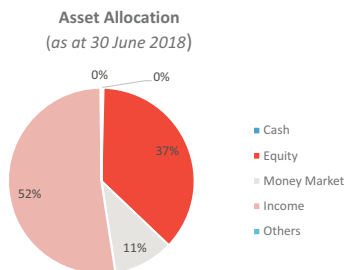
Moderate Allocation Plan

During the period under review, Alfalah GHP Prosperity Planning Fund - Moderate posted a return of -2.63% as compared to its benchmark of 0.95%. During the period, average equity exposure stood at 34.6%, fixed income at 55.72%, and money market at 9.38%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.

AGPPF-ModerateReturn Vs Benchmark:

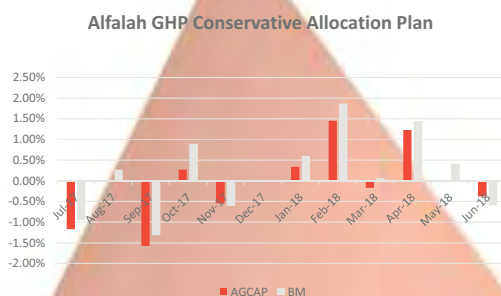


Assets Allocation/Portfolio quality:

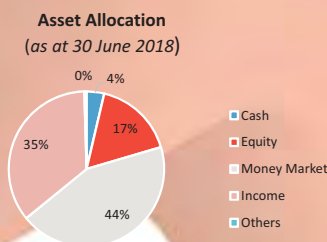


Conservative Allocation Plan:

During the period under review, Alfalah GHP Prosperity Planning Fund - Conservative posted a return of 0.98% as compared to its benchmark of 3.76%. During the period, average equity exposure stood at 17.13%, fixed income at 36.77%, and money market at 44.2%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.



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 Street-e-Faisal,
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-000
Fax: (92-11) 94320020-23
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 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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


Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi September 10, 2018





INDEPENDENT AUDITORS' 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, 2018**, and the income statement, comprehensive income, cash flows statement and 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 **June 30, 2018**, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<p>1. Existence and valuation of investments</p> <p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the investments held by the Fund comprised of units of open end mutual funds (listed on Pakistan Stock Exchange) which represent 98% of the total assets of the Fund as at the year end.</p> <p>In view of the significance of investment in relation to the total assets and the Net</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review custodian's statement, and related

Key audit matter	How our audit addressed the key audit matter
Asset Value (NAV) of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	<p>reconciliations, re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange as at 30 June 2018.</p> <p>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.</p>
2. Amendment to the NBFC Regulations, 2008	
<p>As disclosed in note 3.1 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the Securities and Exchange Commission of Pakistan through its SRO no. 756(I)/2017 dated 03 August 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).</p> <p>These amendments are considered significant to our audit because application of the said amendments resulted in change in accounting policy relating to presentation "element of income / loss" in the financial statements and certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' (the Statements).</p>	<p>We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the amended provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the revised Regulations and assessed its implementation by the Fund.</p> <p>We evaluated the adequacy of disclosures regarding the change in accounting policy with respect to element of income / loss in accordance with the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.</p>

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.



- 4 -

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.

Other matter

The financial statements of the Fund for the year ended 30 June 2017, were audited by another auditor who expressed an unmodified opinion on those financial statements on 20 September 2017.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: September 24, 2018

Karachi

ALFALAH GHP PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

	Note	June 30, 2018				June 30, 2017			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
		----- (Rupees) -----				----- (Rupees) -----			
Assets									
Bank balances	4	4,657,737	14,193,911	1,915,612	20,767,260	52,148,815	245,570,323	131,857,378	429,576,516
Investments	5	499,830,491	369,622,224	547,944,703	1,417,397,418	276,679,456	238,469,636	808,009,537	1,323,158,629
Deferred formation cost	6	52,337	1,456,254	454,353	1,962,944	77,157	2,106,319	660,578	2,844,054
Mark-up receivable on bank balances		526	-	248	774	869	2,356	1,012	4,237
Prepayment and other receivable		96,207	167,158	114,544	377,909	90,609	198,540	114,446	403,595
Total assets		504,637,298	385,439,547	550,429,460	1,440,506,305	328,996,906	486,347,174	940,642,951	1,755,987,031
Liabilities									
Payable to the Management Company	7	499,018	455,569	387,552	1,342,139	550,808	565,995	576,382	1,693,185
Payable to the Trustee	8	51,780	34,387	46,328	132,495	44,878	47,373	85,762	178,013
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	384,952	313,917	524,735	1,223,604	229,036	287,128	410,570	926,734
Accrued and other liabilities	10	1,766,769	1,284,722	3,165,259	6,216,750	4,584,691	4,857,581	15,355,334	24,797,606
Total liabilities		2,702,519	2,088,595	4,123,874	8,914,988	5,409,413	5,758,077	16,428,048	27,595,538
Net assets attributable to unit holders		501,934,779	383,350,952	546,305,586	1,431,591,317	323,587,493	480,589,097	924,214,903	1,728,391,493
Unit holders' funds (as per statement attached)		501,934,779	383,350,952	546,305,586	1,431,591,317	323,587,493	480,589,097	924,214,903	1,728,391,493
Contingencies and commitments									
		----- (Number of units) -----				----- (Number of units) -----			
Number of units in issue		4,691,412	3,453,006	5,245,783		2,755,740	4,371,415	8,641,503	
		----- (Rupees) -----				----- (Rupees) -----			
Net asset value per unit		106.9901	111.0195	104.1419		117.4231	109.9390	106.9507	

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

Note	June 30, 2018				June 30, 2017			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Income								
Profit / mark-up income on bank balances	708,566	613,651	521,029	1,843,246	993,378	1,695,821	2,184,389	4,873,588
At fair value through profit or loss - held-for-trading								
- (Loss) / Gain on sale of investments - net	(2,507,493)	1,088,493	(9,680,815)	(11,099,815)	12,726,287	13,286,936	13,900,451	39,913,674
- Unrealised (loss) / gain on revaluation of investments - net	(39,341,393)	3,564,030	(15,883,945)	(51,661,308)	13,720,026	5,327,230	(1,894,436)	17,152,820
- Dividend income from open end mutual funds - quoted	-	-	-	-	11,284,669	10,855,460	35,462,406	57,602,535
Total income	(41,140,320)	5,266,174	(25,043,731)	(60,917,877)	38,724,360	31,165,447	49,652,810	119,542,617
Expenses								
Remuneration of the Management Company	7.1	76,795	99,724	46,993	223,512	150,790	255,235	261,662
Sindh sales tax on remuneration of the Management Company	7.2	9,995	12,258	6,095	28,348	19,350	33,636	34,030
Remuneration of the Trustee	8.1	494,821	405,612	680,060	1,580,493	302,848	382,840	547,493
Sindh sales tax on remuneration of the Trustee	8.2	64,496	52,728	88,415	205,639	39,376	50,549	71,187
Annual fee to the Securities and Exchange Commission of Pakistan	9	384,952	313,917	524,735	1,223,604	229,036	287,128	410,570
Amortisation of deferred formation cost	6	24,820	650,065	206,225	881,110	24,616	650,065	206,225
Auditors' remuneration	12	110,174	130,007	234,508	474,689	111,910	51,977	134,623
Annual listing fee		5,117	7,736	14,596	27,449	14,315	12,986	27,699
Annual rating fee		48,545	73,429	137,921	259,895	97,740	45,317	117,228
Printing charges		13,091	19,759	37,175	70,025	57,787	5,930	36,283
Allocated expenses	7.3	513,262	418,545	699,636	1,631,443	301,502	377,221	547,628
NCCPL Charges		9,098	11,339	16,218	36,655	-	-	-
Provision against Sindh Workers' Welfare Fund	10.1	-	60,191	-	60,191	1,307,217	914,883	2,508,540
Bank charges		7,117	25	25	7,167	6,000	6,000	14,784
Total expenses		1,762,283	2,255,335	2,692,602	6,710,220	2,662,487	3,073,767	4,917,952
Net (loss) / income for the year		(42,902,603)	3,010,839	(27,736,333)	(67,628,097)	36,061,873	28,091,680	44,734,858
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	-	-	-	12,079,647	10,661,538	56,851,818
Net loss / income for the year before taxation		(42,902,603)	3,010,839	(27,736,333)	(67,628,097)	48,141,520	38,753,218	101,586,676
Taxation	14	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation		(42,902,603)	3,010,839	(27,736,333)	(67,628,097)	48,141,520	38,753,218	101,586,676
Allocation of net income for the year								
Net (loss) / income for the year after taxation		(42,902,603)	3,010,839	(27,736,333)	(67,628,097)	48,141,520	38,753,218	101,586,676
Income already paid on units redeemed		-	-	-	-	-	-	-
		(42,902,603)	3,010,839	(27,736,333)	(67,628,097)	48,141,520	38,753,218	101,586,676
Accounting income available for distribution								
- Relating to capital gain		-	3,010,839	-	-	-	-	-
- Excluding capital gain		-	-	-	-	-	-	-
		-	3,010,839	-	-	-	-	-

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018				June 30, 2017			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)							
Net (loss) / income for the year after taxation	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)	48,141,520	38,753,218	101,586,676	188,481,414
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)	48,141,520	38,753,218	101,586,676	188,481,414

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018											
	Active Allocation Plan				Conservative Allocation Plan				Moderate Allocation Plan			
	Capital value	Undistributed income	Unrealised (losses) / gains on investment	Total	Capital value	Undistributed income	Unrealised (losses) / gains on investment	Total	Capital value	Undistributed income	Unrealised (losses) / gains on investment	Total
- Capital value	275,578,831	-	-	275,578,831	436,852,997	-	-	436,852,997	863,770,992	-	-	863,770,992
- Undistributed income brought forward	-	-	-	-	-	-	-	-	-	-	-	-
- Realised	-	34,288,636	-	34,288,636	-	38,408,870	-	38,408,870	-	62,338,347	-	62,338,347
- Unrealised	-	13,720,026	-	13,720,026	-	5,327,230	-	5,327,230	-	(1,894,436)	-	(1,894,436)
Net assets at beginning of the year	275,578,831	48,008,662	-	323,587,493	436,852,997	43,736,100	-	480,589,097	863,770,992	60,443,911	-	924,214,903
Issuance of 3,699,571 (2017: 14,516,368 units)												
- Capital value (at net asset value per unit at the beginning of the year)	256,698,874	-	-	256,698,874	48,393,499	-	-	48,393,499	114,788,475	-	-	114,788,475
- Element of income	(8,256,977)	-	-	(8,256,977)	(268,982)	-	-	(268,982)	(3,756,958)	-	-	(3,756,958)
Total proceeds on issuance of units	248,441,897	-	-	248,441,897	48,124,517	-	-	48,124,517	111,031,517	-	-	111,031,517
Redemption of 6,078,028 (2017: 4,699,820 units)												
- Capital value (at net asset value per unit at the beginning of the year)	29,406,267	-	-	29,406,267	149,362,466	-	-	149,362,466	477,963,106	-	-	477,963,106
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to 'net income for the year after taxation'	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to 'other comprehensive income for the year'	-	-	-	-	-	-	-	-	-	-	-	-
- Refund on units as element of income	(2,214,259)	-	-	(2,214,259)	(988,965)	-	-	(988,965)	(16,758,605)	-	-	(16,758,605)
Total payments on redemption of units	27,192,008	-	-	27,192,008	148,373,501	-	-	148,373,501	461,204,501	-	-	461,204,501
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net transferred to the income statement	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	-	(42,902,603)	-	(42,902,603)	-	3,010,839	-	3,010,839	-	(27,736,333)	-	(27,736,333)
Distribution during the year	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the year less distribution	-	(42,902,603)	-	(42,902,603)	-	3,010,839	-	3,010,839	-	(27,736,333)	-	(27,736,333)
Net assets at end of the year	496,828,720	5,106,059	-	501,934,779	336,604,013	46,746,939	-	383,350,952	513,598,008	32,707,578	-	546,305,586
Undistributed income carried forward												
- Realised	-	44,447,452	-	44,447,452	-	43,182,909	-	43,182,909	-	48,591,523	-	48,591,523
- Unrealised	-	(39,341,393)	-	(39,341,393)	-	3,564,030	-	3,564,030	-	(15,883,945)	-	(15,883,945)
	-	5,106,059	-	5,106,059	-	46,746,939	-	46,746,939	-	32,707,578	-	32,707,578

	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)			
Net assets at beginning of the year	220,016,061	114,551,959	295,707,874	630,275,894
Issuance of units	202,844,417	457,376,098	998,947,128	1,659,167,643
Redemption of units	(114,441,306)	(99,944,486)	(331,854,708)	(546,240,500)
	308,419,172	471,983,571	962,800,294	1,743,203,037
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net transferred to income statement	(12,079,647)	(10,661,238)	(56,851,818)	(79,593,003)
- transferred to distribution statement	(5,346,988)	(18,393,044)	(28,410,439)	(52,150,471)
	(17,426,635)	(29,054,282)	(85,262,257)	(131,743,474)
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement - net	5,346,988	18,393,044	28,410,439	52,150,471
Gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading - net	12,726,287	13,286,936	13,900,451	39,913,674
Unrealised gain / (loss) on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net	13,720,026	5,327,230	(1,894,436)	17,152,820
Other income (net of expenses)	21,695,207	20,139,052	89,580,661	131,414,920
Distribution of cash dividend approved on June 22, 2017 (2016: June 29, 2016) of Active allocation plan @ Rs 7.1554 (2016: Re.0.2449) per unit, Conservative allocation plan @ Rs 4.5144 (2016: Nil) per unit and Moderate allocation plan @ Rs 10.5442 (2016: Rs 2.7502) per unit	(18,519,859)	(19,486,154)	(83,320,249)	(121,326,262)
Distribution of cash dividend approved on June 29, 2017 (2016: Nil) of Active allocation plan @ Re 0.8673 (2016: Nil) per unit	(2,373,693)	-	-	(2,373,693)
Net income for the year less distribution	27,247,968	19,267,064	18,266,427	64,781,459
Net assets at end of the year	323,587,493	480,589,097	924,214,903	1,728,391,493
Net asset value per unit at the beginning of the year	107,5354	105,5315	104,8369	
Net asset value per unit at the end of the year	117,4231	109,9390	106,9507	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018				June 30, 2017			
	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 (loss) / income for the year after taxation	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)	48,141,520	38,753,218	101,586,676	188,481,414
Adjustments for:								
Amortisation of deferred formation cost	24,820	650,065	206,225	881,110	24,616	650,065	206,225	880,906
Unrealised loss / (gain) on revaluation of investments classified as at fair value through profit or loss - held-for-trading - net	39,341,393	(3,564,030)	15,883,945	51,661,308	(13,720,026)	(5,327,230)	1,894,436	(17,152,820)
Provision against Sindh Workers' Welfare Fund	-	60,191	-	60,191	1,307,217	914,883	2,508,540	4,730,640
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	(12,079,647)	(10,661,538)	(56,851,818)	(79,593,003)
	(3,536,390)	157,065	(11,646,163)	(15,025,488)	23,673,680	24,329,398	49,344,059	97,347,137
(Increase) / decrease in assets								
Investments - net	(262,492,428)	(127,588,558)	244,180,889	(145,900,097)	(102,959,430)	(135,142,397)	(541,560,273)	(779,662,100)
Deferred formation cost	-	-	-	-	-	-	-	-
Mark-up receivable on bank balances	343	2,356	764	3,463	129,305	289,951	224,266	643,522
Prepayment and other receivable	(5,598)	31,382	(98)	25,686	(90,609)	(198,540)	(114,446)	(403,595)
	(262,497,683)	(127,554,820)	244,181,555	(145,870,948)	(102,920,734)	(135,050,986)	(541,450,453)	(779,422,173)
(Decrease) / increase in liabilities								
Payable to the Management Company	(51,790)	(110,426)	(188,830)	(351,046)	282,286	(2,982,753)	(1,135,834)	(3,836,301)
Payable to the Trustee	6,902	(12,986)	(39,434)	(45,518)	(84,578)	(102,524)	(45,322)	(232,424)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	155,916	26,789	114,165	296,870	86,197	96,579	270,072	452,848
Accrued and other liabilities	(2,817,922)	(3,633,050)	(12,190,075)	(18,641,047)	2,440,130	1,581,387	12,157,176	16,178,693
	(2,706,894)	(3,729,673)	(12,304,174)	(18,740,741)	2,724,035	(1,407,311)	11,246,092	12,562,816
Net cash flows used in / generated from operating activities	(268,740,967)	(131,127,428)	220,231,218	(179,637,177)	(76,523,019)	(112,128,899)	(480,860,302)	(669,512,220)
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received against issuance of units	248,441,897	49,043,497	111,031,517	408,516,911	202,844,417	457,376,098	998,947,128	1,659,167,643
Amount paid against redemption of units	(27,192,008)	(149,292,481)	(461,204,501)	(637,688,990)	(114,441,306)	(99,944,486)	(331,854,708)	(546,240,500)
Dividend paid	-	-	-	-	(20,893,552)	(19,486,154)	(83,320,249)	(123,699,955)
Net cash flows generated from / used in financing activities	221,249,889	(100,248,984)	(350,172,984)	(229,172,079)	67,509,559	337,945,458	583,772,171	989,227,188
Net (decrease) / increase in cash and cash equivalents during the year	(47,491,078)	(231,376,412)	(129,941,766)	(408,809,256)	(9,013,460)	225,816,559	102,911,869	319,714,968
Cash and cash equivalents at beginning of the year	52,148,815	245,570,323	131,857,378	429,576,516	61,162,275	19,753,764	28,945,509	109,861,548
Cash and cash equivalents at end of the year	4,657,737	14,193,911	1,915,612	20,767,260	52,148,815	245,570,323	131,857,378	429,576,516

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalaha GHP Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 07, 2015 between Alfalah GHP Investment Management Limited, (the Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984. The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a Notified Entity under Regulation 44 of 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 under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/AGPPF/29/2015 dated July 30, 2015.

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 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.

The Fund is categorised as a 'Fund of Fund' 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.

According to the trust deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The investment objectives and policy are explained in the Fund's offering document. Presently, the following allocation plans are offered:

- a. **Alfalaha GHP Active Allocation Plan**
- b. **Alfalaha GHP Conservative Allocation Plan**
- c. **Alfalaha GHP Moderate Allocation Plan**

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on December 22, 2017.

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. Such standards comprise of:"

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);"
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
- the NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of 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 approved accounting standards that are effective in the current year

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

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

2.3 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)	July 01, 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 - Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 Investment Property: Transfers of Investment Property	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

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

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

StandardsIASB	Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 - Insurance Contracts	January 01, 2021

2.4 Critical accounting estimates and judgments

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

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

- Classification and valuation of investments (note 3.3.1 and 5)
- Impairment of financial assets (note 3.3.6)
- Taxation (note 3.7 and 14)
- Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 7.4 and 10.1 respectively)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain investments which are stated at fair value.

2.6 Functional and presentational currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentational currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except for as disclosed in note 2.2 and note 3.1.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 year. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting year (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter no (S.R.O) no. 756(I) / 2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of loss been recognised as per the previous accounting policy, the income of the Fund would have been higher / lower by Rs.6.042 million, Rs. 0.71 million and Rs. 13.00 million in Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively, net off charge for SWWF with immaterial effect on the 'net assets attributable to the unit holders' and NAV per unit of the Fund as disclosed in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' respectively. However, the change in accounting policy does not have any impact on the 'Cash Flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.3.3 Regular way contracts

Regular 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 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 expensed out in the income statement.

3.3.5 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, when the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in open end mutual funds is determined by reference to the quotations obtained from the NAV report on the MUFAP website at the close of period end.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

Gains or losses are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.3.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.3.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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.

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

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 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 section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Dividend distribution and appropriations

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

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 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 is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
 - Dividend income is recognised when the right to receive the dividend is established.
 - Profit / mark-up income on bank balances is recognised on an accrual basis using the effective yield method.

3.12 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

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

Moderate Allocation Plan

Particulars	As at July 1,	Purchased	Sold during	As at June 30,	Carrying cost	Market value as	Unrealised gain	Market value as a	
	2017	during the year	the year	2018	as at June 30,	at June 30, 2018	/ (loss)	Net assets	Total investments
		(No. of Units)				(Rupees)		(%)	
Alfalah GHP Alpha Fund*	1,558,496	197,940	527,183	1,229,253	101,931,841	89,145,392	(12,786,449)	16.32	16.27
Alfalah GHP Cash Fund*	-	46,155	11,878	34,277	17,095,023	17,826,930	731,907	3.26	3.25
Alfalah GHP Stock Fund*	1,024,655	135,781	428,874	731,562	112,403,136	98,005,775	(14,397,361)	17.94	17.89
Alfalah GHP Sovereign Fund*	1,470,886	316,034	1,639,458	147,462	15,863,645	16,366,297	502,652	3.00	2.99
Alfalah GHP Money Market Fund*	14,960	1,313,954	941,019	387,895	38,573,646	39,845,925	1,272,279	7.29	7.27
Alfalah GHP Income Fund*	1,732,259	465,219	1,373,901	823,577	92,957,574	96,621,875	3,664,301	17.69	17.63
Alfalah GHP Income Multiplier Fund*	2,362,333	5,388,971	4,613,642	3,137,662	167,614,420	175,252,850	7,638,430	32.08	31.98
Alfalah GHP Islamic Stock Fund*	532,683	-	293,893	238,790	17,389,363	14,879,659	(2,509,704)	2.72	2.72
As at June 30, 2018	8,696,272	7,864,054	9,829,848	6,730,478	563,828,648	547,944,703	(15,883,945)		
As at June 30, 2017	3,238,207	11,366,032	5,907,967	8,696,272	809,903,973	808,009,537	(1,894,436)		

* These represent investments held in related parties i.e. funds under common management.

2018 **2017**
----- (Rupees) -----

5.2 Unrealised (loss) / gain on revaluation of investments classified as financial assets

'at fair value through profit or loss - held for trading' - net

Market value of investments

Less: Carrying value of investments

1,417,397,418	1,323,158,629
<u>(1,469,058,726)</u>	<u>(1,306,005,809)</u>
(51,661,308)	17,152,820

June 30, 2018				June 30, 2017			
Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
(Rupees)				(Rupees)			

6. DEFERRED FORMATION COST

Balance at the beginning of the year	77,157	2,106,319	660,578	2,844,054	101,773	2,756,384	866,803	3,724,960
Amortised during the year	<u>(24,820)</u>	<u>(650,065)</u>	<u>(206,225)</u>	<u>(881,110)</u>	<u>(24,616)</u>	<u>(650,065)</u>	<u>(206,225)</u>	<u>(880,906)</u>
Unamortised cost at the end of the year	<u>52,337</u>	<u>1,456,254</u>	<u>454,353</u>	<u>1,962,944</u>	<u>77,157</u>	<u>2,106,319</u>	<u>660,578</u>	<u>2,844,054</u>

6.1 This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the SECP, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years effective from September 12, 2015, i.e. after the end of initial period of the Fund. Formation cost is divided amongst the Active Allocation plan, Moderate Allocation plan and Conservative Allocation Plan according to the ratios of their Pre IPO investments.

	Note	June 30, 2018				June 30, 2017			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
(Rupees)									
7. PAYABLE TO THE MANAGEMENT COMPANY									
Management remuneration payable	7.1	13,178	10,511	126	23,815	39,832	114,624	56,972	211,428
Sindh sales tax payable on management remuneration	7.2	1,965	2,088	1,525	5,578	5,419	16,328	8,930	30,677
Payable against allocated expenses	7.3	226,077	178,394	253,563	658,034	187,425	230,801	378,141	796,367
Federal excise duty payable on management remuneration	7.4	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Sales load payable		<u>252,241</u>	<u>257,652</u>	<u>121,465</u>	<u>631,358</u>	<u>312,575</u>	<u>197,318</u>	<u>121,466</u>	<u>631,359</u>
		<u>499,018</u>	<u>455,569</u>	<u>387,552</u>	<u>1,342,139</u>	<u>550,808</u>	<u>565,995</u>	<u>576,382</u>	<u>1,693,185</u>

7.1 The Management Company has charged remuneration at a rate of 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 Sindh Sales Tax on management remuneration has been charged at the rate of 13% (2017: 13%).

7.3 In accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

7.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

During the previous year, 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 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.

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 prior to this period has been maintained by the Fund which at June 30, 2018 aggregates to Rs 0.01 million (2017: Rs 0.01 million), Rs 0.01 million (2017: Rs 0.01 million) and Rs 0.01 million (2017: Rs 0.01 million) for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively. Had the provision for FED not been recorded in the financial statements of the Fund, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 0.001 (2017: Re 0.002) per unit, Re 0.002 (2017: Re 0.002) per unit and Re 0.002 (2017: Re 0.001) per unit for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

	Note	June 30, 2018				June 30, 2017			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
8. PAYABLE TO THE TRUSTEE		(Rupees)				(Rupees)			
Trustee remuneration payable	8.1	45,322	29,741	40,991	116,054	39,365	41,233	75,894	156,492
Sindh sales tax payable on Trustee remuneration	8.2	6,458	4,646	5,337	16,441	5,513	6,140	9,868	21,521
		<u>51,780</u>	<u>34,387</u>	<u>46,328</u>	<u>132,495</u>	<u>44,878</u>	<u>47,373</u>	<u>85,762</u>	<u>178,013</u>

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

Average net asset value	Tariff per annum
Up to Rs 1 billion	0.10% per annum of Net Assets
Over Rs 1 billion	Rs 1 million plus 0.075% per annum of Net Assets exceeding Rs 1 billion

8.2 Sindh Sales Tax on trustee remuneration has been charged at the rate of 13% (2017: 13%).

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

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a Collective Investment Scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

	Note	June 30, 2018				June 30, 2017			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
10. ACCRUED AND OTHER LIABILITIES		(Rupees)				(Rupees)			
Provision against Sindh Workers' Welfare Fund	10.1	1,307,217	975,074	2,508,540	4,790,831	1,307,217	914,883	2,508,540	4,730,640
Rating fee payable		233,864	164,288	372,884	771,036	185,319	90,859	234,963	511,141
Printing charges payable		93,398	-	71,866	165,264	93,718	-	61,813	155,531
Auditors' remuneration payable		112,447	-	126,065	238,512	94,346	-	76,960	171,306
Withholding tax payable		1,415	6,803	1,518	9,736	1,334,571	3,007,066	8,063,722	12,405,359
Capital gain tax payable		244	41,689	35,864	77,797	5,572	43,381	177,379	226,332
Others		18,184	-	5,344	23,528	13,067	-	6,759	19,826
Sales load payable		-	96,868	43,178	140,046	1,550,881	801,392	4,225,198	6,577,471
		<u>1,766,769</u>	<u>1,284,722</u>	<u>3,165,259</u>	<u>6,216,750</u>	<u>4,584,691</u>	<u>4,857,581</u>	<u>15,355,334</u>	<u>24,797,606</u>

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.5 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. However, as a matter of abundant caution, MUFAP has recommended to all its members to record a provision of Sindh WWF from the date of enactment of Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

The provision for SWWF is now being made on a daily basis. Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re 0.28 per unit, Re 0.28 per unit and Re 0.48 per unit for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2018.

12. AUDITORS' REMUNERATION

	June 30, 2018				June 30, 2017			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Audit fee	50,370	59,130	107,310	216,810	52,013	27,081	69,907	149,001
Review and other certifications	40,480	47,520	86,240	174,240	35,257	18,357	47,386	101,000
Sindh sales tax	7,268	8,532	15,484	31,284	5,236	2,726	7,038	15,000
Out of pocket expenses	12,056	14,825	25,474	52,355	19,404	3,813	10,292	33,509
	<u>110,174</u>	<u>130,007</u>	<u>234,508</u>	<u>474,689</u>	<u>111,910</u>	<u>51,977</u>	<u>134,623</u>	<u>298,510</u>

13. TOTAL EXPENSE RATIO

The total expense ratios of the Fund for the year ended June 30, 2018 are 0.34%, 0.54% and 0.38% which includes 0.09%, 0.11% and 0.09% representing Government levy, Workers' Welfare Fund and SECP fee 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 an equity scheme.

14. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 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 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 has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

15. UNITS OUTSTANDING

	June 30, 2018				June 30, 2017			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Number of units)				(Number of units)			
Balance at the beginning of the year	2,755,740	4,371,415	8,641,503	15,768,658	2,045,988	1,085,476	2,820,646	5,952,110
Add: issuance of units during the year	2,186,102	440,185	1,073,284	3,699,571	1,616,720	4,172,059	8,727,589	14,516,368
Less: redemption of units during the year	(250,430)	(1,358,594)	(4,469,004)	(6,078,028)	(906,968)	(886,120)	(2,906,732)	(4,699,820)
Balance at the end of the year	<u>4,691,412</u>	<u>3,453,006</u>	<u>5,245,783</u>	<u>13,390,201</u>	<u>2,755,740</u>	<u>4,371,415</u>	<u>8,641,503</u>	<u>15,768,658</u>

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment 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 (CDCPL) 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. The transactions with connected persons are in the normal course of business and at contractual rates.

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

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Details of transactions and balances 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, 2018									
	Note	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out (Units)	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out (Rupees)	Net asset value as at June 30, 2018
Active Allocation Plan											
Associated companies / undertakings											
		528,437	-	-	-	528,437	62,050,711	-	-	-	56,537,527
		1,056,875	-	-	-	1,056,875	124,101,539	-	-	-	113,075,162
Unit holder holding 10% or more Units											
		-	1,315,093	-	-	1,315,093	-	150,000,000	-	-	140,701,932
Conservative Allocation Plan											
Unit holder holding 10% or more units											
		450,762	-	-	-	450,762	49,556,324	-	-	-	50,043,372
		1,456,557	-	-	-	1,456,557	160,132,420	-	-	-	161,706,230
		850,181	-	-	-	850,181	93,468,049	-	-	-	94,386,670

		June 30, 2017									
	Note	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out (Units)	As at June 30, 2017	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out (Rupees)	Net asset value as at June 30, 2017
Active Allocation Plan											
Associated companies / undertakings											
		494,682	-	33,755	-	528,437	53,195,841	-	3,994,613	-	62,050,711
		989,365	-	67,510	-	1,056,875	106,391,681	-	7,989,227	-	124,101,539
Unit holder holding 10% or more units											
		-	443,698	30,227	7,557	466,368	-	57,101,302	3,577,096	894,274	54,762,376
Conservative Allocation Plan											
Unit holder holding 10% or more units											
		-	474,690	19,501	4,875	489,316	-	54,075,696	2,142,943	535,736	53,794,912
		-	1,404,625	57,703	5,770	1,456,558	-	150,000,000	6,341,037	634,104	160,132,530
		437,289	-	17,964	4,491	450,762	46,147,756	-	1,974,097	493,524	49,556,324

* This unit holder also holds more than 10% of the units in the Fund as at June 30, 2018.

16.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

16.2 Other transactions

	June 30, 2018				June 30, 2017			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Associated companies / undertakings								
Alfalsh GHP Investment Management Limited - Management Company								
Remuneration of the Management Company	76,795	99,724	46,993	223,512	150,790	255,235	261,662	667,687
Sindh sales tax on remuneration of the Management Company	9,995	12,258	6,095	28,348	19,350	33,636	34,030	87,016
Allocated expenses	513,262	418,545	699,636	1,631,443	301,502	377,221	547,628	1,226,351
Sales load	143,655	37,293	39,437	220,385	276,256	-	1,927,894	2,204,150
Bank Alfalah Limited								
Profit / mark-up income on bank balances	488,415	254,604	317,357	1,060,376	720,938	866,489	1,255,957	2,843,384
Bank charges	4,460	25	25	4,510	6,000	6,000	14,784	26,784
Sales load	769,394	244,391	811,804	1,825,589	1,711,370	1,647,484	5,772,715	9,131,569
Other related parties								
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	494,821	405,612	680,060	1,580,493	302,848	382,840	547,493	1,233,181
Sindh sales tax on remuneration of the Trustee	64,496	52,728	88,415	205,639	39,376	50,549	71,187	161,112

16.3 Other balances

	June 30, 2018				June 30, 2017			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Associated companies / undertakings								
Alfalsh GHP Investment Management Limited - Management Company								
Management remuneration payable	13,178	10,511	126	23,815	39,832	114,624	56,972	211,428
Sindh sales tax payable on management remuneration	1,965	2,088	1,525	5,578	5,419	16,328	8,930	30,677
Payable against allocated expenses	226,077	178,394	253,563	658,034	187,425	230,801	378,141	796,367
Federal excise duty payable on management remuneration	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Formation cost payable	-	-	-	-	-	-	-	-
Sales load payable	252,241	257,652	121,465	631,358	312,575	197,318	121,466	631,359
Bank Alfalah Limited								
Bank balances	4,471,527	13,990,337	1,772,933	20,234,797	4,290,284	4,223,347	19,235,055	27,748,686
Mark-up receivable on bank balances	-	-	-	-	-	-	1,012	1,012
Sales load payable	-	96,868	43,178	140,046	1,550,881	801,392	4,225,198	6,577,471
Other related parties								
Central Depository Company of Pakistan Limited - Trustee								
Trustee remuneration payable	45,322	29,741	40,991	116,054	39,365	41,233	75,894	156,492
Sindh sales tax payable on Trustee remuneration	6,458	4,646	5,337	16,441	5,513	6,140	9,868	21,521

17. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018			June 30, 2017		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
	(Rupees)					
Financial assets						
Bank balances	20,767,260	-	20,767,260	429,576,516	-	429,576,516
Investments	-	1,417,397,418	1,417,397,418	-	1,323,158,629	1,323,158,629
Mark-up receivable on bank balances	774	-	774	4,237	-	4,237
Prepayment and other receivable	310,175	-	310,175	403,595	-	403,595
	<u>21,078,209</u>	<u>1,417,397,418</u>	<u>1,438,475,627</u>	<u>429,984,348</u>	<u>1,323,158,629</u>	<u>1,753,142,977</u>

Particulars	June 30, 2017		June 30, 2017	
	Financial liabilities measured at amortised cost	Total	Financial liabilities measured at amortised cost	Total
	(Rupees)			
Financial liabilities				
Payable to the Management Company	1,313,207	1,313,207	1,639,154	1,639,154
Payable to the Trustee	116,054	116,054	156,492	156,492
Accrued and other liabilities	1,338,386	1,338,386	7,435,275	7,435,275
	<u>2,767,647</u>	<u>2,767,647</u>	<u>9,230,921</u>	<u>9,230,921</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	2018	2017
		(Rupees)	
Variable rate instruments (financial assets)			
Bank balances	4	<u>20,767,260</u>	<u>429,576,516</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 2.07 million (2017: Rs 4.30 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

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

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2018 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	As at June 30, 2018					As at June 30, 2017						
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total	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			Upto three months	More than three months and upto one year	More than one year			
	%	(Rupees)				%	(Rupees)					
On-balance sheet financial instruments												
Financial assets												
Bank balances	4%-7.35%	20,767,260	-	-	-	20,767,260	4%-6.6%	429,576,516	-	-	-	429,576,516
Investments	-	-	-	-	1,417,397,418	1,417,397,418	-	-	-	1,323,158,629	1,323,158,629	
Mark-up receivable on bank balances	-	-	-	-	774	774	-	-	-	4,237	4,237	
Sub total		20,767,260	-	-	1,417,398,192	1,438,165,452		429,576,516	-	-	1,323,162,866	1,752,739,382
Financial liabilities												
Payable to the Management Company	-	-	-	-	1,313,207	1,313,207	-	-	-	1,639,154	1,639,154	
Payable to the Trustee	-	-	-	-	116,054	116,054	-	-	-	156,492	156,492	
Accrued and other liabilities	-	-	-	-	1,338,386	1,338,386	-	-	-	7,435,275	7,435,275	
Sub total		-	-	-	2,767,647	2,767,647		-	-	9,230,921	9,230,921	
On-balance sheet gap		20,767,260	-	-	1,414,630,545	1,435,397,805		429,576,516	-	-	1,313,931,945	1,743,508,461
Total interest rate sensitivity gap		20,767,260	-	-	1,414,630,545	1,435,397,805		429,576,516	-	-	1,313,931,945	1,743,508,461
Cumulative interest rate sensitivity gap		20,767,260	20,767,260	20,767,260			429,576,516	429,576,516	429,576,516			

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 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, 2018. The analysis is based on the assumption that PSX index increase and decrease by 5%, with all other variables held constant and that the fair value of the Fund's portfolio of open end mutual funds categorized as equity schemes moved according to their historical correlation with index. This represents managements' best estimate of a reasonable possible shift in the PSX index, having regards to the historical volatility of index of past three years.

At June 30, 2018, 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 PSX 100 index</i>	2018	2017
	-----Rupees-----	
Investment and net assets	28,534,574	34,498,695
Income statement	28,534,574	34,498,695

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, 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.

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	20,767,260	20,767,260	429,576,516	429,576,516
Investments	1,417,397,418	1,417,397,418	1,323,158,629	1,323,158,629
Mark-up receivable on bank balances	774	774	4,237	4,237
Prepayment and other receivable	377,909	-	403,595	403,595
	<u>1,440,506,305</u>	<u>1,440,128,396</u>	<u>1,755,987,031</u>	<u>1,755,987,031</u>

The risk of default is considered minimal due to inherent systematic measures taken therein.

No financial assets were considered to be past due or impaired either at June 30, 2018 and June 30, 2017.

18.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Rating	2018		2017	
	Rupees	%	Rupees	%
A1+ / AAA	360,061	1.73	399,419,127	58.60
A1+ / AA-	172,403	0.83	4,564,500	0.67
A1+ / AA+	20,234,797	97.44	277,609,293	40.73
	<u>20,767,261</u>	<u>100.00</u>	<u>681,592,920</u>	<u>100.00</u>

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund has majority of its net assets invested in funds managed by the Management Company. Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	2018		2017	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable)	20,768,034	1.44%	429,580,753	24.51%
Open end mutual funds - Quoted	1,417,397,418	98.56%	1,323,158,629	75.49%
	<u>1,438,165,452</u>	<u>100.00%</u>	<u>1,752,739,382</u>	<u>100.00%</u>

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.

	2018					2017				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees					Rupees				
Financial assets										
Bank balances	20,767,260	-	-	-	20,767,260	429,576,516	-	-	-	429,576,516
Investments	1,417,397,418	-	-	-	1,417,397,418	1,323,158,629	-	-	-	1,323,158,629
Prepayment and other receivable	310,175	-	-	-	310,175	154,091	-	-	-	154,091
Mark-up receivable on bank balances	774	-	-	-	774	4,237	-	-	-	4,237
	1,438,475,627	-	-	-	1,438,475,627	1,752,893,473	-	-	-	1,752,893,473
Financial liabilities										
Payable to the Management Company	1,313,207	-	-	-	1,313,207	1,639,154	-	-	-	1,639,154
Payable to the Trustee	116,054	-	-	-	116,054	156,492	-	-	-	156,492
Accrued and other liabilities	1,338,386	-	-	-	1,338,386	7,435,275	-	-	-	7,435,275
	2,767,647	-	-	-	2,767,647	9,230,921	-	-	-	9,230,921
Net assets	1,435,707,980	-	-	-	1,435,707,980	1,743,662,552	-	-	-	1,743,662,552

18.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.2 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

	As at June 30, 2018				As at June 30, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees				Rupees			
At fair value through profit or loss - held for trading								
Open end mutual funds - Quoted	-	1,417,397,418	-	1,417,397,418	-	1,323,158,629	-	1,323,158,629

During the year ended June 30, 2018, 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.

18.4.1 Valuation techniques used in determination of fair values within level 2

- Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.

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.

19. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

20. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company on July 2, 2018 approved a final distribution of Rs.0.8922 per unit for conservative allocation plan on the face value of Rs.100 each (i.e 0.81 %) amounting to Rs. 3.081 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

21. CORRESPONDING FIGURES

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

22. GENERAL

Figures are rounded off to the nearest rupee.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Active Allocation Plan

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	17	2,095,851	226,838,281	45%
Associated Co./ Directors	-	-	-	-
Retirement & Other Funds	7	2,120,179	224,235,346	45%
Others	2	475,382	50,861,152	10%
	26	4,691,412	501,934,779	100%

Conservative Allocation Plan

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	29	695,506	77,214,658	20%
Retirement & Other Funds	-	-	-	-
Others	4	2,757,500	306,136,294	80%
	33	3,453,006	383,350,952	100%

Moderate Allocation Plan

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	72	1,673,508	174,282,052	32%
Retirement & Other Funds	12	2,478,831	258,150,165	47%
Others	3	1,093,444	113,873,369	21%
	87	5,245,783	546,305,586	100%

Active Allocation Plan

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	17	491,199	56,739,685	18%
Associated Co./ Directors	-	-	-	-
Retirement & Other Funds	4	1,798,173	211,892,187	65%
Others	1	466,368	54,955,621	17%
	22	2,755,740	323,587,493	100%

Conservative Allocation Plan

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	52	1,613,914	177,432,282	37%
Retirement & Other Funds	0	-	-	0%
Others	4	2,757,500	303,156,815	63%
	56	4,371,415	480,589,097	100%

Moderate Allocation Plan

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	87	4,645,769	496,868,304	54%
Retirement & Other Funds	13	3,184,251	340,557,875	37%
Others	2	811,483	86,788,724	9%
	102	8,641,503	924,214,903	100%

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

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st , 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017 ,26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGPPF

	30 June 2018			30 June 2017			30 June 2016		
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan
Net Assets	501,934,779	383,350,952	546,305,586	323,587,493	480,589,097	924,214,903	220,016,061	114,551,959	295,707,874
NAV per unit	106.9901	111.0195	104.1419	117.4231	109.9390	106.9507	107.5354	105.5315	104.8369
Selling price per unit	109.4081	112.2740	105.9071	120.0769	111.1813	108.7635	110.3795	106.9270	106.9164
Redemption price per unit	106.9901	111.0195	104.1419	117.4231	109.9390	106.9507	107.5354	105.5315	104.8369
Highest selling price per unit	119.3368	113.2460	109.1628	139.3001	117.6691	124.2805	113.8973	107.5269	110.8630
Highest redemption price per unit	116.6994	111.9806	107.3433	136.2215	116.3543	122.2091	110.9626	106.1235	108.7067
Lowest selling price per unit	104.5700	108.9126	102.3158	110.5399	106.9105	107.0119	100.2170	103.2610	100.8021
Lowest redemption price per unit	102.2589	107.6956	100.6105	108.0969	105.7159	105.2283	97.6348	100.0358	98.8415
Total interim distribution per unit	Nil	Nil	Nil	8.5388	4.5144	10.5442	0.2449	-	2.7502
Interim distribution date	N/A	N/A	N/A	29-Jun-16	29-Jun-16	29-Jun-16	29-Jun-16	-	29-Jun-16
Final distribution per unit	Nil	0.8922	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	Monday, July 02, 2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annualized returns	-8.88%	0.98%	-2.63%	16.65%	8.46%	12.07%	7.78%	5.53%	7.60%
Income distribution	Nil	0.81%	Nil	7.94%	4.28%	10.06%	0.28%	-	3.27%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

AAP - Return since inception is 4.97%

CAP - Return since inception is 5.31%

MAP - Return since inception is 5.90%

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



Alfalah GHP
Islamic Prosperity Planning Fund

CORPORATE INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Islamic Prosperity Planning Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Shariah Compliant Fund of Fund Scheme

Investment Objective

Alfalah GHP Islamic Prosperity Planning Fund is an Open-ended Shariah Compliant Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah complaint Mutual funds in line with the risk tolerance of the investor.

Accomplishment of Objective

The Fund has achieved its objective of generating higher return by investing in a mix of underlying fixed income and equity based mutual funds within the guidelines provided under NBFC rules.

Money Market Review:-

Pakistan's GDP posted a growth of 5.79% in FY 18 as compared to 5.37% in FY 17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

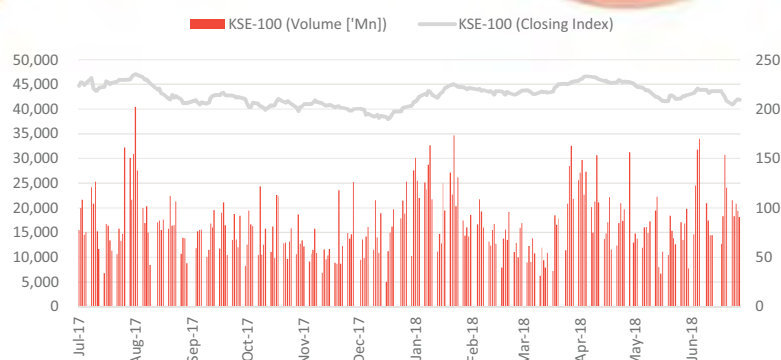
The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.

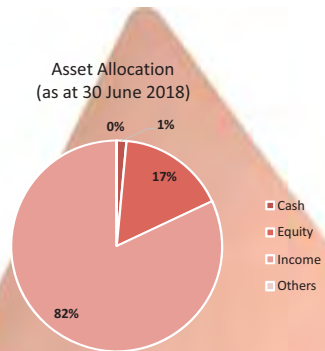
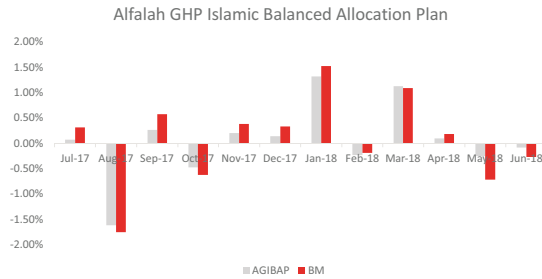
Equity Market Review

The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of the year, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.



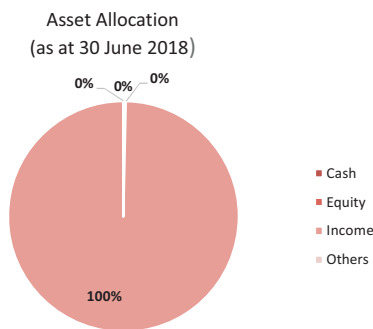
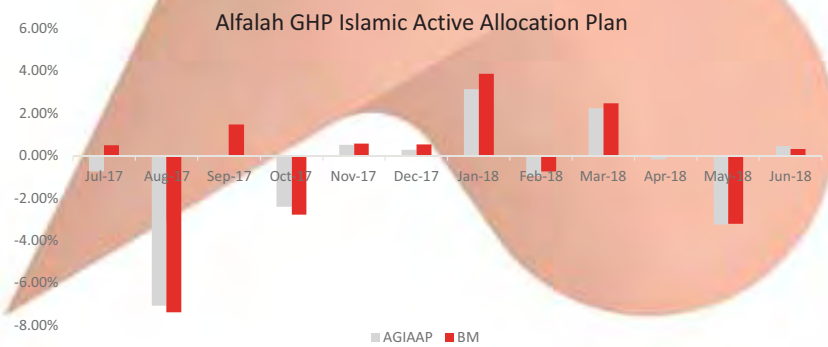
Islamic Balance Fund:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Balanced posted a return of 0.52% as compared to its benchmark of 0.80%. During the period, average equity exposure stood at 16.31% and fixed income at 80.95%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.



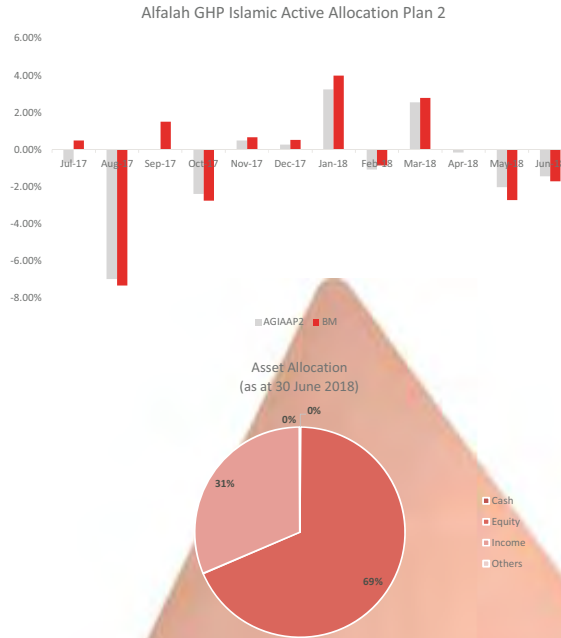
Islamic Active Fund:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active posted a return of -8.05% as compared to its benchmark of -4.74%. During the period, average equity exposure stood at 44.78% and fixed income at 53.09%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.



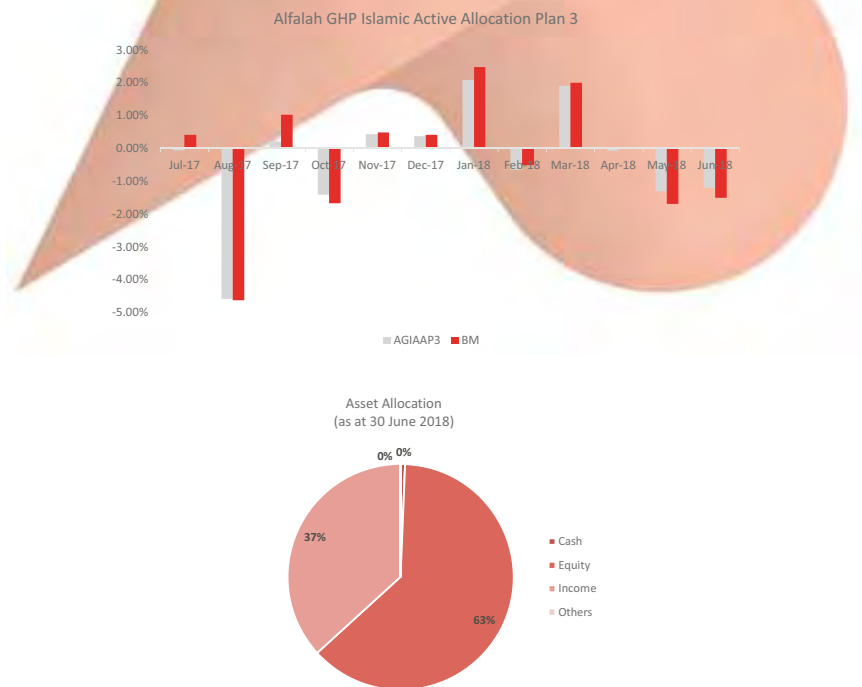
Islamic Active Fund - II:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active II posted a return of -8.36% as compared to its benchmark of -5.87%. During the period, average equity exposure stood at 53.92% and fixed income at 43.39%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.



Islamic Active Fund - III:

During the period under review, Alfalah GHP Prosperity Planning Fund - Active III posted a return of -4.44% as compared to its benchmark of -3.37%. During the period, average equity exposure stood at 37.77% and fixed income at 58.27%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.



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:-

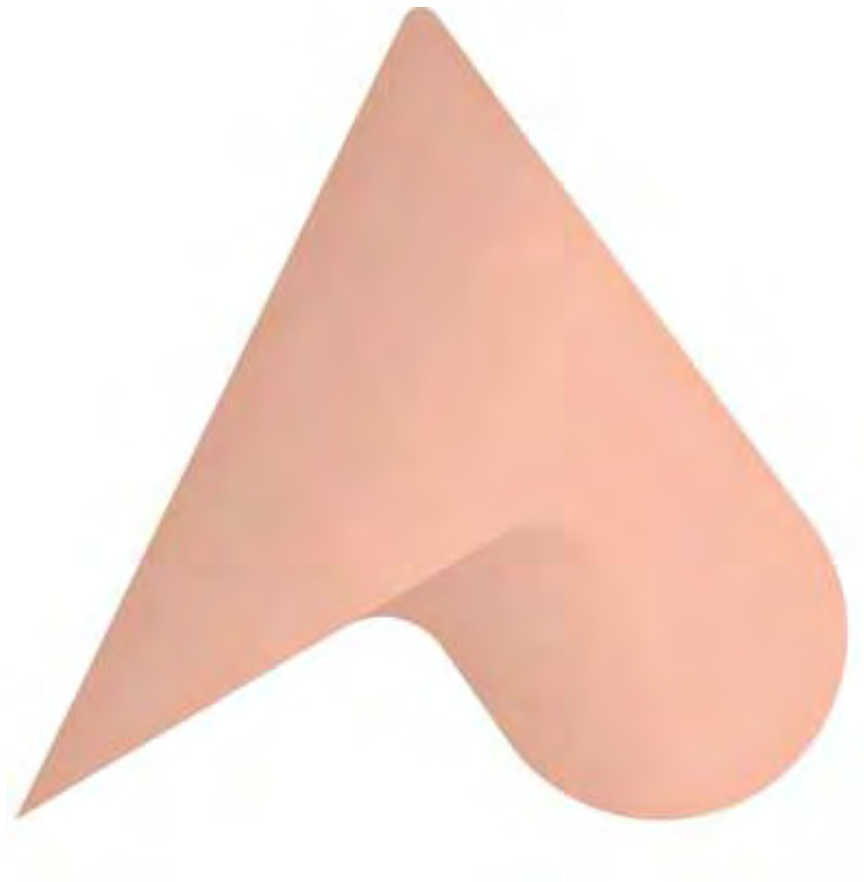
There were no unit splits during the period.

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) 34326020 - 23
URL: www.cdc-pakistan.com
Email: info@cdc-pak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

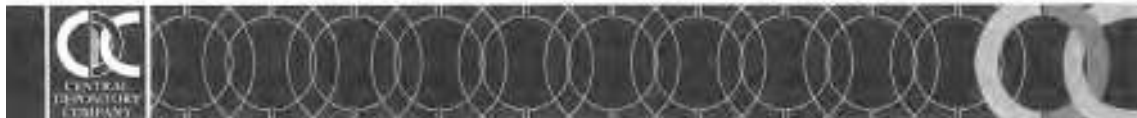
**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Affab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2018





**REPORT OF THE SHARIAH ADVISORY BOARD
ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND**

We, the Shariah Advisers of the Alfalah GHP Islamic Prosperity Planning Fund ('AGIPPF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we have checked following avenues presented to us by the Management in which AGIPPF made Investment during the period from July 1, 2017 to June 30, 2018.

Investment Head	Investment Avenue
<i>Shariah Compliant Funds</i>	<i>Alfalah GHP Islamic Dedicated Equity Fund and Alfalah GHP Islamic Income Fund</i>

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2018, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Javed Ahmed
Member Shariah Board

Mufti Atta ullah
Shariah Advisor
/ Member Shariah Board



INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of **Alfalah GHP Investment Management Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **Alfalah GHP Islamic Prosperity Planning Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2018, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor (the Shariah Principles).

Management's Responsibility of Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control (ISQC) 1 (Redrafted), 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements' and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.

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The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures primarily performed comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2018 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the year ended June 30, 2018.

Chartered Accountants

Dated: September 24, 2018

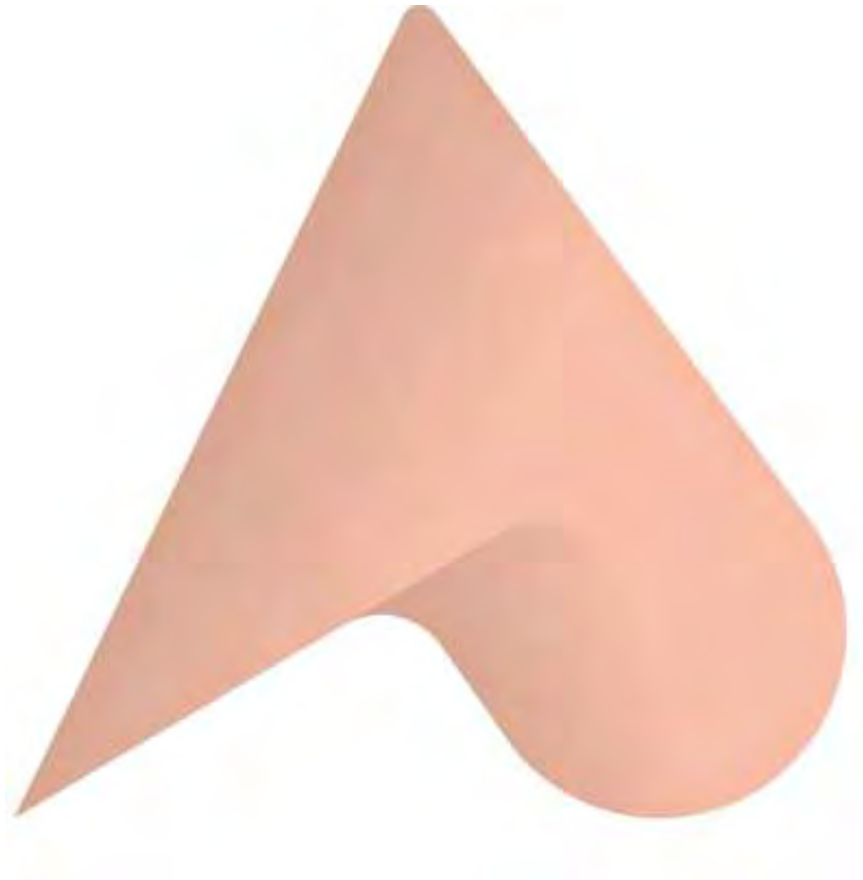
Karachi

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Prosperity Planning Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2018. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 24, 2018

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah GHP Islamic Prosperity Planning Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Prosperity Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds 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, 2018, and of its financial performance, its cash flows and transactions 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Amendments to NBFC Regulations, 2008 (Refer note 3.10 to the annexed financial statements)</p> <p>The Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756(J) / 2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impact of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly include changes with respect to recognition, measurement and presentation of "element of income", addition of certain disclosures with respect to 'Income Statement' (relating to allocation of net</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income.verified transactions on a test basis with the underlying records of the reports provided by the management to ensure their compliance with the revised regulations.

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>income for the year) and 'Statement of Movement in Unit Holders' Fund'.</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.10.</p> <p>The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<ul style="list-style-type: none"> ▪ verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value</p> <p>(Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 4,929.28 million and bank balances aggregated to Rs 583.06 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ tested the design and operating effectiveness of the key controls for valuation of investments. ▪ obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled 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. ▪ obtained approval of Board of Directors of the management company in relation to opening and closing of bank accounts. ▪ 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 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.

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 Requirement

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

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

Chartered Accountants

Karachi

Date: September 24, 2018

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

Note	June 30, 2018					June 30, 2017						
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan III	Capital Preservation	Total	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan	Total	
	----- (Rupees) -----					----- (Rupees) -----						
Assets												
Bank balances	4	3,081,698	20,733,793	2,337,007	5,579,661	551,326,905	583,059,064	98,071,822	2,133,709,150	120,649,191	320,844,902	2,673,275,065
Investments	5	857,121,899	1,361,063,399	1,733,829,453	977,265,329	-	4,929,280,080	1,648,821,364	1,417,136,264	1,999,348,351	796,531,904	5,861,837,883
Deferred formation cost	6	-	170,982	-	-	-	170,982	2,225,748	229,017	-	-	2,454,765
Profit receivable on bank balances		198,703	395,775	490,054	64,179	574,292	1,723,003	1,855,022	5,260,562	1,090,805	1,093,869	9,300,258
Other receivable		-	207,550	-	-	-	207,550	-	207,550	-	-	207,550
Total assets		860,402,300	1,382,571,499	1,736,656,514	982,909,169	551,901,197	5,514,440,679	1,750,973,956	3,556,542,543	2,121,088,347	1,118,470,675	8,547,075,521
Liabilities												
Payable to the Management Company	7	963,355	1,055,486	908,799	543,381	-	3,471,021	1,399,583	3,116,468	1,241,592	300,659	6,058,302
Remuneration payable to the Trustee	8	217,917	112,757	95,891	482,670	-	909,235	356,832	687,438	200,544	30,698	1,275,512
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	1,092,557	1,810,045	1,412,981	785,901	-	5,101,484	1,277,588	2,167,309	1,055,877	20,375	4,521,149
Units to be issued against Pre-IPO subscription		-	-	-	-	551,326,905	551,326,905	-	-	-	-	-
Payable against Pre-IPO subscription	1.2	-	-	-	-	574,292	574,292	-	-	-	-	-
Payable against redemption of units		500,884	-	-	42,088	-	542,972	-	-	-	-	-
Accrued and other liabilities	10	7,760,427	10,315,410	3,382,316	314,649	-	21,772,802	19,724,629	27,241,204	19,832,945	19,555,787	86,354,565
Total liabilities		10,535,140	13,293,698	5,799,987	2,168,689	551,901,197	583,698,711	22,758,632	33,212,419	22,330,958	19,907,519	98,209,528
Net assets attributable to unit holders		849,867,160	1,369,277,801	1,730,856,527	980,740,480	-	4,930,741,968	1,728,215,324	3,523,330,124	2,098,757,389	1,098,563,156	8,448,865,993
Unit holders' funds (as per the statement attached)		849,867,160	1,369,277,801	1,730,856,527	980,740,480	-	4,930,741,968	1,728,215,324	3,523,330,124	2,098,757,389	1,098,563,156	8,448,865,993
Contingencies and commitments	11											
Number of units in issue		8,677,033	12,986,621	18,729,733	10,294,456	-		16,225,041	33,588,257	20,813,100	11,019,467	
		----- (Rupees) -----					----- (Rupees) -----					
Net asset value per unit		97,9444	105,4376	92,4122	95,2688	-		106,5153	104,8977	100,8383	99,6929	

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

Note	For the year / period ended June 30, 2018					Total	For the year ended June 30, 2017		For the period from November 1, 2016 to June 30, 2017	For the period from June 22, 2017 to June 30, 2017	Total	
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan II	Active Allocation Plan III	Capital Preservation Plan IV		Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan II	Active Allocation Plan III		
	(Rupees)						(Rupees)					
Income												
Profit on bank balances	2,465,829	6,650,389	3,145,334	2,591,562	-	14,853,114	2,823,476	19,221,437	8,036,194	1,093,869	31,174,976	
At fair value through profit or loss - held-for-trading												
- Unrealised gain / (loss) on revaluation of investments - net	5.2	16,318,515	39,259,640	(48,731,835)	(23,623,690)	-	(16,777,370)	76,977,212	28,047,910	(17,216,092)	(3,468,096)	84,340,934
- Gain / (loss) on sale of investments - net		(155,317,507)	(46,412,619)	(122,287,031)	(25,142,562)	-	(349,159,719)	37,683,333	132,444,229	20,883,365	-	191,010,927
- Dividend income from open end mutual funds - quoted		-	-	-	-	-	-	125,160,819	52,114,219	150,681,078	-	327,956,116
Other income		3,350,227	-	3,194,042	1,341,067	-	7,885,336	2,155,696	-	3,018,615	-	5,174,311
Total income		(133,182,936)	(502,590)	(164,679,490)	(44,833,623)	-	(343,198,639)	244,800,536	231,827,795	165,403,160	(2,374,227)	639,657,264
Expenses												
Remuneration of Alfaalh Investment Management Limited- Management Company	7.1	447,736	1,100,792	660,204	706,354	-	2,915,086	608,771	2,919,827	1,294,333	120,537	4,943,468
Sindh sales tax on remuneration of Alfaalh Investment Management Limited- Management Company	7.2	58,209	143,033	85,825	91,671	-	378,738	79,142	379,577	168,264	15,670	642,653
Federal excise duty on remuneration of Alfaalh Investment Management Limited- Management Company	7.4	-	-	-	-	-	-	-	-	-	-	-
Remuneration of the Trustee	8.1	1,118,906	1,525,315	1,361,542	950,010	-	4,955,773	1,690,685	2,887,336	1,461,647	27,167	6,066,835
Sindh sales tax on remuneration of Central Depository Company of Pakistan Limited- Trustee	8.2	145,459	198,368	176,999	123,504	-	644,330	219,789	377,051	190,016	3,531	790,387
Annual fee to the Securities and Exchange Commission of Pakistan	9	1,092,557	1,810,045	1,412,981	785,901	-	5,101,484	1,277,588	2,167,309	1,055,877	20,375	4,521,149
Amortisation of deferred formation cost	6	2,225,748	58,035	-	-	-	2,283,783	2,354,980	58,035	-	-	2,413,015
Shariah advisor fee		58,061	91,668	115,256	65,276	-	330,261	81,910	143,848	110,088	2,034	337,880
Auditors' remuneration	12	106,264	167,746	210,989	119,499	-	604,498	124,122	229,851	99,964	1,848	455,785
Annual listing fee		7,977	12,636	15,880	8,978	-	45,471	17,375	23,998	18,374	340	60,087
Annual rating fee		26,309	41,537	52,226	29,578	-	149,650	37,210	65,428	66,572	1,233	170,443
Printing charges		13,219	20,870	26,265	14,862	-	75,216	50,175	70,260	50,072	925	171,432
Bank charges		95,893	216,013	75,606	38,766	-	426,278	5,463	33,772	17,189	-	56,424
Allocated expenses	7.3	1,463,269	2,413,858	1,883,991	1,047,868	-	6,808,986	1,707,740	2,892,414	1,403,124	27,166	6,030,444
Provision against Sindh Workers' Welfare Fund	10.1	-	-	-	-	-	-	4,736,953	5,128,632	3,002,126	-	12,867,711
Total expenses		6,859,607	7,799,916	6,077,764	3,982,267	-	24,719,554	12,991,903	17,377,338	8,937,646	220,826	39,527,713
Net (loss) / income for the year / period before element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)	231,808,633	214,450,457	156,465,514	(2,595,053)	600,129,551
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		-	-	-	-	-	-	(197,911)	35,715,919	(10,245,910)	(788,491)	24,483,607
Net (loss) / income for the year / period before taxation		(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)	231,610,722	250,166,376	146,219,604	(3,383,544)	624,613,158
Taxation	13	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the year / period after taxation		(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)	231,610,722	250,166,376	146,219,604	(3,383,544)	624,613,158
Allocation of net income for the year / period												
Net income for the year / period after taxation		-	-	-	-	-	-	-	-	-	-	-
Income already paid on units redeemed		-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution												
- Relating to capital gains		-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains		-	-	-	-	-	-	-	-	-	-	-

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

For the year / period ended June 30, 2018					Total	For the year ended June 30, 2017		For the period from November 1, 2016 to June	For the period from June 22, 2017 to June 30, 2017	Total	
Active Allocation	Balanced Allocation	Active Allocation	Active Allocation	Capital Preservation		Active Allocation	Balanced Allocation	Active Allocation	Active Allocation		
(Rupees)					(Rupees)						
Net (loss) / income for the year / period before taxation	(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)	231,610,722	250,166,376	146,219,604	(3,383,544)	624,613,158
Other comprehensive income for the year / period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year / period	(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)	231,610,722	250,166,376	146,219,604	(3,383,544)	624,613,158

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Active Allocation Plan			Balanced Allocation Plan			Active Allocation Plan II			Active Allocation Plan III			Capital Preservation Plan IV			Total
	For the year ended June 30, 2018			For the year ended June 30, 2018			For the year ended June 30, 2018			For the year ended June 30, 2018			For the period ended June 30, 2018			
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total	
	(Rupees)			(Rupees)			(Rupees)			(Rupees)			(Rupees)			
- Capital value	1,622,654,515	-	1,622,654,515	3,358,996,402	-	3,358,996,402	2,081,309,999	-	2,081,309,999	1,102,735,212	-	1,102,735,212	-	-	-	8,165,696,128
- Undistributed income brought forward																
- Realised	-	28,583,597	28,583,597	-	136,285,812	136,285,812	-	34,663,482	34,663,482	-	(703,960)	(703,960)	-	-	-	198,828,931
- Unrealised	-	76,977,212	76,977,212	-	28,047,910	28,047,910	-	(17,216,092)	(17,216,092)	-	(3,468,096)	(3,468,096)	-	-	-	84,340,934
Net assets at beginning of the year / period	1,622,654,515	105,560,809	1,728,215,324	3,358,996,402	164,333,722	3,523,330,124	2,081,309,999	17,447,390	2,098,757,389	1,102,735,212	(4,172,056)	1,098,563,156	-	-	-	8,448,865,993
Issue of units: 566,693 units (Active Allocation Plan), 6,269,647 units (Balanced Allocation Plan), Nil units (Active Allocation Plan II), 583,516 units (Active Allocation Plan III)																
- Capital value (at net asset value per unit at the beginning of the year / period)	60,361,475	-	60,361,475	657,671,550	-	657,671,550	-	-	-	58,172,402	-	58,172,402	-	-	-	776,205,427
- Element of loss	(4,353,297)	-	(4,353,297)	(4,627,653)	-	(4,627,653)	-	-	-	(1,656,895)	-	(1,656,895)	-	-	-	(10,637,845)
Total proceeds on issuance of units	56,008,178	-	56,008,178	653,043,897	-	653,043,897	-	-	-	56,515,507	-	56,515,507	-	-	-	765,567,582
Redemption of units: 8,114,701 units (Active Allocation Plan), 26,871,283 units (Balanced Allocation Plan), 20,83,367 (Active Allocation Plan II), 1,308,527 units (Active Allocation Plan III)																
- Capital value (at net asset value per unit at the beginning of the year / period)	864,339,811	-	864,339,811	2,818,735,783	-	2,818,735,783	210,083,187	-	210,083,187	130,450,851	-	130,450,851	-	-	-	4,023,609,632
- Element of income	(70,026,012)	-	(70,026,012)	(19,942,069)	-	(19,942,069)	(12,939,579)	-	(12,939,579)	(4,928,558)	-	(4,928,558)	-	-	-	(107,836,218)
Total payments on redemption of units	794,313,799	-	794,313,799	2,798,793,714	-	2,798,793,714	197,143,608	-	197,143,608	125,522,293	-	125,522,293	-	-	-	3,915,773,414
Total comprehensive loss for the year / period	-	(140,042,543)	(140,042,543)	-	(8,302,506)	(8,302,506)	-	(170,757,254)	(170,757,254)	-	(48,815,890)	(48,815,890)	-	-	-	(367,918,193)
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the year / period less distribution	-	(140,042,543)	(140,042,543)	-	(8,302,506)	(8,302,506)	-	(170,757,254)	(170,757,254)	-	(48,815,890)	(48,815,890)	-	-	-	(367,918,193)
Net assets at end of the year / period	884,348,894	(34,481,734)	849,867,160	1,213,246,585	156,031,216	1,369,277,801	1,884,166,391	(153,309,864)	1,730,856,527	1,033,728,426	(52,987,946)	980,740,480	-	-	-	4,930,741,968
Undistributed income carried forward																
- Realised		(50,800,249)			116,771,576			(104,578,029)			(29,364,256)					
- Unrealised		16,318,515			39,259,640			(48,731,835)			(23,623,690)					
		<u>(34,481,734)</u>			<u>156,031,216</u>			<u>(153,309,864)</u>			<u>(52,987,946)</u>					
Accounting income available for distribution																
- Relating to capital gain		-			-			-			-			-		
- Excluding capital gain		-			-			-			-			-		
		<u>-</u>			<u>-</u>			<u>-</u>			<u>-</u>			<u>-</u>		
Net assets value per unit as at beginning of the year / period			106.52			104.90			100.84			99.69				-
Net assets value per unit as at end of the year / period			97.94			105.44			92.41			95.27				-

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

For Alfalah GHP Investment Management Limited
(Management Company)

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	For the year ended June 30, 2017		For the period from November 1, 2016 to June 30, 2017	For the period from June 22, 2017 to June 30, 2017	Total
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan II	Active Allocation Plan III	
	----- (Rupees) -----				
Capital value	1,556,498,787	2,118,508,132	-	-	3,675,006,919
Undistributed income brought forward					
- Realised (loss) / gain	(13,458,825)	521,453	-	-	(12,937,372)
- Unrealised gain	-	-	-	-	-
Net assets at beginning of the year / period	1,543,039,962	2,119,029,585	-	-	3,662,069,547
Issuance of units	164,062,987	5,149,546,921	2,191,808,974	1,101,946,721	8,607,365,603
Redemption of units	(98,677,209)	(3,873,037,396)	(120,744,885)	-	(4,092,459,490)
	65,385,778	1,276,509,525	2,071,064,089	1,101,946,721	4,514,906,113
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net					
- transferred to income statement	197,911	(35,715,919)	10,245,910	788,491	(24,483,607)
- transferred to distribution statement	572,039	(305,336)	-	-	266,703
	769,950	(36,021,255)	10,245,910	788,491	(24,216,904)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(572,039)	305,336	-	-	(266,703)
Gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading - net	37,683,333	132,444,229	20,883,365	-	191,010,927
Unrealised gain / (loss) on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net	76,977,212	28,047,910	(17,216,092)	(3,468,096)	84,340,934
Other income (net of expenses)	116,950,177	89,674,237	142,552,331	84,552	349,261,297
Distribution of cash dividend approved on June 22, 2017 of Active allocation plan @ Rs 5.9883 per unit, Balanced allocation plan @ Rs 2.6865 per unit and Active allocation plan II @ Rs 6.1617 per unit	(91,615,232)	(78,677,856)	(122,029,403)	-	(292,322,491)
Distribution of cash dividend approved on June 29, 2017 of Active allocation plan @ Re 1.2709 per unit, Balanced allocation plan @ Re 0.2386 per unit, Active allocation plan II @ Re 0.3248 per unit and Active allocation plan III @ Re 0.0716 per unit	(20,403,817)	(7,981,587)	(6,742,811)	(788,512)	(35,916,727)
	119,591,673	163,506,933	17,447,390	(4,172,056)	296,373,940
Net assets at end of the year / period	1,728,215,324	3,523,330,124	2,098,757,389	1,098,563,156	8,448,865,993
Represented by					
Capital value	1,622,654,515	3,358,996,402	2,081,309,999	1,102,735,212	8,165,696,128
Undistributed income carried forward					
- Realised gain / (loss)	28,583,597	136,285,812	34,663,482	(703,960)	198,828,931
- Unrealised gain / (loss)	76,977,212	28,047,910	(17,216,092)	(3,468,096)	84,340,934
	1,728,215,324	3,523,330,124	2,098,757,389	1,098,563,156	8,448,865,993
Net assets value per unit as at beginning of the year / period	99.1445	100.0297	-	-	
Net assets value per unit as at end of the year / period	106.5153	104.8977	100.8383	99.6929	

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	For the year / period ended June 30, 2018					Total	For the year ended June 30, 2017				Total
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan II	Active Allocation Plan III	Capital Preservation Plan IV		Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan II	Active Allocation Plan III	
	(Rupees)						(Rupees)				
CASH FLOWS FROM OPERATING ACTIVITIES											
Net (loss) / income for the year / period after taxation	(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)	231,610,722	250,166,376	146,219,604	(3,383,544)	624,613,158
Adjustments for:											
Amortisation of deferred formation cost	2,225,748	58,035	-	-	-	2,283,783	2,354,980	58,035	-	-	2,413,015
Unrealised (gain) / loss on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net	(16,318,515)	(39,259,640)	48,731,835	23,623,690	-	16,777,370	(76,977,212)	(28,047,910)	17,216,092	3,468,096	(84,340,934)
Provision against Sindh Workers' Welfare Fund	-	-	-	-	-	-	4,736,953	5,128,632	3,002,126	-	12,867,711
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net	-	-	-	-	-	-	197,911	(35,715,919)	10,245,910	788,491	(24,483,607)
	(154,135,310)	(47,504,111)	(122,025,419)	(25,192,200)	-	(348,857,040)	161,923,354	191,589,214	176,683,732	873,043	531,069,343
(Increase) / decrease in assets											
Investments - net	808,017,980	95,332,505	216,787,063	(204,357,115)	-	915,780,433	(1,501,844,152)	(1,319,088,354)	(2,016,564,443)	(800,000,000)	(5,637,496,949)
Deferred formation cost	-	-	-	-	-	-	-	-	-	-	-
Profit receivable on bank balances	1,656,319	4,864,787	600,751	1,029,690	(574,292)	7,577,255	(211,294)	(5,110,644)	(1,090,805)	(1,093,869)	(7,506,612)
Other receivable	-	-	-	-	-	-	-	(207,550)	-	-	(207,550)
	809,674,299	100,197,292	217,387,814	(203,327,425)	(574,292)	923,357,688	(1,502,055,446)	(1,324,406,548)	(2,017,655,248)	(801,093,869)	(5,645,211,111)
(Decrease) / increase in liabilities											
Payable to the Management Company	(436,228)	(2,060,982)	(332,793)	242,722	-	(2,587,281)	(4,858,551)	1,120,913	1,241,592	300,659	(2,195,387)
Remuneration payable to the Trustee	(138,915)	(574,681)	(104,653)	451,972	-	(366,277)	270,004	624,675	200,544	30,698	1,125,921
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(185,031)	(357,264)	357,104	765,526	-	580,335	1,215,091	2,126,017	1,055,877	20,375	4,417,360
Payable against redemption of units	500,884	-	-	42,088	-	542,972	-	-	-	-	-
Units to be issued against Pre-IPO subscription	-	-	-	-	551,326,905	551,326,905	-	-	-	-	-
Payable against Pre-IPO subscription	-	-	-	-	574,292	574,292	-	-	-	-	-
Accrued and other liabilities	(11,964,202)	(16,925,794)	(16,450,629)	(19,241,138)	-	(64,581,763)	(6,383,717)	21,843,036	16,830,819	19,555,787	51,845,925
	(12,223,492)	(19,918,721)	(16,530,971)	(17,738,830)	551,901,197	485,489,183	(9,757,173)	25,714,641	19,328,832	19,907,519	55,193,819
Net cash flows used in operating activities	643,315,497	32,774,460	78,831,424	(246,258,455)	551,326,905	1,059,989,831	(1,349,889,265)	(1,107,102,693)	(1,821,642,684)	(780,313,307)	(5,058,947,949)
CASH FLOWS FROM FINANCING ACTIVITIES											
Amount received on issuance of units	56,037,567	653,043,897	-	56,515,507	-	765,596,971	164,062,987	5,149,546,921	2,191,808,974	1,101,946,721	8,607,365,603
Amount paid on redemption of units	(794,343,188)	(2,798,793,714)	(197,143,608)	(125,522,293)	-	(3,915,802,803)	(98,677,209)	(3,873,037,396)	(120,744,885)	-	(4,092,459,490)
Dividend paid	-	-	-	-	-	-	(112,019,049)	(86,659,443)	(128,772,214)	(788,512)	(328,239,218)
Net cash flows generated from financing activities	(738,305,621)	(2,145,749,817)	(197,143,608)	(69,006,786)	-	(3,150,205,832)	(46,633,271)	1,189,850,082	1,942,291,875	1,101,158,209	4,186,666,895
Net (decrease) / increase in cash and cash equivalents during the year / period	(94,990,124)	(2,112,975,357)	(118,312,184)	(315,265,241)	551,326,905	(2,090,216,001)	(1,396,522,536)	82,747,389	120,649,191	320,844,902	(872,281,054)
Cash and cash equivalents at beginning of the year / period	98,071,822	2,133,709,150	120,649,191	320,844,902	-	2,673,275,065	1,494,594,358	2,050,961,761	-	-	3,545,556,119
Cash and cash equivalents at end of the period	3,081,698	20,733,793	2,337,007	5,579,661	551,326,905	583,059,064	98,071,822	2,133,709,150	120,649,191	320,844,902	2,673,275,065

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on March 15, 2016 between Alfalah GHP Investment Management Limited (Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984. The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a Notified Entity under Regulation 44 of the Non Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. SCD/AMCW/AGIML/437/2016 dated April 25, 2016 and the Offering Document of the Fund was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/AGIPPF/449/2016 dated May 02, 2016.

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 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as a 'Fund of Fund scheme' pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The duration of the fund is perpetual, however, allocation plans may have a set time frame. The Fund invests in units of other mutual funds and bank balances. The investment objectives and policy are explained in the Fund's offering document. Presently, the Fund offers following allocation plans:

- a. Alfalah GHP Islamic Active Allocation Plan (AAP): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual (refer note 1.1).
- b. Alfalah GHP Islamic Balanced Allocation Plan (BAP) is perpetual.
- c. Alfalah GHP Islamic Active Allocation Plan II (AAP II): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual (refer note 1.1).
- d. Alfalah GHP Islamic Active Allocation Plan III (AAP III): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual (refer note 1.1).
- e. Alfalah Islamic Capital Preservation Plan IV (CPP IV): The initial maturity of plan was twenty four (24) months from the close of subscription period (refer note 1.2). However the duration of the plan has been changed to perpetual (refer note 1.1).

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on December 22, 2017.

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.

- 1.1** The initial maturity of plans is two (2) years from the close of subscription period. However, during the year, the duration of all plans, after attaining initial maturity of two (2) years or twenty four (24) months has been changed to perpetual. The change of duration has been approved by the SECP vide its letter No. SCD/AMCW/AIML/392/2018 dated June 1, 2018.
- 1.2** During 2018, a new plan namely Alfalah Islamic Capital Preservation Plan IV (CCP IV - the Plan) was introduced. The necessary changes in the Offering Document of the Fund were incorporated vide amendment through 4th Supplemental Offering Document approved by SECP vide letter No. SCD/AMCW/AIML/379/2018 dated May 22, 2018. Pre-Initial Public Offer (the Pre-IPO) period of the Plan started from the date of approval of 4th Supplemental Offering Document i.e. May 22, 2018 and would continue till Initial Public Offer (the IPO) date which is July, __, 2018. Further, accounting period means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding accounting period. Furthermore, as per the 4th Supplemental Offering Document, the amounts received from the investors before the IPO shall be deposited in a bank account of the Fund and any income, profit etc earned and / or accrued on the investments of that amount up to and including the day before the opening of the IPO shall not form part of the Trust Property and shall be paid by the Management Company or the Trustee to those Investors participated before the IPO, either in cash or in additional units as agreed with those investors, in proportion of their investments. Accordingly, the Fund has presented 'statement of assets and liabilities' in respect of CCP-IV as at June 30, 2018, however, profit accrued on bank balances amounting to Rs 574,292 has been shown as 'payable against Pre-IPO subscription' as at June 30, 2018 as it doesn't form part of the Fund property whereas amount received as Pre-IPO subscription amounting to Rs 551.33 million has been shown as 'units to be issued against Pre-IPO subscription' since as at June 30, 2018, no units have been issued against Pre-IPO subscription.

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.

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to 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 approved accounting standards that are not yet effective

2.3.1 The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	July 1, 2018
- IFRS-15 Revenue from contracts with customers	July 1, 2018
- IFRS-16 Leases	January 1, 2019

These standards may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

2.3.2 There are certain new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2018 but are considered not to be relevant or to 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 approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- i. Classification and valuation of financial assets (notes 3.3.1, 3.3.4 and 5)
- ii. Impairment of financial assets (note 3.3.5)
- iii. Taxation (note 3.7 and 13)
- iv. Provision against Federal Excise Duty and Sindh Workers' Welfare Fund (note 7.4 and 10.1 respectively)

2.5 Basis of measurement

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

category which are stated at fair value.

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 except for the change in accounting policy as explained in note 3.10 below.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.3.2 Regular way contracts

Regular 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.

3.3.3 Initial recognition and measurement

Financial assets 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 expensed out in the income statement.

3.3.4 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, when the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The investments of the Fund in collective investment schemes are valued on the basis of daily net assets value (NAV) announced by the management company.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective profit method.

3.3.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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.

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

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 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 section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Dividend distribution and appropriations

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 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 the prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 97.20 million with no effect on the NAV per unit of the Fund. Furthermore, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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 loss on sale of investments is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank balances is recognised on an accrual basis using the effective yield method.

3.13 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

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

is not practicable.

3.15 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non- Banking Finance Companies and Notified Entities Regulations, 2008.

4	BANK BALANCES	Note	June 30, 2018					June 30, 2017					
			Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan	Capital Preservation	Total	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan	Total
			(Rupees)					(Rupees)					
	Deposit accounts	4.1	3,081,698	20,733,793	2,337,007	5,579,661	551,326,905	583,059,064	98,071,822	2,133,709,150	120,649,191	320,844,902	2,673,275,065

4.1 These represent balances in saving accounts maintained with banks carrying profit rates ranging from 5.3% to 6.50% (2017: 4.00% to 6.6%) per annum. This includes Rs 591.02 million (2017: Rs 591.02 million) placed with Bank Alfalah Limited (a related party).

5	INVESTMENT	Note	June 30, 2018					June 30, 2017						
			Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan	Capital Preservation	Total	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan III	Total	
			(Rupees)					(Rupees)						
	'At fair value through profit or loss' - held-for-trading													
	Open end mutual funds - Quoted	5.1	857,121,899	1,361,063,399	1,733,829,453	977,265,329	-	4,929,280,080	1,648,821,364	1,417,136,264	1,999,348,351	796,531,904	5,861,837,883	

5.1 Open End Mutual Funds - Quoted - 'At fair value through profit or loss' - held-for-trading

Islamic Active Allocation Plan

Particulars	As at July 01, 2017	Purchased during the year	Sold during the year	As at June 30, 2018	Carrying cost as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets	Total investments
		(No. of Units)				(Rupees)		(%)	
Alfalah GHP Islamic Income Fund *	3,971,008	12,074,500	7,920,591	8,124,917	840,803,905	857,121,899	16,317,994	100.85%	100.00%
Alfalah GHP Islamic Stock Fund *	16,722,143	-	16,722,143	-	-	-	-	-	-
Alfalah GHP Islamic Dedicated Fund *	299,971	6,245,911	6,545,882	-	-	-	-	-	-
Total as at June 30, 2018	20,993,122	18,320,411	31,188,616	8,124,917	840,803,905	857,121,899	16,317,994	100.85%	100.00%
Total as at June 30, 2017	-	31,628,818	11,731,972	20,993,122	1,571,844,152	1,648,821,364	76,977,212	95.40%	100.00%

* These represent investments held in related parties i.e. funds under common management

Islamic Balanced Allocation Plan

Particulars	As at July 01, 2017	Purchased during the year	Sold during the year	As at June 30, 2018	Carrying cost as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets	Total investments
		(No. of Units)				(Rupees)		(%)	
Alfalah GHP Islamic Income Fund *	7,908,592	18,884,763	16,054,784	10,738,571	1,087,328,512	1,132,843,269	45,514,757	82.73%	83.23%
Alfalah GHP Islamic Stock Fund *	8,133,310	-	7,647,064	486,246	35,409,835	30,299,342	(5,110,493)	2.21%	2.23%
Alfalah GHP Islamic Dedicated Fund *	249,971	2,778,581	695,009	2,333,543	199,064,649	197,920,788	(1,143,861)	14.45%	14.54%
Total as at June 30, 2018	16,291,873	21,663,344	24,396,857	13,558,360	1,321,802,996	1,361,063,399	39,260,403	99.39%	100.00%
Total as at June 30, 2017	1,096,277	56,391,505	41,195,909	16,291,873	1,389,088,354	1,417,136,264	28,047,910	40.22%	100.00%

Islamic Active Allocation Plan II

Particulars	As at July 01, 2017	Purchased during the year	Sold during the year	As at June 30, 2018	Carrying cost as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets	Total investments
		(No. of Units)				(Rupees)		(%)	
Alfalah GHP Islamic Income Fund *	4,993,412	5,455,168	5,282,205	5,166,375	525,118,127	545,016,298	19,898,171	31.49%	31.43%
Alfalah GHP Islamic Stock Fund *	19,981,188	-	14,201,890	5,779,298	420,865,257	360,124,255	(60,741,002)	20.81%	20.77%
Alfalah GHP Islamic Dedicated Fund *	400,000	9,750,112	379,635	9,770,477	836,577,905	828,688,900	(7,889,005)	47.88%	47.80%
Total as at June 30, 2018	25,374,600	15,205,280	19,863,730	20,716,150	1,782,561,289	1,733,829,453	(48,731,836)	100.18%	100.00%
Total as at June 30, 2017	-	37,495,336	12,120,736	25,374,600	2,016,564,443	1,999,348,351	(17,216,092)	95.27%	100.00%

Islamic Active Allocation Plan III

Particulars	As at July 01, 2017	Purchased during the year	Sold during the year	As at June 30, 2018	Carrying cost as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets	Total investments
		(No. of Units)				(Rupees)		(%)	
Alfalah GHP Islamic Income Fund *	1,977,148	6,675,928	5,229,260	3,423,816	347,772,819	361,188,599	13,415,780	36.83%	36.96%
Alfalah GHP Islamic Dedicated Equity Fund *	6,156,018	5,884,206	4,776,504	7,263,720	653,116,441	616,076,730	(37,039,711)	62.82%	63.04%
Total as at June 30, 2018	8,133,166	12,560,134	10,005,764	10,687,536	1,000,889,260	977,265,329	(23,623,931)	99.65%	100.00%
Total as at June 30, 2017	-	8,133,166	-	8,133,166	800,000,000	796,531,904	(3,468,096)	72.51%	100.00%

* These represent investments held in related parties i.e. funds under common management

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

	Note	2018	2017
----- (Rupees) -----			
Market value of investments as at June 30	5.1	4,929,280,080	5,861,837,883
Less: Carrying value of investments as at June 30	5.1	<u>(4,946,057,450)</u>	<u>(5,777,496,949)</u>
		<u>(16,777,370)</u>	<u>84,340,934</u>

6 DEFERRED FORMATION COST

	June 30, 2018					June 30, 2017					
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan	Capital Preservation	Total	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan III	Total
----- (Rupees) -----											
As at July 1	2,225,748	229,017	-	-	-	2,454,765	4,580,728	287,052	-	-	4,867,780
Formation cost incurred	-	-	-	-	-	-	-	-	-	-	-
Amortised during the year / period	(2,225,748)	(58,035)	-	-	-	(2,283,783)	(2,354,980)	(58,035)	-	-	(2,413,015)
As at June 30	-	170,982	-	-	-	170,982	2,225,748	229,017	-	-	2,454,765

This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the SECP, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years or within maturity of fund whichever is lower, effective from June 11, 2016, i.e. after the end of initial period of the Fund. Formation cost is divided amongst the Active Allocation Plan and Balanced Allocation Plan according to the ratios of their Pre IPO investments.

7 PAYABLE TO THE ALFALAH GHP INVESTMENT MANAGEMENT LIMITED- MANAGEMENT COMPANY

Note	June 30, 2018					June 30, 2017					
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan	Capital Preservation	Total	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan III	Total
----- (Rupees) -----											
Management remuneration payable	7.1	3,972	18,174	-	5,043	27,189	201,208	1,080,235	121,348	120,537	1,523,328
Sindh sales tax payable on management remuneration	7.2	11,781	13,949	-	77	25,807	37,891	152,088	15,776	15,670	221,425
Payable against allocated expenses	7.3	678,326	904,909	908,799	537,838	3,029,872	891,208	1,765,691	1,104,468	27,166	3,788,533
Federal excise duty payable on management remuneration	7.4	83,821	83,234	-	-	167,055	83,821	83,234	-	-	167,055
Sales load payable		185,455	35,220	-	423	221,098	185,455	35,220	-	137,286	357,961
		<u>963,355</u>	<u>1,055,486</u>	<u>908,799</u>	<u>543,381</u>	<u>3,471,021</u>	<u>1,399,583</u>	<u>3,116,468</u>	<u>1,241,592</u>	<u>300,659</u>	<u>6,058,302</u>

7.1 The Management Company has charged remuneration at a rate of 1.25% (2017: 1.25%) of the 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% (2017: 13%).

7.3 The Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

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.

During 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 July 01, 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 July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 0.08 million (2017: Rs 0.08 million) and Rs 0.08 million (2017: Rs 0.08 million) for Active Allocation Plan and Balanced Allocation Plan is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re 0.01 (2017: Re 0.01) per unit and Re 0.006 (2017: Re 0.002) per unit for Active Allocation Plan and Balanced Allocation Plan respectively.

8 REMUNERATION PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		June 30, 2018					June 30, 2017					
		Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan III	Capital Preservation	Total	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan II	Active Allocation Plan III	Total
		(Rupees)										
Trustee remuneration payable	8.1	192,843	98,215	84,858	427,140	-	803,056	315,777	606,850	177,471	27,167	1,127,265
Sindh sales tax payable on Trustee remuneration	8.2	25,074	14,542	11,033	55,530	-	106,179	41,055	80,588	23,073	3,531	148,247
		<u>217,917</u>	<u>112,757</u>	<u>95,891</u>	<u>482,670</u>	<u>-</u>	<u>909,235</u>	<u>356,832</u>	<u>687,438</u>	<u>200,544</u>	<u>30,698</u>	<u>1,275,512</u>

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

Average net asset value	Tariff per annum
Up to Rs 1 billion	0.10% per annum of Net Assets
Over Rs 1 billion	Rs 1 million plus 0.075% per annum of Net Assets exceeding Rs 1 billion

The same level of trustee fee was charged during the year 2017.

8.2 During the year, Sindh Sales Tax on trustee remuneration has been charged at the rate of 13% (2017: 13%).

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

In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a Shariah Compliant Fund of Funds Scheme scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.075% of the average annual net assets of the Fund as annual fee.

10 ACCRUED AND OTHER LIABILITIES	June 30, 2018						June 30, 2017				
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan II	Active Allocation Plan III	Capital Preservation	Total	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan II	Active Allocation Plan III	Total
	(Rupees)										
Provision against Sindh Workers' Welfare Fund	4,736,953	5,128,632	3,002,126	-	-	12,867,711	4,736,953	5,128,632	3,002,126	-	12,867,711
Printing charges payable	68,336	96,612	56,222	10,553	-	231,723	71,218	94,385	44,453	925	210,981
Auditors' remuneration payable	55,683	94,203	101,752	72,764	-	324,402	71,553	140,688	44,543	1,848	258,632
Withholding and capital gain tax payable	115,897	4,213,858	503	127,474	-	4,457,732	14,687,367	14,153,568	16,593,849	73,717	45,508,501
Listing fee payable	40,820	65,591	27,499	5,737	-	139,647	38,418	52,955	18,374	340	110,087
Rating fee payable	63,519	106,965	118,798	30,811	-	320,093	37,210	65,428	66,572	1,233	170,443
Shariah advisor fee payable	25,541	112,144	75,416	67,310	-	280,411	81,910	143,848	63,028	2,034	290,820
Sales load payable	2,653,678	497,405	-	-	-	3,151,083	-	7,461,700	-	19,475,690	26,937,390
	<u>7,760,427</u>	<u>10,315,410</u>	<u>3,382,316</u>	<u>314,649</u>	<u>-</u>	<u>21,772,802</u>	<u>19,724,629</u>	<u>27,241,204</u>	<u>19,832,945</u>	<u>19,555,787</u>	<u>86,354,565</u>

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re 0.55 (2017: Re 0.29) per unit, Re 0.39 (2017: Re 0.15) per unit and Re 0.16 (2017: Re 0.14) per unit for Active Allocation Plan, Balanced Allocation Plan and Active Allocation Plan II respectively.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2018 and June 30, 2017.

12 AUDITORS' REMUNERATION	For the year / period ended June 30, 2018					Total	For the year ended June 30, 2017		For the period from November 1, 2016 to June 30, 2017	For the period from June 22, 2017 to June 30, 2017	Total
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan III	Capital Preservation		Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan III	
	(Rupees)										
Audit fee	49,824	77,244	96,720	54,759	-	278,547	100,494	197,979	72,518	1,525	372,516
Review and other certifications	36,404	58,653	74,142	42,010	-	211,209	15,000	20,000	10,000	-	45,000
Sindh sales tax	7,718	12,435	15,718	8,906	-	44,777	5,261	4,633	4,951	92	14,937
Out of pocket expenses	12,318	19,414	24,409	13,824	-	69,965	3,367	7,239	12,495	231	23,332
	<u>106,264</u>	<u>167,746</u>	<u>210,989</u>	<u>119,499</u>	<u>-</u>	<u>604,498</u>	<u>124,122</u>	<u>229,851</u>	<u>99,964</u>	<u>1,848</u>	<u>455,785</u>

13 TOTAL EXPENSE RATIO

The total expense ratios of the Fund for the year ended June 30, 2018 are 0.47%, 0.32%, 0.32% and 0.38% (2017: 0.39%, 0.32%, 0.21% and 0.01%) which include 0.15%, 0.14%, 0.15% and 0.17% (2017: 0.36%, 0.28%, 0.20% and 0.01%) representing Government levy, Workers' Welfare Fund and SECP fee in Active Allocation Plan, Balanced Allocation Plan, Active Allocation Plan II and Active Allocation Plan III respectively.

13 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 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 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 has incurred net loss for the year, accordingly, no provision for taxation has been made in these financial statements.

14 UNITS OUTSTANDING

For the year / period ended June 30, 2018					Total	For the year ended June 30, 2017		For the period from November 1, 2016 to June 30, 2017	For the period from June 22, 2017 to June 30, 2017	Total
Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan	Capital Preservation		Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan III	
(Number of units)					(Number of units)					
As at July 1	16,225,041	33,588,257	20,813,100	11,019,467	-	81,645,865	15,563,545	21,184,005	-	36,747,550
Add: issuance of units during the year / period	566,693	6,269,647	-	583,516	-	7,419,856	4,190,501	49,396,082	21,901,722	86,514,920
Less: redemption of units during the year / period	(8,114,701)	(26,871,283)	(2,083,367)	(1,308,527)	-	(38,377,878)	(3,529,005)	(36,991,830)	(1,088,622)	(41,616,605)
As at June 30	8,677,033	12,986,621	18,729,733	10,294,456	-	50,687,843	16,225,041	33,588,257	20,813,100	81,645,865

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund. 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, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

Details of transactions and balances at year / period 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

	Note	June 30, 2018								
		As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out
		(Units)				(Rupees)				
Active Allocation Plan										
Unit holder holding 10% or more units										
Pakistan Rangers (Punjab) Private Fund	15.1.1	926,144	-	-	926,144	98,648,506	-	-	-	90,710,618
Mian Muhammad Afzal	15.1.1	1,287,188	-	-	1,287,188	137,105,216	-	-	-	126,072,856
Islamic Balanced Allocation Plan										
Key management personnel										
Head of Operation	15.1.1	-	103	-	103	-	-	-	-	10,860
Islamic Active Allocation Plan II										
Unit holder holding 10% or more units										
SSG Executive Staff Provident Fund	15.1.1	3,014,096	-	-	3,014,096	303,936,317	-	-	-	278,539,242
Islamic Active Allocation Plan III										
Unit holder holding 10% or more units										
Pakistan Rangers (Punjab) Private Fund	15.1.1	1,107,673	-	-	1,107,673	110,427,134	-	-	-	105,526,678
Balochistan University of Engineering and Technology	15.1.1	1,119,523	-	-	1,119,523	111,608,494	-	-	-	106,653,613

	June 30, 2017									
	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2017	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2017
	(Units)					(Rupees)				
Active Allocation Plan										
Unit holder holding 10% or more units										
Naseer Ahmad Awan	2,194,480	-	148,696	14,870	2,328,306	217,570,601	-	16,068,946	1,606,895	248,000,212
Active Allocation Plan II										
Associated companies / undertakings										
Bank Alfalah Limited Employees Gratuity Fund	-	1,500,000	95,743	95,743	1,500,000	-	150,000,000	9,729,750	9,729,750	151,257,450
Unit holder holding 10% or more units										
SSG Executive Staff Provident Fund	-	2,876,098	183,997	45,999	3,014,096	-	290,000,000	18,698,280	4,674,570	303,936,317
Active Allocation Plan III										
Associated companies / undertakings										
Bank Alfalah Limited Employees Gratuity Fund	-	500,000	358	358	500,000	-	50,000,000	35,800	35,800	49,846,450
Unit holder holding 10% or more units										
Punjab Rangers (Punjab) Private Fund	-	1,106,880	793	-	1,107,673	-	113,171,645	79,253	-	110,427,134
Balochistan University of Engineering and Technology	-	1,118,922	801	-	1,119,723	-	115,052,231	80,115	-	111,628,433
Balanced Allocation Plan										
Key management personnel (Employees)										
Head of human resource	-	3,700	103	10	3,793	-	400,000	10,844	1,084	397,877
Head of operations	100	-	3	-	103	10,000	-	293	30	10,804
Unit holder holding 10% or more units										
Century Engineering Industries (Private) Limited	-	11,086,660	7,674	7,720,468	3,373,866	-	1,177,524,275	803,631	828,659,202	353,910,784

15.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

15.2 Other transactions

	For the year / period ended June 30, 2018					Total	For the year ended June 30, 2017		For the period from November 1, 2016 to June 30, 2017	For the period from June 22, 2017 to June 30, 2017	Total
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan	Capital Preservation		Active Allocation Plan	Balanced Allocation Plan			
	(Rupees)						(Rupees)				
Associated companies / undertakings											
Alfalah GHP Investment Management Limited - Management Company											
Remuneration of the Management Company	447,736	1,100,792	660,204	706,354	-	2,915,086	608,771	2,919,827	1,294,333	120,537	4,943,468
Sindh sales tax on remuneration of the Management Company	58,209	143,033	85,825	91,671	-	378,738	79,142	379,577	168,264	15,670	642,653
Federal excise duty on remuneration of the Management Company	-	-	-	-	-	-	-	-	-	-	-
Allocated expenses	1,463,269	2,413,858	1,883,991	1,047,868	-	6,808,986	1,690,685	2,887,336	1,461,647	27,167	6,066,835
Sales load	-	335,135	-	-	-	335,135	53,041	301,211	651,465	137,286	1,143,003
Bank Alfalah Limited											
Profit on bank balances	214,078	677,006	62,819	296,842	574,292	1,250,745	-	3,122,636	1,311,943	1,093,869	5,528,448
Bank charges	2,071	1,825	903	2,234	-	7,033	2,763	10,055	12,763	-	25,581
Sales load	-	14,702,424	-	-	-	14,702,424	2,904,769	25,613,806	29,496,113	19,475,690	77,490,378
Other related parties											
Central Depository Company of Pakistan Limited - Trustee											
Remuneration of the Trustee	1,118,906	1,825,315	1,361,542	950,010	-	4,955,773	1,690,685	2,887,336	1,461,647	27,167	6,066,835
Sindh sales tax on remuneration of the Trustee	145,459	198,368	176,999	123,504	-	644,330	219,789	377,051	190,016	3,531	790,387

15.3 Other balances

	June 30, 2018					Total	June 30, 2017				Total
	Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan	Capital Preservation		Active Allocation Plan	Balanced Allocation Plan	Active Allocation Plan	Active Allocation Plan III	
	(Rupees)						(Rupees)				
Associated companies / undertakings											
Alfalah GHP Investment Management Limited - Management Company											
Management remuneration payable	3,972	18,174	-	5,043	-	27,189	201,208	1,080,235	121,348	120,537	1,523,328
Sindh sales tax payable on management remuneration	11,781	13,949	-	77	-	25,807	37,891	152,088	15,976	15,670	221,425
Payable against allocated expenses	678,326	904,909	908,799	537,838	-	3,029,872	891,208	1,765,691	1,104,468	27,166	3,788,533
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	167,055	83,821	83,234	-	-	167,055
Sales load payable	185,455	35,220	-	423	-	221,098	185,455	35,220	-	137,286	357,961
Bank Alfalah Limited											
Bank balances	1,369,355	14,145,980	785,970	36,618	551,326,905	16,337,923	10,257,820	233,763,020	26,112,455	320,886,990	591,020,294
Profit receivable	138,726	133,661	367,537	8,855	574,292	648,779	28,614	410,143	408,489	1,093,869	1,941,115
Sales load payable	2,653,678	497,405	-	-	-	-	-	7,461,700	-	19,475,690	26,937,390
Other related parties											
Central Depository Company of Pakistan Limited - Trustee											
Trustee remuneration payable	192,843	98,215	84,858	427,140	-	803,056	315,777	606,850	177,471	27,167	1,127,265
Sindh sales tax payable on Trustee remuneration	25,074	14,542	11,033	55,530	-	106,179	41,055	80,588	23,073	3,531	148,247

16 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018				June 30, 2017			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
(Rupees)								
Financial assets								
Bank balances	583,059,064	-	-	583,059,064	2,673,632,418	-	-	2,673,632,418
Investments	-	4,929,280,080	-	4,929,280,080	-	5,861,837,883	-	5,861,837,883
Profit receivable on bank balances	1,723,003	-	-	1,723,003	9,300,258	-	-	9,300,258
	<u>584,782,067</u>	<u>4,929,280,080</u>		<u>5,514,062,147</u>	<u>2,683,140,226</u>	<u>5,861,837,883</u>		<u>8,544,978,109</u>

Particulars	June 30, 2018			June 30, 2017		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at	Total	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at	Total
(Rupees)						
Financial liabilities						
Payable to the Management Company	-	3,471,021	3,471,021	-	6,058,302	6,058,302
Payable to the Trustee	-	909,235	909,235	-	1,275,512	1,275,512
Units to be issued against Pre-IPO subscription	-	551,326,905	551,326,905	-	-	-
Payable against Pre-IPO subscription	-	574,292	574,292	-	-	-
Payable against redemption of units	-	542,972	542,972	-	-	-
Accrued and other liabilities	-	1,296,276	1,296,276	-	1,040,963	1,040,963
		<u>558,120,701</u>	<u>558,120,701</u>		<u>8,374,777</u>	<u>8,374,777</u>

17 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

17.1 Market risk

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

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

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

17.1.1 Currency risk

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

17.1.2 Profit rate risk

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

	Note	2018	2017
-----Rupees-----			
Variable rate instruments (financial assets)			
Bank balances	4	<u>583,059,064</u>	<u>2,673,275,065</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.02 million (2017: Rs 0.09 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

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

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2018 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

Particulars	As at June 30, 2018					As at June 30, 2017						
	Profit yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / profit risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year				Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees)				%	(Rupees)					
On-balance sheet financial instruments												
Financial assets												
Bank balances	4%-6.6%	583,059,064	-	-	583,059,064	5.5%-7%	2,673,632,418	-	-	2,673,632,418		
Investments		-	-	4,929,280,080	4,929,280,080		-	-	5,861,837,883	5,861,837,883		
Profit receivable on bank balances		-	-	1,723,003	1,723,003		-	-	9,309,258	9,309,258		
Sub total		583,059,064	-	4,931,003,083	5,514,062,147		2,673,632,418	-	5,871,138,141	8,544,770,559		
Financial liabilities												
Payable to the Management Company		-	-	3,471,021	3,471,021		-	-	6,058,302	6,058,302		
Payable to the Trustee		-	-	909,235	909,235		-	-	1,275,512	1,275,512		
Units to be issued against Pre-IPO subscription		-	-	551,326,905	551,326,905		-	-	-	-		
Payable against Pre-IPO subscription		-	-	574,292	574,292		-	-	-	-		
Payable against redemption of units		-	-	542,972	542,972		-	-	-	-		
Accrued and other liabilities		-	-	1,296,276	1,296,276		-	-	1,040,963	1,040,963		
Sub total		-	-	558,120,701	558,120,701		-	-	8,374,777	8,374,777		
On-balance sheet gap		583,059,064	-	4,372,882,382	4,955,941,446		2,673,632,418	-	5,862,763,364	8,536,395,782		
Total profit rate sensitivity gap		583,059,064	-	4,372,882,382	4,955,941,446		2,673,632,418	-	5,862,763,364	8,536,395,782		
Cumulative profit rate sensitivity gap		583,059,064	583,059,064	583,059,064			2,673,632,418	2,673,632,418	2,673,632,418			

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, 2018. The analysis is based on the assumption that PSX index increased/decreased by 1%, with all other variables held constant and that the fair value of the Fund's portfolio of open end mutual funds categorized as equity schemes moved according to their historical correlation with index. This represents managements' best estimate of a reasonable possible shift in the PSX index, having regards to the historical volatility of index of the past three years.

At June 30, 2018, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

	2018	2017
	-----Rupees-----	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investment and net assets	<u>20,331,100</u>	<u>39,535,362</u>
Income statement	<u>20,331,100</u>	<u>39,535,362</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, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and	Maximum exposure	Balance as per statement of assets and	Maximum exposure
	----- (Rupees) -----			
Bank balances	583,059,064	583,059,064	2,673,632,418	2,673,632,418
Investments	4,929,280,080	4,929,280,080	5,861,837,883	5,861,837,883
Profit receivable on bank balances	1,723,003	1,723,003	9,300,258	9,300,258
	<u>5,514,062,147</u>	<u>5,514,062,147</u>	<u>8,544,770,559</u>	<u>8,544,770,559</u>

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 at June 30, 2018 and June 30, 2017.

17.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Rating	2018		2017	
	Rupees	%	Rupees	%
A1+	22,701,260	70.32%	591,020,294	22.11%
A-1	9,583,487	29.68%	2,082,612,124	77.89%
	<u>32,284,747</u>	<u>100.00%</u>	<u>2,673,632,418</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

17.2.3 Open end mutual funds - Quoted

The Fund had investments at June 30, 2018 with open end mutual funds having following ratings:

Name of open end mutual funds	Rating Agency	Rating	2018	2017
			----- (%) -----	
Alfalah GHP Islamic Income Fund	PACRA	A+(f)	58.75%	32.55%
Alfalah GHP Islamic Stock Fund	PACRA	3 star	7.92%	55.70%
Alfalah GHP Islamic Dedicated Fund	Not Rated	Not Rated	33.33%	11.74%
			<u>100.00%</u>	<u>100.00%</u>

17.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund has majority of its net assets invested in funds managed by the Management Company. Details of the Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	2018		2017	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable)	584,782,067	10.61%	2,682,932,676	31.40%
Open end mutual funds - Quoted	4,929,280,080	89.39%	5,861,837,883	68.60%
	<u>5,514,062,147</u>	<u>100.00%</u>	<u>8,544,770,559</u>	<u>100.00%</u>

17.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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

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

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

	2018				2017					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees					Rupees				
Financial assets										
Bank balances	583,059,064	-	-	-	583,059,064	2,673,632,418	-	-	-	2,673,632,418
Investments	4,929,280,080	-	-	-	4,929,280,080	5,861,837,883	-	-	-	5,861,837,883
Profit receivable on bank balances	1,723,003	-	-	-	1,723,003	9,300,258	-	-	-	9,300,258
	5,514,062,147	-	-	-	5,514,062,147	8,544,770,559	-	-	-	8,544,770,559
Financial liabilities										
Payable to the Management Company	3,471,021	-	-	-	3,471,021	6,058,302	-	-	-	6,058,302
Payable to the Trustee	909,235	-	-	-	909,235	1,275,512	-	-	-	1,275,512
Units to be issued against Pre-IPO subscription	551,326,905	-	-	-	551,326,905	-	-	-	-	-
Payable against Pre-IPO subscription	574,292	-	-	-	574,292	-	-	-	-	-
Payable against redemption of units	542,972	-	-	-	542,972	-	-	-	-	-
Accrued and other liabilities	1,296,276	-	-	-	1,296,276	1,040,963	-	-	-	1,040,963
	558,120,701	-	-	-	558,120,701	8,374,777	-	-	-	8,374,777
Net assets	4,955,941,446	-	-	-	4,955,941,446	8,536,395,782	-	-	-	8,536,395,782

17.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.2 to these financial statements.

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, 2018 and June 30, 2017, the Fund held the following assets measured at fair values:

	As at June 30, 2018				As at June 30, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees							
At fair value through profit or loss - held for trading								
Open end mutual funds - Quoted	4,929,280,080	-	-	4,929,280,080	5,861,837,883	-	-	5,861,837,883

During the year ended June 30, 2018, 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.

17.5 Unit Holders' Fund risk management

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

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

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

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

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

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

18 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.

19 CORRESPONDING FIGURES

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

20 GENERAL

Figures have been rounded off to the nearest rupee.

21 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) **UNIT HOLDING PATTERN OF THE FUND***Islmaic Active Allocation Plan*

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	84	3,713,459	363,712,904	43%
Retirement & Other Funds	12	2,366,594	231,794,592	27%
Others	7	2,596,980	254,359,664	30%
	103	8,677,033	849,867,160	100%

Balance Allocation Plan

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	478	8,884,498	936,759,831	68%
Retirement & Other Funds	7	661,506	69,747,572	5%
Others	13	3,440,617	362,770,398	26%
	498	12,986,621	1,369,277,801	100%

Islmaic Active Allocation PlanII

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	159	7,708,379	712,348,941	41%
Retirement & Other Funds	13	8,241,446	761,610,135	44%
Others	10	2,779,908	256,897,451	15%
	182	18,729,733	1,730,856,527	100%

Islmaic Active Allocation Plan III

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	116	6,479,584	617,302,142	63%
Retirement & Other Funds	3	802,487	76,451,970	8%
Others	6	3,012,386	286,986,368	29%
	125	10,294,456	980,740,480	100%

Islmaic Active Allocation Plan

As at 30 June 2017				
Category	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	142	10,554,588	1,124,225,088	65%
Bank/DFIs	1	82,015	8,735,891	1%
Retirement & Other Funds	15	2,808,287	299,125,503	17%
Others	8	2,780,151	296,128,642	17%
	166	16225041	1,728,215,124	100%

Islamic Balance Allocation Plan

As at 30 June 2017				
Category	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	816	22,009,365	2,308,731,783	66%
Retirement & Other Funds	5	979,888	102,788,033	3%
Others	15	10,599,004	1,111,811,111	32%
	836	33,588,257	3,523,330,927	100%

Islmaic Active Allocation PlanII

As at 30 June 2017				
Category	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	187	9,791,746	987,383,025	47%
Retirement & Other Funds	13	8,241,446	831,053,381	40%
Others	10	2,779,908	280,321,237	13%
	210	20,813,100	2,098,757,643	100%

Islmaic Active Allocation Plan III

As at 30 June 2017				
Category	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	131	6,862,428	686,243,455	62%
Retirement & Other Funds	4	852,539	85,253,991	8%
Others	7	3,304,500	330,450,378	30%
	142	11,019,467	1,101,947,824	100%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 79th, 80th, 81st, 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017, 26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGIPPF

	30 June 2018				30 June 2017			
	Islamic Active Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Active Allocation Plan 1,728,215	Balance Allocation Plan 3,523,330	Islamic Active Allocation Plan II 2,098,757	Islamic Active Allocation Plan III 1,098,563
Net Assets	97,9444	105,4376	92,4122	95,2688	106,5153	104,8977	100,8383	99,6929
NAV per unit	N/A	106,9269	N/A	N/A	109,5244	106,3794	103,6870	102,5092
Selling price per unit	97,9444	105,4376	91,0260	92,8871	103,8524	14,8977	98,3173	97,2006
Redemption price per unit	110,4329	107,7997	104,5352	103,6085	127,1176	110,8360	119,6837	102,8987
Highest selling price per unit	104,7139	106,2982	99,1216	98,2429	120,4553	109,2920	114,3877	97,5699
Highest redemption price per unit	94,4505	104,0610	92,3887	95,9923	97,1686	101,5260	102,9460	102,5092
Lowest selling price per unit	92,8732	102,6116	88,0158	91,0211	96,5503	100,1120	97,6147	97,2006
Lowest redemption price per unit	Nil	Nil	Nil	Nil	7,2592	2,9251	6,4865	0,0716
Total interim distribution per unit	Nil	Nil	Nil	Nil	22-Jun-17	22-Jun-17	22-Jun-17	22-Jun-17
Interim distribution date	Nil	Nil	Nil	Nil	29-Jun-17	29-Jun-17	29-Jun-17	29-Jun-17
Final distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annualized returns	Nil	Nil	Nil	Nil	14.72%	7.80%	7.29%	-0.31%
Income distribution	Nil	Nil	Nil	Nil	7.26%	2.93%	6.49%	0.07%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A


IAAP - Return since inception is 2.21%

BAP - Return since inception is 4.04%

IAAP II - Return since inception is -1.01%

IAAP III - Return since inception is -4.66%

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



**Alfalah
GHP Islamic
Dedicated Equity Fund**

CORPORATE INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Islamic Dedicated Equity Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant Islamic Equity Scheme

Investment Objective

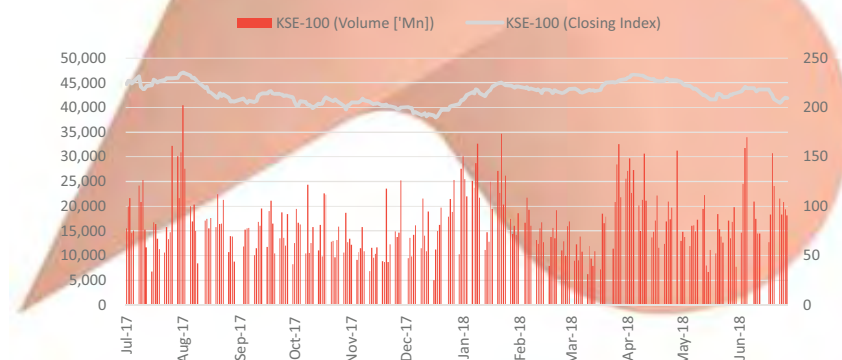
The investment objective of Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds via investments in Shariah Compliant avenues.

Equity Market Review

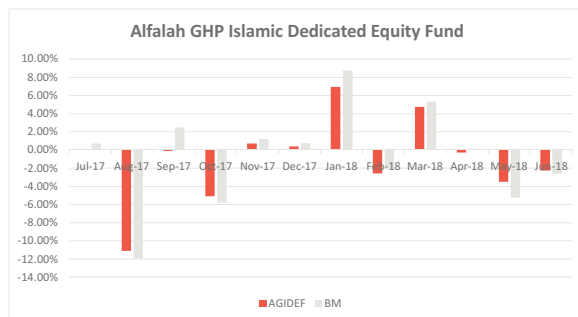
The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of the year, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.



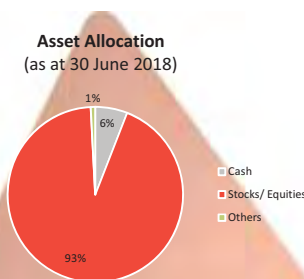
Fund Performance

During the period under review, equity market posted negative return of -9.6% as investors opted to maintain cautious stance over equities. The positives like Country's updated status to MSCI Emerging market and increase in CPEC related investments were overshadowed by concerns related to political instability and general concerns over deteriorating macroeconomic indicators. In the similar period, Alfalah GHP Islamic Dedicated Equity Fund posted a return of -12.5% due mainly to underperformance by Automobile, Cement, Steel, and Oil Marketing companies. The volatile margins, regulatory issues, and currency depreciation were the major reasons for this underperformance. On the positive side, exposures to Upstream Oil & Gas and Fertilizer sectors rendered much needed support. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies.

Performance comparison with Benchmark



Asset Allocation



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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block-9,
S.A.C.H.S., Main Shahr-e-Faisal,
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-500
Fax: (92-21) 94326030 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Dedicated Equity Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Altaf Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 19, 2018





**REPORT OF THE SHARIAH ADVISORY BOARD
ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**

We, the Shariah Advisers of the Alfalah GHP Islamic Dedicated Equity Fund ('AGIDEF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we provide consent for Investment in Equities Securities based on the Shariah Guidelines during the period from July 1, 2017 to June 30, 2018.

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

For the Year 2017-18 Provision against Charity is made amount to Rs. 665,261/- in respect of dividend purification, which is subject to final adjustment on the basis of respective Companies Annual Financial Statement for the year ended 2019.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Javed Ahmed
Member Shariah Board

Mufti Atta ullah
Shariah Advisor
/ Member Shariah Board



Chartered Accountants
Registered Firm, Investment Advisor
FIA, CMA, ICAP, KAMCIS (Chartered)
Pakistan

1000-11002 (1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th)

INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of Alfalah GHP Investment Management Limited (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of Alfalah GHP Islamic Dedicated Equity Fund (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended 30 June 2018, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor (the Shariah Principles).

Management's Responsibility of Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control (ISQC) 1 (Redrafted), "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our responsibility and summary of work performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures primarily performed comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended 30 June 2018 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the year ended 30 June 2018.



Chartered Accountants

Dated: September 24, 2018

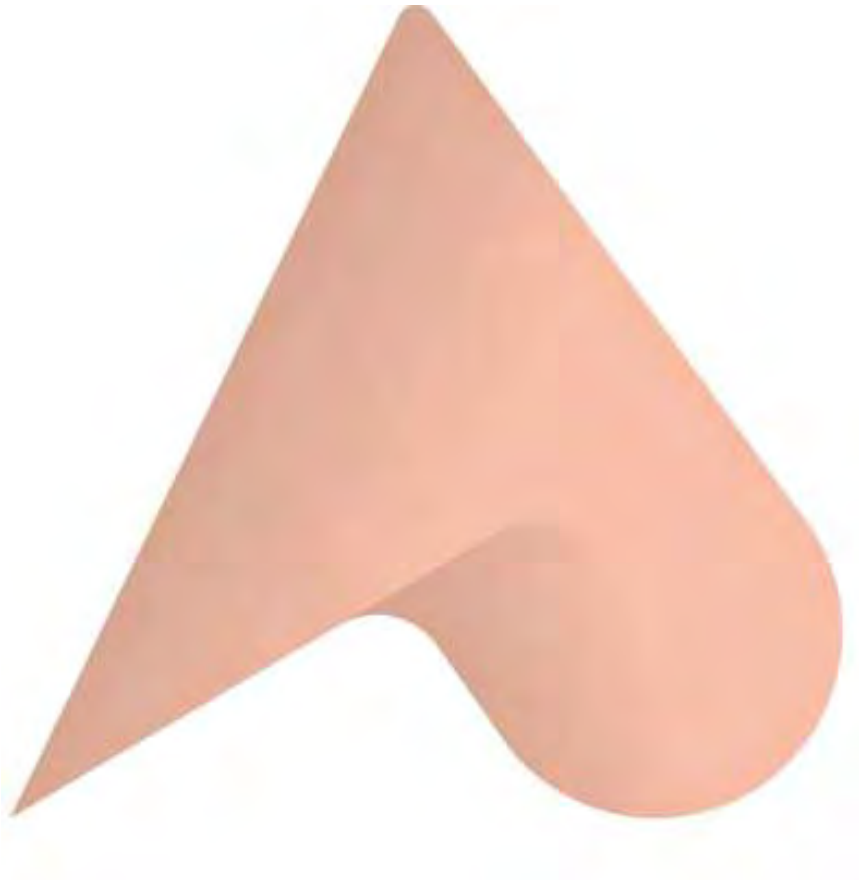
Karachi

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Dedicated Equity Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2018. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 24, 2018

Ms. Maheen Rahman
Chief Executive Officer





INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfalah GHP Islamic Dedicated Equity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Islamic Dedicated Equity Fund** (the Fund), which comprise the statement of assets and liabilities as at **June 30, 2018**, and the income statement, comprehensive income, cash flows statement and 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 June 30, 2018, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of equity investments	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the investments held by the Fund comprised of listed shares which represent 93% of the total assets of the Fund as at the year end.</p> <p>In view of the significance of investment in relation to the total assets and the Net Asset Value (NAV) of the Fund, we have</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review custodian's statement, and related

Key audit matter	How our audit addressed the key audit matter
<p>considered the existence and valuation of such investments as a key audit matter.</p>	<p>reconciliations, re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange as at 30 June 2018.</p> <ul style="list-style-type: none"> - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and the adequacy of disclosures as may be applicable in situations of non-compliance. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.
<p>2. Amendment to the NBFC Regulations, 2008</p>	
<p>As disclosed in note 3.1 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the Securities and Exchange Commission of Pakistan through its SRO no. 756(I)/2017 dated 03 August 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).</p> <p>These amendments are considered significant to our audit because application of the said amendments resulted in change in accounting policy relating to presentation "element of income / loss" in the financial statements and certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' (the Statements).</p>	<p>We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the amended provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the revised Regulations and assessed its implementation by the Fund.</p> <p>We evaluated the adequacy of disclosures regarding the change in accounting policy with respect to element of income / loss in accordance with the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.</p>

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.

EY



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.



- 4 -

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.

Other matter

The financial statements of the Fund for the year ended 30 June 2017, were audited by another auditor who expressed an unmodified opinion on those financial statements on 20 September 2017.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: September 24, 2018

Karachi

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

	Note	June 30, 2018 ----- (Rupees) -----	June 30, 2017
Assets			
Bank balances	4	97,846,945	692,418,751
Investments	5	1,540,194,765	530,068,654
Security deposits	6	2,600,000	2,600,000
Dividend and profit receivable	7	3,012,405	371,717
Receivable against sale of investments	8	7,133,992	-
Formation cost		886,958	1,114,463
Total assets		1,651,675,065	1,226,573,585
Liabilities			
Payable to the Management Company	9	5,870,767	1,298,336
Payable to the Trustee	10	252,533	67,109
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	1,119,105	11,429
Accrued and other liabilities	12	1,831,696	712,816
Payable against purchase of investments		-	536,081,691
Total liabilities		9,074,101	538,171,381
Net assets attributable to unit holders		1,642,600,964	688,402,204
Unit Holders' Fund (as per statement attached)		1,642,600,964	688,402,204
Contingencies and commitments	14	----- (Number of units) -----	
Number of units In issue		19,367,739	7,105,960
		----- (Rupees) -----	
Net asset value per unit		84.8112	96.8767

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	June 30, 2018	For the period from May 25, 2017 to June 30, 2017
----- (Rupees) -----			
INCOME			
Profit on bank balances		5,975,232	425,269
At fair value through profit or loss' - held-for-trading			
- (Loss) on sale of investment - net		(75,239,829)	-
- Dividend income		52,702,947	-
-Unrealised (loss) on re-valuation of investments - net	5.2	(42,193,341)	(6,013,037)
Other income		61,479	-
Total loss		(58,693,512)	(5,587,768)
EXPENSES			
Remuneration of the Management Company	9.1	14,725,063	150,383
Sindh sales tax on remuneration of the Management Company	9.2	1,914,259	19,550
Remuneration of the Trustee	10.1	2,051,357	72,813
Sindh sales tax on remuneration of the Trustee	10.2	266,676	9,466
Annual fee to the Securities and Exchange Commission of Pakistan	11	1,119,105	11,429
Bank and settlement charges		302,176	17,112
Auditors' remuneration	15	325,351	100,000
Brokerage and securities transaction costs		2,850,446	524,183
Amortization of formation cost		227,505	23,062
Printing and related costs		82,700	20,000
Legal charges		42,843	-
Allocated expenses	9.3	1,177,983	12,030
Selling and marketing expenses	9.4	4,711,931	-
Charity expense	12.1	665,261	-
Shariah advisory fee		349,999	50,000
Total expenses		30,812,655	1,010,028
Net loss for the year / period		(89,506,167)	(6,597,796)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(15,595,971)
Net loss for the year / period before taxation		(89,506,167)	(22,193,767)
Taxation	16	-	-
Net loss for the year / period after taxation		(89,506,167)	(22,193,767)

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

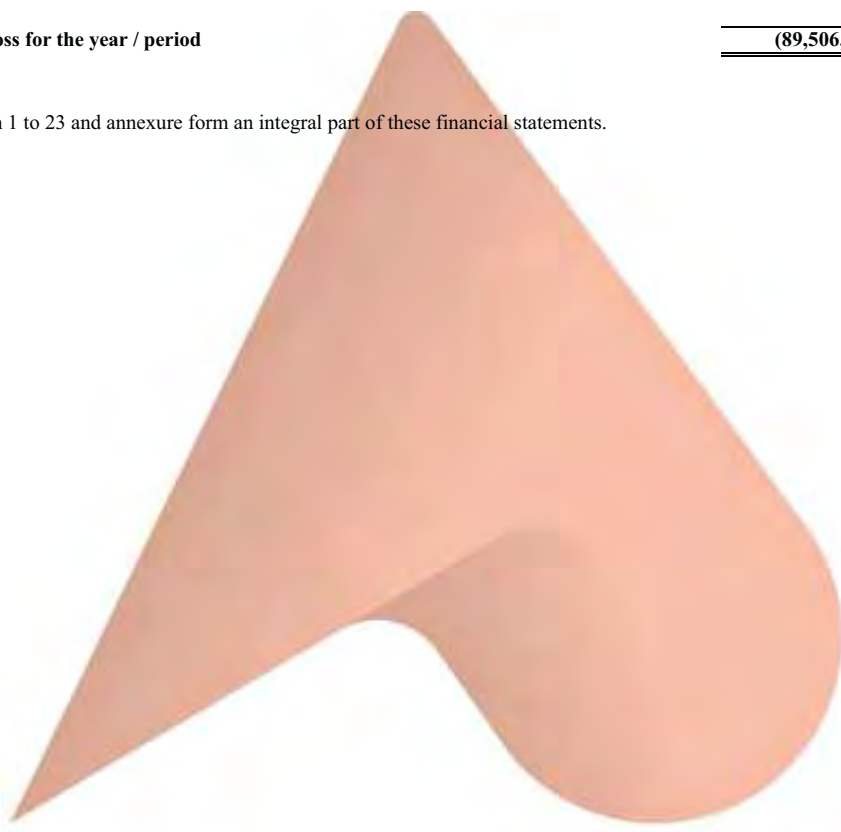
ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	For the period from May 25, 2017 to June 30, 2017
	----- (Rupees) -----	
Net loss for the year / period after taxation	(89,506,167)	(22,193,767)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year / period	<u>(89,506,167)</u>	<u>(22,193,767)</u>

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



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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018		
	Capital Value	Undistributed income (Rupees)	Total
Capital value	710,595,971	-	710,595,971
Undistributed loss brought forward			
- Realised	-	(16,180,730)	(16,180,730)
- Un-realised	-	(6,013,037)	(6,013,037)
	710,595,971	(22,193,767)	688,402,204
Net assets at beginning of the year [Rs.96.8767 per unit]			
Issuance of 24,658,809 units			
-Capital value (at net asset value per unit at the beginning of the year)	2,388,864,034	-	2,388,864,034
- Element of income	(284,088,507)	-	(284,088,507)
Total proceeds on issuance of units	2,104,775,527	-	2,104,775,527
Redemption of 12,397,029 units			
- Capital value (at net asset value per unit at the beginning of the year)	1,200,983,737	-	1,200,983,737
- Amount paid out of element of income	-	-	-
- Relating to net income for the period after taxation'	-	-	-
- Relating to 'other comprehensive income for the year'	-	-	-
- Refund on units as element of income	(139,913,137)	-	(139,913,137)
Total payments on redemption of units	1,061,070,600	-	1,061,070,600
Total comprehensive income for the year	-	(89,506,167)	(89,506,167)
Distribution during the year	-	-	-
Net income for the year less distribution	-	(89,506,167)	(89,506,167)
Net assets at end of the year	1,754,300,898	(111,699,934)	1,642,600,964
Units outstanding 19,367,739 (Rs.84.8112 per unit)			
Undistributed loss carried forward			
- Realised loss	-	(69,506,593)	-
- Unrealised gain	-	(42,193,341)	-
	-	(111,699,934)	-
			For the period from May 25, 2017 to June 30, 2017 --- (Rupees) ---
Issuance of 7,306,018 units			715,000,000
Redemption of 200,058 units			(20,000,000)
			695,000,000
Element of loss and capital losses included in prices of units issued less those in units redeemed - net - transferred to income statement			15,595,971
Unrealised loss on revaluation of investments classified as financial assets at fair value through profit or loss - held for trading - net			(6,013,037)
Other income (net of expenses)			(16,180,730)
Net loss for the period after taxation			(22,193,767)
Net assets at the end of the period			688,402,204
Net assets value per unit as at beginning of the period			100.0000
Net assets value per unit as at end of the period			96.8767

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	For the period from May 25, 2017 to June 30, 2017
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year / period before taxation	(89,506,167)	(22,193,767)
Adjustments for:		
Unrealised loss on revaluation of investments classified as at fair value through profit or loss - held for trading - net	42,193,341	6,013,037
Amortization of formation cost	227,505	23,062
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	15,595,971
	<u>(47,085,321)</u>	<u>(561,697)</u>
Increase in assets		
Investments - net	(1,052,319,452)	(536,081,691)
Dividend and profit receivable	(2,640,688)	(371,717)
Security deposits	-	(2,600,000)
Receivable against sale of investments	(7,133,992)	-
Formation cost	-	(1,137,525)
	<u>(1,062,094,132)</u>	<u>(540,190,933)</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	4,572,431	1,298,336
Payable to the Trustee	185,424	67,109
Payable to the Securities and Exchange Commission of Pakistan	1,107,676	11,429
Payable against purchase of investments	(536,081,691)	536,081,691
Accrued and other liabilities	1,118,880	712,816
	<u>(529,097,280)</u>	<u>538,171,381</u>
Net cash flows used in operating activities	<u>(1,638,276,733)</u>	<u>(2,581,249)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	2,104,775,527	715,000,000
Amount paid against redemption of units	(1,061,070,600)	(20,000,000)
Net cash flows generated from financing activities	<u>1,043,704,927</u>	<u>695,000,000</u>
Net (decrease) / increase in cash and cash equivalents during the year / period	(594,571,806)	692,418,751
Cash and cash equivalents at beginning of the year / period	692,418,751	-
Cash and cash equivalents at end of the year / period	<u>4</u> <u>97,846,945</u>	<u>692,418,751</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Dedicated Equity Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on April 06, 2017, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 28, 2017.

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 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as a 'Islamic Equity Scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to other Islamic mutual funds. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated December 22, 2017 to the Management Company.

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. Such standards comprise of:"

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

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

2.2 Standards, Interpretations and amendments to published approved accounting standards that are effective in current year

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

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

2.3 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)	July 01, 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

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

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 - Insurance Contracts	January 01, 2021

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in 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 assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- i. Classification and valuation of financial assets (notes 3.3.1 & 3.3.4)
- ii. Impairment of financial assets (note 3.3.5)
- iii. Taxation (notes 3.9 & 16)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for certain investments which are stated at fair value.

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except for as disclosed in note 2.2 and note 3.1.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 year. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting year (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its letter no (S.R.O) no. 756(I) / 2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been higher by Rs 144.176 million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investment that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or changes in prices.

3.3.2 Regular way contracts

Regular 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.

3.3.3 Initial recognition and measurement

Financial assets 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 expensed out in the income statement.

3.3.4 Subsequent measurement

a) Financial assets at "fair value through profit or loss" and "available for sale"

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in listed equity securities is determined by reference to Stock Exchange quoted market prices at the close of period end.
- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

3.3.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership.

3.4 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.5 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.

3.6 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.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non- Banking Finance Companies and Notified Entities Regulations, 2008.

3.8 Provisions

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

3.9 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed 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.

3.10 Dividend distribution and appropriations

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

3.11 Issue and redemption of units

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

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

3.12 Net asset value per unit

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

3.13 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income is recognised when the Fund's right to receive the dividend is established.

- Unrealised gain / (loss) in the value of investments classified as at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Income on bank balance is recognised on accrual basis.

3.14 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.15 Earnings per unit

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

4. BANK BALANCES	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
Bank balances			
- in savings accounts	4.1	93,936,545	408,751
- in current account	4.2	<u>3,910,400</u>	<u>692,010,000</u>
		<u><u>97,846,945</u></u>	<u><u>692,418,751</u></u>

4.1 The rate of return on these accounts ranges from 3.37% to 6.5% (2017: 3.37% to 5.60%) per annum. It includes bank balance of Rs 3.260 million (2017: Rs 0.409 million) maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

4.2 This current account is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

5. INVESTMENTS

'At fair value through profit or loss' - held for trading

Listed equity securities	5.1	<u><u>1,540,194,765</u></u>	<u><u>530,068,654</u></u>
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5.1 Investment in listed equity securities - 'at fair value through profit or loss'-held for trading

Ordinary shares have a face value of Rs.10 each unless stated otherwise

Name of the investee company	Note	As at July 01, 2017	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018		Appreciation / (diminution)	Market value as a percentage of:		Holding as a percentage of paid up capital of the investee company
							Carrying value	Market value		Net assets of the fund	Total investment	
						(Rupees)		(%)				
Fertilizer												
Engro Fertilizer Limited		184,000	1,896,007	-	610,500	1,469,507	96,968,795	110,080,769	13,111,974	6.70	7.15	0.01
Dawood Hercules Corporation Limited		66,300	301,616	-	71,200	296,716	36,155,365	32,870,198	(3,285,167)	2.00	2.13	0.75
Fauji Fertilizer Company Limited		-	659,500	-	186,000	473,500	44,837,729	46,824,415	1,986,686	2.85	3.04	0.35
Engro Corporation Limited		83,000	504,481	-	209,300	378,181	111,742,748	118,695,889	6,953,141	7.23	7.71	2.13
							289,704,637	308,471,271	18,766,634	18.78	20.03	3.24
Cement												
D. G. Khan Cement Company Limited		98,000	797,460	-	504,200	391,260	53,799,356	44,795,357	(9,003,999)	2.73	2.91	1.23
Maple Leaf Cement Factory Limited		150,000	661,950	9,750	335,450	486,250	34,257,227	24,672,325	(9,584,902)	1.50	1.60	0.58
Pioneer Cement Limited		60,000	13,400	-	73,400	-	-	-	-	-	-	-
Kohat Cement Company Limited		-	65,500	-	54,800	10,700	1,638,706	1,316,849	(321,857)	0.08	0.09	0.79
Fauji Cement Company Limited		-	1,487,500	-	486,000	1,001,500	26,777,434	22,884,275	(3,893,159)	1.39	1.49	0.19
Cherat Cement Company Limited		66,000	129,500	-	181,000	14,500	1,808,087	1,409,835	(398,252)	0.09	0.09	0.10
Lucky Cement Limited		49,000	265,832	-	142,450	172,382	106,738,431	87,557,989	(19,180,442)	5.33	5.68	3.30
							225,019,241	182,636,630	(42,382,611)	11.12	11.86	6.19
Power generation and distribution												
Hub Power Company Limited		216,000	1,363,276	-	279,400	1,299,876	135,907,226	119,796,572	(16,110,654)	7.29	7.78	1.17
Kot Addu Power Company Limited		-	970,000	-	130,000	840,000	48,794,610	45,284,400	(3,510,210)	2.76	2.94	0.55
							184,701,836	165,080,972	(19,620,864)	10.05	10.72	1.73
Oil and gas marketing companies												
Hascol Petroleum Limited		15,000	20,600	2,600	35,600	2,600	429,000	815,776	386,776	0.05	0.05	0.03
Pakistan State Oil Company Limited	5.1.1	28,000	195,268	8,200	105,100	126,368	42,360,431	40,224,198	(2,136,233)	2.45	2.61	1.30
Attock Petroleum Limited		-	13,036	-	13,036	-	-	-	-	-	-	-
Shell Pakistan Limited		10,100	28,029	-	38,129	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited		208,000	727,793	-	464,000	471,793	55,509,097	47,283,094	(8,226,003)	2.88	3.07	0.88
							98,298,528	88,323,068	(9,975,460)	5.38	5.73	2.20
Automobile parts and accessories												
Thal Limited (Face value Rs. 5)		31,000	80,551	-	111,550	1	564	478	(86)	0.00	0.00	0.00
The General Tyre and Rubber Co. of Pak.Ltd		38,500	23,334	-	61,834	-	-	-	-	-	-	-
							564	478	(86)	0.00	0.00	0.00
Oil and gas exploration companies												
Oil and Gas Development Company Limited		239,000	1,361,830	-	448,100	1,152,730	183,888,340	179,387,843	(4,500,497)	10.92	11.65	0.43
Pakistan Oilfields Limited		39,000	212,339	-	53,550	197,789	117,063,527	132,872,672	15,809,145	8.09	8.63	4.95
Pakistan Petroleum Limited		176,000	885,046	-	281,300	779,746	152,327,059	167,567,415	15,240,356	10.20	10.88	0.77
Mari Petroleum Company Limited		14,780	58,097	-	27,380	45,497	67,893,231	68,526,671	633,440	4.17	4.45	6.16
							521,172,157	548,354,601	27,182,444	33.38	35.60	12.31

Name of the investee company	Note	As at July 01, 2017	Purchased during the year	Bonus / Rights Issue during the year	Sold during the year	As at June 30, 2018	As at June 30, 2018		Appreciation / (diminution)	Market value as a percentage of:		Holding as a percentage of paid up capital of the investee company
							Carrying value	Market Value		Net assets of the fund	Total investment	
						(Number of shares)	(Rupees)			(%)		
Automobile assembler												
Honda Atlas Cars (Pakistan) Limited		14,850	500	-	15,350	-	-	-	-	-	-	-
Millat Tractors Limited		-	7,380	-	-	7,380	9,553,358	8,767,883	(785,475)	0.53	0.57	2.16
Pak Suzuki Motor Company Limited		22,300	52,586	-	74,800	86	46,568	33,831	(12,737)	0.00	0.00	0.01
							9,599,926	8,801,714	(798,212)	0.54	0.57	2.16
Textile composite												
Nishat Mills Limited		143,000	440,726	-	290,900	292,826	42,790,479	41,265,040	(1,525,439)	2.51	2.68	1.22
							42,790,479	41,265,040	(1,525,439)	2.51	2.68	1.22
Engineering												
Crescent Steel and Allied products Limited		30,000	9,400	-	39,400	-	-	-	-	-	-	-
International Industries limited		49,700	136,594	-	66,700	119,594	33,174,823	27,780,490	(5,394,333)	1.69	1.80	2.77
International Steels Limited		138,000	410,571	-	213,200	335,371	36,589,051	34,107,231	(2,481,820)	2.08	2.21	0.84
Amreli Steel Limited		71,000	22,200	-	93,200	-	-	-	-	-	-	-
							69,763,874	61,887,721	(7,876,153)	3.77	4.02	3.61
Pharmaceuticals												
The Searle Company Limited	5.1.1	27,000	130,201	15,120	100,450	71,871	25,017,155	24,400,205	(616,950)	1.49	1.58	1.35
							25,017,155	24,400,205	(616,950)	1.49	1.58	1.35
Food and personal care products												
Treet Corporation Limited		124,000	55,500	-	179,500	-	-	-	-	-	-	-
Fauji Foods Limited		-	426,500	-	10,000	416,500	16,292,618	13,444,620	(2,847,998)	0.82	0.87	0.31
							16,292,618	13,444,620	(2,847,998)	0.82	0.87	0.31
Commercial Banks												
Meezan Bank Limited		109,500	881,186	13,530	412,030	592,186	43,842,010	48,393,440	4,551,430	2.95	3.14	0.41
Chemical												
Engro Polymer & Chemicals Limited		437,000	517,000	-	453,000	501,000	17,267,160	15,711,360	(1,555,800)	0.96	1.02	0.26
ICI Pakistan Limited		6,500	21,463	-	20,330	7,633	6,876,605	6,117,850	(758,755)	0.37	0.40	0.74
							24,143,765	21,829,210	(2,314,555)	1.33	1.42	1.00
Cable and electrical goods												
Pak Elektron Limited		-	401,815	-	401,500	315	23,615	11,170	(12,445)	0.00	0.00	0.00
Paper and board												
Packages Limited		27,000	70,332	-	43,800	53,532	30,755,859	26,215,700	(4,540,159)	1.60	1.70	3.44
Miscellaneous												
Synthetic Products Enterprises Limited		-	211,114	-	190,000	21,114	1,261,842	1,078,925	(182,917)	0.07	0.07	0.15
As at June 30, 2018		2,971,530	16,517,013	49,200	7,507,439	12,030,304	1,582,388,106	1,540,194,765	(42,193,341)			
As at June 30, 2017		-	2,971,530	-	-	2,971,530	536,081,691	530,068,654	(6,013,037)			

5.1.1 The investment in equity securities include bonus shares having market value of Rs.0.39 million (June 30, 2017: Rs.Nil) million withheld by the investee companies, as issuance of bonus shares has been made taxable through Finance Act, 2014. Consequently, bonus shares equivalent to 5 percent (representing tax impact of the bonus announcement) have been withheld by the investee companies.

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

5.1.2 Following shares were pledged with Natioanl Clearing Company of Pakistan Limited (NCCPL) as collateral against margining.

	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	----(Number of shares)----		------(Rupees)-----	
Engro Fertilizers Limited	150,000	-	14,833,500	-
Engro Corporation Limited	20,000	-	6,277,200	-
The Hub Power Company Limited	100,000	-	9,216,000	-
Nishat Mills Limited	70,000	-	9,864,400	-
Oil & Gas Development Company Limited	130,000	-	20,230,600	-
	<u>470,000</u>	<u>-</u>	<u>60,421,700</u>	<u>-</u>

5.2 Unrealised loss on revaluation of investments classified as at fair value through profit or loss - held for trading - net	Note	June 30, 2018	June 30, 2017
		------(Rupees)-----	
Market value of investments	5.1	1,540,194,765	530,068,654
Less: Carrying value of investments	5.1	(1,582,388,106)	(536,081,691)
		<u>(42,193,341)</u>	<u>(6,013,037)</u>

	Note	June 30, 2018	June 30, 2017
----- (Rupees) -----			
6. SECURITY DEPOSITS			
Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
		<u>2,600,000</u>	<u>2,600,000</u>

7. DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable		2,315,701	-
Profit receivable on bank balances	7.1	696,704	371,717
		<u>3,012,405</u>	<u>371,717</u>

7.1 This includes accrued markup of Rs.0.015 (June 30, 2017: Rs. 0.371) receivable from Bank Alfalah Limited - Islamic Banking Division (a related party).

8. RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents receivable against 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.

9. PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	9.1	1,766,130	122,815
Sindh sales tax payable on management remuneration	9.2	229,598	15,966
Formation cost payable		57,500	1,137,525
Other payable to management company		-	10,000
Payable against allocated expenses	9.3	763,508	12,030
Payable against selling and marketing expenses	9.4	3,054,031	-
		<u>5,870,767</u>	<u>1,298,336</u>

9.1 The Management Company has charged remuneration at a rate of 1.25% of daily average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 Sindh Sales Tax on management remuneration has been charged at the rate of 13% by the Government of Sindh (2017: 13%)

9.3 In accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund up to a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund.

9.4 In connection with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan has issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017). In accordance with the provisions contained in these circulars, selling and marketing expenses are allowed initially for a period of three years (from January 1, 2017 till December 31, 2019) to be charged to the Fund up to a maximum of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower for the year. Accordingly, the Management Company has charged expenses at the rate of 0.4% per annum of the net assets of the Fund being lower than actual expenses chargeable to the Fund.

	Note	June 30, 2018	June 30, 2017
----- (Rupees) -----			
10. PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	10.1	223,480	59,388
Sindh Sales Tax payable on trustee remuneration	10.2	29,053	7,721
		<u>252,533</u>	<u>67,109</u>

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

The tariff structure applicable to the Fund as at June 30, 2018 was as follows:

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

10.2 Sindh Sales Tax on trustee remuneration has been charged at the rate of 13% by the Government of Sindh (2017: 13%)

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

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 percent of the daily net assets of the Fund.

Note	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
12. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	207,751	100,000
Brokerage payable	678,463	524,183
Settlement charges	33,307	14,578
Printing charges	47,300	20,000
Withholding tax payable	14,865	4,055
Charity payable	665,261	-
Shariah advisory fee	184,749	50,000
	<u>1,831,696</u>	<u>712,816</u>

12.1 According to the instructions of the Shariah Advisor, any income earned by the Fund from investments, a portion of which has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the Fund.

13. TOTAL EXPENSE RATIO (TER)

The total expense ratio of the Fund for the period ended June 30, 2018 is 2.61% which includes 0.32% representing Government levy, Workers' Welfare Fund and SECP fee. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2018.

Audit fee	150,000	82,044
Review and other certification	120,000	2,344
	270,000	84,388
Sindh sales tax	21,600	5,063
Out of pocket expenses	33,751	10,549
	<u>325,351</u>	<u>100,000</u>

16. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 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 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 Fund has incurred a loss during the period, no provision for taxation has been in these financial statements.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment 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. The transactions with connected persons are in the normal course of business and at contractual rates.

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

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Details of transactions and balances at year end 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

June 30, 2018								
	As at July 01, 2017	Issued for cash / conversion in / transfer in (Units)	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018
	(Units)				(Rupees)			
Other Related Parties								
Alfalsh GHP Islamic Prosperity Planning Fund	7,105,960	24,658,809	12,397,029	19,367,739	688,402,204	2,104,775,526	1,061,070,600	1,642,600,964

For the period from May 25, 2017 to June 30, 2017

	As at May 25, 2017	Issued for cash / conversion in / transfer in (Units)	Redeemed / conversion out / transfer out	As at June 30, 2017	As at May 25, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2017
	(Units)				(Rupees)			
Other Related Parties								
Alfalsh GHP Islamic Prosperity Planning Fund	-	7,306,018	200,058	7,105,960	-	715,000,000	20,000,000	688,402,204

June 30, 2018
June 30, 2017
(Rupees)

17.2 Other transactions

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the Management Company	14,725,063	150,383
Sindh sales tax on remuneration of the Management Company	1,914,259	19,550
Selling and marketing expenses	4,711,931	-
Allocated expenses	1,177,983	12,030

Bank Alfalah Limited - Islamic Banking Division

Profit on bank balances	234,891	425,269
Bank charges	8,267	-

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	2,051,357	72,813
Sindh sales tax on remuneration of the Trustee	266,676	9,466
CDC charges	129,618	-

17.3 Other balances

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Management remuneration payable	1,766,130	122,815
Sindh sales tax payable on management remuneration	229,598	15,966
Formation cost payable	57,500	1,137,525
Other payable to management company	-	10,000
Payable against selling and marketing expenses	3,054,031	-
Payable against allocated expenses	763,508	12,030

Bank Alfalah Limited - Islamic Banking Division

Bank balances	7,170,808	692,418,751
Profit receivable	14,708	371,717

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	223,480	59,388
Sindh Sales Tax payable on trustee remuneration	29,053	7,721
Security deposit	100,000	100,000

18. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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.

As at June 30, 2018		
Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
----- (Rupees) -----		
Bank balances	97,846,945	97,846,945
Investments	-	-
Security deposits	2,600,000	2,600,000
Dividend and profit receivable	3,012,405	3,012,405
Receivable against sale of investments	7,133,992	7,133,992
	<u>110,593,342</u>	<u>1,540,194,765</u>
	<u>1,540,194,765</u>	<u>1,650,788,107</u>

Financial assets

Bank balances
Investments
Security deposits
Dividend and profit receivable
Receivable against sale of investments

As at June 30, 2018		
Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
----- (Rupees) -----		
Payable to the Management Company	5,641,169	5,641,169
Payable to the Trustee	223,480	223,480
Accrued and other liabilities	1,816,831	1,816,831
	<u>7,681,480</u>	<u>7,681,480</u>

Financial liabilities

Payable to the Management Company
Payable to the Trustee
Accrued and other liabilities

As at June 30, 2017		
Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
----- (Rupees) -----		
Bank balances	692,418,751	692,418,751
Investments	-	-
Security deposits	2,600,000	2,600,000
Profit receivable	371,717	371,717
	<u>695,390,468</u>	<u>530,068,654</u>
	<u>530,068,654</u>	<u>1,225,459,122</u>

Financial assets

Bank balances
Investments
Security deposits
Profit receivable

As at June 30, 2017		
Liabilities at fair value through profit or loss	Amortised Cost	Total
----- (Rupees) -----		
Payable to the Management Company	1,282,370	1,282,370
Payable to the Trustee	59,388	59,388
Accrued and other liabilities	708,761	708,761
Payable against purchase of investments	536,081,691	536,081,691
	<u>538,132,210</u>	<u>538,132,210</u>

Financial liabilities

Payable to the Management Company
Payable to the Trustee
Accrued and other liabilities
Payable against purchase of investments

19. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of 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 regulations laid down by the Securities and Exchange Commission of Pakistan.

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

19.1.1 Currency risk

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

19.1.2 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 interest rates. The profit rate profile of the Fund's interest bearing financial instruments is as follows:

BANK BALANCES	Note	June 30, 2018	June 30, 2017
----- (Rupees) -----			
Variable rate instrument (financial asset)			
Bank balance	4.1	<u>93,936,545</u>	<u>408,751</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.939 million (2017: Rs. 0.004 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, 2018 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

Particulars	As at June 30, 2018					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		
%	----- (Rupees) -----					

On-balance sheet financial instruments

Financial assets

Bank balances	3.37-6.50	97,846,945	-	-	-	97,846,945
Investments		-	-	-	1,540,194,765	1,540,194,765
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and profit receivable		-	-	-	3,012,405	3,012,405
Receivable against sale of investments					7,133,992	7,133,992
Sub total		<u>97,846,945</u>	<u>-</u>	<u>-</u>	<u>1,552,941,162</u>	<u>1,650,788,107</u>

Particulars	As at June 30, 2018					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		

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

Financial liabilities

Payable to the Management Company	-	-	-	5,641,169	5,641,169
Payable to the Trustee	-	-	-	223,480	223,480
Accrued and other liabilities	-	-	-	1,816,831	1,816,831
Sub total	-	-	-	7,681,480	7,681,480

On-balance sheet gap	97,846,945	-	-	1,545,259,682	1,643,106,627
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Total profit rate sensitivity gap	97,846,945	-	-	1,545,259,682	1,643,106,627
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Cumulative profit rate sensitivity gap	97,846,945	97,846,945	97,846,945		
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Particulars	As at June 30, 2017					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		

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

On-balance sheet financial instruments

Financial assets

Bank balances	3.37	692,418,751	-	-	-	692,418,751
Investments	-	-	-	-	530,068,654	530,068,654
Security deposits	-	-	-	-	2,600,000	2,600,000
Profit receivable	-	-	-	-	371,717	371,717
Sub total		692,418,751	-	-	533,040,371	1,225,459,122

Financial liabilities

Payable to the Management Company	-	-	-	1,282,370	1,282,370
Payable to the Trustee	-	-	-	59,388	59,388
Accrued and other liabilities	-	-	-	708,761	708,761
Payable against purchase of investments	-	-	-	536,081,691	536,081,691
Sub total	-	-	-	538,132,210	538,132,210

On-balance sheet gap	692,418,751	-	-	(5,091,839)	687,326,912
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Total profit rate sensitivity gap	692,418,751	-	-	(5,091,839)	687,326,912
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Cumulative profit rate sensitivity gap	692,418,751	692,418,751	692,418,751		
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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.

The Fund has exposure to equity price risk arising from the Fund investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2018.

This analysis is based on the assumption that PSX index increase and decreases by 5%, with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with index. This represents managements' best estimate of a reasonable possible shift in the PSX index, having regards to the historical volatility of index of past three years.

At June 30, 2018, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Effect due to increase / decrease in KMI 30 index		
Investment and net assets	<u>77,009,738</u>	7,646,989
Income statement	<u>77,009,738</u>	<u>7,646,989</u>

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable and deposit and other receivable.

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

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	97,846,945	97,846,945	692,418,751	692,418,751
Investments	1,540,194,765	-	530,068,654	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividend and profit receivable	3,012,405	3,012,405	371,717	371,717
Receivable against sale of investments	7,133,992	7,133,992	-	-
	<u>1,650,788,107</u>	<u>110,593,342</u>	<u>1,225,459,122</u>	<u>695,390,468</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.1540.19 million is not exposed to credit risk.

No financial assets were considered to be past due or impaired as at June 30, 2018.

19.2.2 Bank Balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Rating	2018		2017	
	Rupees	%	Rupees	%
AA+/A-1+	7,170,808	7.33	692,418,751	100.00
A+/A-1	90,549,541	92.54	-	-
AAA/A-1	116,378	0.12	-	-
AA-/A-1	10,218	0.01	-	-
	<u>97,846,945</u>	<u>100</u>	<u>692,418,751</u>	<u>100</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

19.2.3 Concentration of credit risk

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

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can

only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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.

Particulars	As at June 30, 2018				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees) -----					
Financial assets					
Bank balances	97,846,945	-	-	-	97,846,945
Investments	1,540,194,765	-	-	-	1,540,194,765
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	7,133,992	-	-	-	7,133,992
Dividend and profit receivable	3,012,405	-	-	-	3,012,405
	<u>1,650,788,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,650,788,107</u>
Financial Liabilities					
Payable to the Management Company	5,641,169	-	-	-	5,641,169
Payable to the Trustee	223,480	-	-	-	223,480
Accrued and other liabilities	1,816,831	-	-	-	1,816,831
	<u>7,681,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,681,480</u>
----- (Rupees) -----					
Particulars	As at June 30, 2017				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees) -----					
Financial assets					
Bank balances	692,418,751	-	-	-	692,418,751
Investments	530,068,654	-	-	-	530,068,654
Security deposits	2,600,000	-	-	-	2,600,000
Profit receivable	371,717	-	-	-	371,717
	<u>1,225,459,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,225,459,122</u>
Liabilities					
Payable to the Management Company	1,282,370	-	-	-	1,282,370
Payable to the Trustee	59,388	-	-	-	59,388
Accrued and other liabilities	708,761	-	-	-	708,761
Payable against purchase of investments	536,081,691	-	-	-	536,081,691
	<u>538,132,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,132,210</u>

19.4 Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3.5 to these financial statements.

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, 2018, the Fund held the following assets measured at fair values:

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
'At fair value through profit or loss' - held for trading				
- Listed equity securities	1,540,194,765	-	-	1,540,194,765
	<u>1,540,194,765</u>	<u>-</u>	<u>-</u>	<u>1,540,194,765</u>
	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
'At fair value through profit or loss' - held for trading				
- Listed equity securities	530,068,654	-	-	530,068,654
	<u>530,068,654</u>	<u>-</u>	<u>-</u>	<u>530,068,654</u>

During the period ended June 30, 2018, 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's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund.

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

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

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

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

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

In order to maintain or adjust the capital structure, the Fund's policy is to perform 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 company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of 'Assets under Management' as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of NAV and total fund size at the end of each quarter.

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

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21 CORRESPONDING FIGURES

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

22 GENERAL

Figures are rounded off to the nearest rupee.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **August 16, 2018**.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	0	-	-	0%
Associated Co./ Directors	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	4	19,367,739	1,642,600,964	100%
	4	19,367,739	1,642,600,964	100%

Category	As at 30 June 2017			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	0	-	-	0%
Associated Co./ Directors	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	4	7,105,960	688,402,204	100%
	4	7,105,960	688,402,204	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018
	%
Inter Market Securities Limited	8%
IGI Finex Securities Limited	7%
Insight Securities (Private) Limited	7%
Arif Habib Limited	7%
AKD Securities Ltd.	7%
Shajar Capital Pakistan Private Limited	6%
Topline Securities (Pvt) Limited	6%
JS Global Capital Limited	5%
Next Capital Limited	5%
Habib Metropolitan Financial Services limited	5%

	30 June 2017
	%
Foundation Securities Limited	39%
Optimus Capital Management (Pvt) Limited	20%
JS Global Capital Limited	17%
Next Capital Limited	10%
Inter Market Securities Limited	7%
BMA Capital Management Limited	5%
Nael Capital Private Limited	2%

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

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) **ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS**

The 79th, 80th, 81st , 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017 ,26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGIDEF

	30 June 2018	30 June 2017
Net Assets	1,642,600,964	688,402,204
NAV per unit	84.8112	96.8767
Selling price per unit	86.2487	98.5188
Redemption price per unit	84.8112	96.8767
Highest selling price per unit	100.8917	101.7107
Highest redemption price per unit	99.2101	100.0154
Lowest selling price per unit	80.2861	98.5188
Lowest redemption price per unit	78.9479	96.8767
Total interim distribution per unit	Nil	Nil
Interim distribution date	Nil	Nil
Final distribution per unit	Nil	Nil
Final distribution date	N/A	N/A
Annualized returns	-12.45%	-3.12%
Income distribution	Nil	Nil
Weighted avg. portfolio duration	N/A	N/A

Return since inception is **-15.18%**

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

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Dedicated Equity Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
The General Tyre & Rubber Company of Pakistan Limited							
EOGM	22-Aug-17	Election of Directors	52,000	0.087%	✓		
Pakistan Petroleum Limited							
EOGM	16-Sep-17	Confirm Minutes of previous AGM	81,400	0.004%	✓		
		Election of Directors					
Thal Limited							
AGM	9-Oct-17	Approval of Annual Accounts of the Company	26,100	0.032%	✓		
		Declaration of Dividend					
		Appointment of statutory Auditor					



Alfalah
GHP Islamic Value Fund

CORPORATE INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Islamic Value Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant Asset Allocation Scheme

Investment Objective

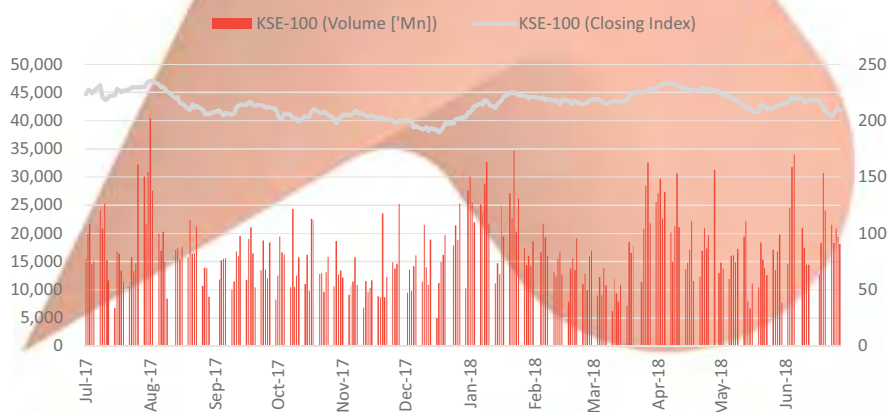
The investment objective of Alfalah GHP Islamic Value Fund (AGIVF) is to generate stable and consistent returns from a well-diversified portfolio consisting of high quality equity and debt securities.

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.

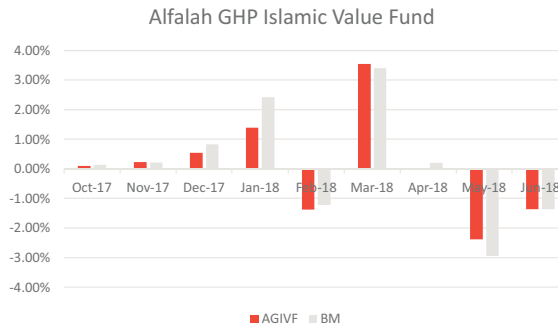
Equity Market Review:

The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of the year, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.

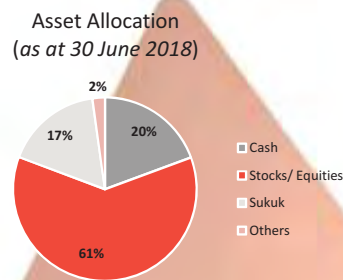


Fund Performance

During the period under review, KMI-30 posted a negative return of 9.6% as investors opted to maintain cautious stance over equities. The positives like Country's updated status to MSCI Emerging market and increase in CPEC related investments were overshadowed by concerns related to political instability and general concerns over deteriorating macroeconomic indicators. Alfalah GHP Islamic Value Fund posted a return of 0.5% since inception (12-Oct-2017) as compared to its benchmark of 1.5%. This was mainly due to underperformance by Automobile, Cement, Steel, and Oil Marketing companies. The volatile margins, regulatory issues, and currency depreciation were the major reasons for this underperformance. On the positive side, exposures to Upstream Oil & Gas and Fertilizer sectors rendered much needed support. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies.



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 Shahr-e-Faisal,
Karachi - 74400, Pakistan,
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC VALUE FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund for the period from October 12, 2017 to June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2018





REPORT OF THE SHARIAH ADVISORY BOARD ALFALAH GHP ISLAMIC VALUE FUND

We, the Shariah Advisers of the Alfalah GHP Islamic Value Fund ("AGIVF") managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we have checked following avenues presented to us by the Management in which AGIVF made Investment during the period from July 1, 2017 to June 30, 2018.

Investment Head	Investment Avenue
<i>Equity</i>	<i>Shariah Compliant Equity Securities</i>
<i>Sukuk</i>	<i>Dubai Islamic Bank Pakistan Limited Sukuk</i> <i>International Brands Limited Sukuk</i> <i>Darwood Hercules Corporation Limited Sukuk</i>

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

For the Year 2017-18 Provision against Charity is made amount to Rs. 33,967/- in respect of dividend purification, which is subject to final adjustment on the basis of respective Companies Annual Financial Statement for the year ended 2019.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Javed Ahmed
Member Shariah Board

Mufti Atta ullah
Shariah Advisor
/ Member Shariah Board



INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of **Aifalah GHP Investment Management Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **Aifalah GHP Islamic Value Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the period from February 19, 2018 to June 30, 2018, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor (the Shariah Principles).

Management's Responsibility of Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control (ISQC) 1 (Redrafted), "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4736, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427598/32424790; <www.pwc.com/pk>

* KARACHI + LAHORE + ISLAMABAD



The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles, whether due to fraud or error. In making these risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures primarily performed comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the period from February 19, 2018 to June 30, 2018 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the period from February 19, 2018 to June 30, 2018.

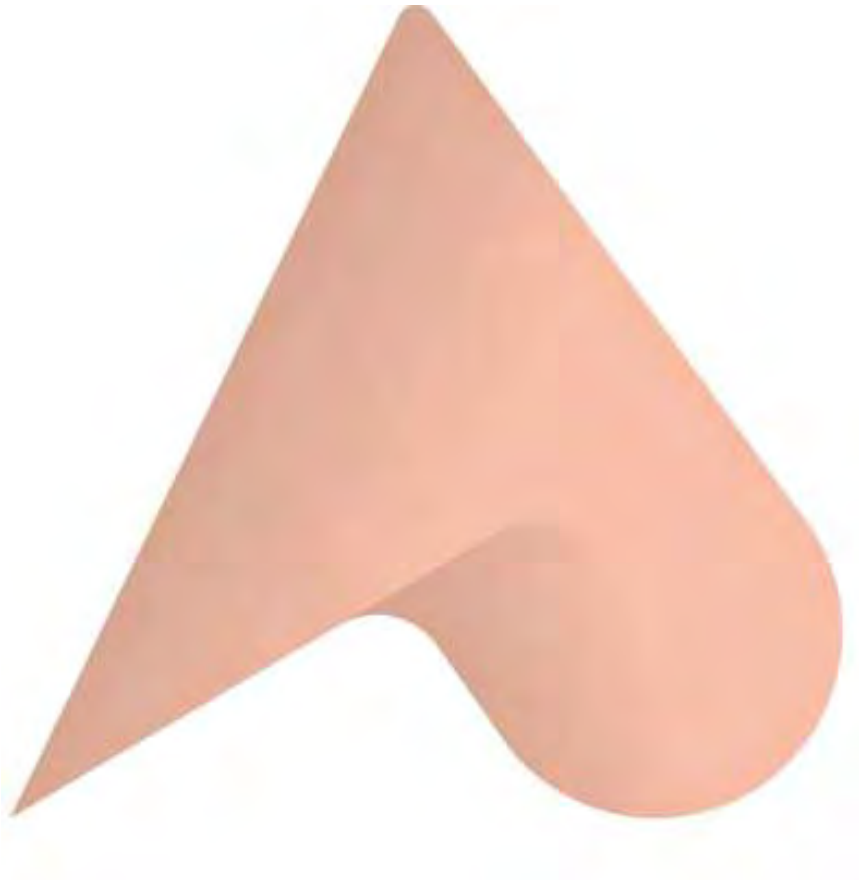
Chartered Accountants
Dated: September 24, 2018
Kuala Lumpur

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Value Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2018. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 24, 2018

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah GHP Islamic Value Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds and cash flow statement for the period from October 12, 2017 to June 30, 2018, 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, 2018, and of its financial performance, its cash flows and transactions for the period from October 12, 2017 to June 30, 2018 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Amendments to NBFC Regulations, 2008 (Refer note 3.11 to the annexed financial statements)</p> <p>During the current period, the Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756 (I) / 2017] dated August 3, 2017 has prescribed a new definition of element of income. As per the notification, the element of income is considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.11.</p> <p>The SECP notification also stipulates that the</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the requirements with respect to recording of element of income.performed walkthrough tests for ensuring compliance with the requirements and in this

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>accounting income available for distribution as appearing in the "Income Statement" excludes income already paid on units redeemed during the period. Accordingly, the net amount appearing on the "Income Statement" after deducting the income already paid on units redeemed is to be considered as the distributable amount.</p> <p>In order to avail tax exemption, the Fund has to distribute 90 percent of its accounting income (excluding realised and unrealised capital gains). However, at the time of distribution of income, the element of income contributed on issue of units recognised in the equity during the period is required to be refunded on the units in the same proportion in which income is distributed from the Income Statement i.e. after taking into account the amount of income already paid on units redeemed. Management has developed a system for carrying out the calculations for such distributions. These calculations are important from the point of view of ensuring compliance with the applicable requirements.</p> <p>The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current period and therefore we considered these developments as key audit matter.</p>	<p>respect obtained reports of distribution of income and refund of capital by the Fund.</p> <ul style="list-style-type: none"> ▪ verified transactions on a test basis with the underlying records of the reports provided by the management to assess their compliance with the regulations. ▪ recalculated the amount available for distribution taking into account amount already distributed at the time of redemption. ▪ verified the accuracy of the management report for allocation of distributable amount between "distribution out of income" and "refund of capital". This included testing the parameters of the report. ▪ verified disclosures to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value (Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net assets value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 229.68 million and bank balances aggregated to Rs 57.49 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a significant area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ tested the design and operating effectiveness of the key controls for valuation of investments. ▪ obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled 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. ▪ obtained approval of the Board of Directors of the management company in relation to opening and closing of bank accounts. ▪ 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 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.

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 Requirement

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

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

Chartered Accountants

Karachi

Date: September 24, 2018

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

	Note	June 30, 2018 -----Rupees-----
Assets		
Bank balances	4	57,494,182
Investments	5	229,678,807
Security deposits	6	2,600,000
Dividend, profit and other receivable	7	2,286,086
Receivable against sale of investment	13	770,548
Preliminary expenses and floatation cost	8	294,833
Total assets		293,124,456
Liabilities		
Payable to the Management Company	9	1,629,742
Payable to the Trustee	10	64,988
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	208,563
Accrued expenses and other liabilities	12	798,119
Total liabilities		2,701,412
NET ASSETS		290,423,044
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		290,423,044
CONTINGENCIES AND COMMITMENTS	14	
NUMBER OF UNITS IN ISSUE		2,888,902
NET ASSET VALUE PER UNIT		100.53

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

INCOME STATEMENT

FOR THE PERIOD FROM OCTOBER 12, 2017 TO JUNE 30, 2018

	Note	For the period from October 12, 2017 to June 30, 2018 -----Rupees-----
Income		
Profit / mark-up income	15	7,864,156
Dividend income		4,449,020
Loss on sale of investments - net		(337,157)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.4	(3,596,671)
Total income		<u>8,379,348</u>
Expenses		
Remuneration of the Management Company	9.1	4,391,011
Sindh sales tax on remuneration of the Management Company	9.2	570,835
Allocated expenses	9.3	140,608
Selling and marketing expenses	9.4	562,436
Remuneration of the Trustee	10.1	505,611
Sindh sales tax on remuneration of the Trustee	10.2	65,688
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	208,563
Securities transaction cost	16	478,309
Amortisation of floatation costs		49,477
Auditors' remuneration	17	626,375
Annual listing fee		164,412
Printing charges		50,036
Shariah advisory fee		270,121
Charity expense		33,967
Bank charges		10,242
Provision against Sindh Workers' Welfare Fund (SWWF)	12.1	4,938
Total operating expenses		<u>8,132,629</u>
Net income for the period before taxation		<u>246,719</u>
Taxation	19	-
Net income for the period after taxation		<u><u>246,719</u></u>
Allocation of net income for the period		
Net income for the period after taxation		246,719
Income already paid on units redeemed		-
		<u><u>246,719</u></u>
Accounting income available for distribution		
- Relating to capital gains		-
- Excluding capital gains		246,719
		<u><u>246,719</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM OCTOBER 12, 2017 TO JUNE 30, 2018

**For the period
from October 12,
2017 to June 30,
2018**

-----Rupees-----

Net income for the period after taxation	246,719
Other comprehensive income for the period	-
Total comprehensive income for the period	<u><u>246,719</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE PERIOD FROM OCTOBER 12, 2017 TO JUNE 30, 2018

	For the period from October 12, 2017 to June 30, 2018		
	----- (Rupees) -----		
	Capital Value	Undistributed income	Total
Issue of 5,733,638 units			
- Capital value (at net asset value per unit at the beginning of the period)	573,363,798	-	573,363,798
- Element of income	7,941,212	-	7,941,212
Total proceeds on issuance of units	581,305,010	-	581,305,010
Redemption of 2,844,736			
- Capital value (at net asset value per unit at the beginning of the period)	284,473,597	-	284,473,597
- Element of loss	6,655,088	-	6,655,088
Total payments on redemption of units	291,128,685	-	291,128,685
Total comprehensive income for the period	-	246,719	246,719
Distribution during the period	-	-	-
Net income for the period less distribution	-	246,719	246,719
Net assets at end of the period (Rs 100.53 per unit)	290,176,325	246,719	290,423,044
Undistributed income carried forward			
- Realised gain		3,843,390	
- Unrealised loss		(3,596,671)	
		<u>246,719</u>	
Accounting income available for distribution			
- Relating to capital gain		-	
- Excluding capital gain		246,719	
		<u>246,719</u>	

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

CASH FLOW STATEMENT

FOR THE PERIOD FROM OCTOBER 12, 2017 TO JUNE 30, 2018

	Note	For the period from October 12, 2017 to June 30, 2018 -----Rupees-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		246,719
Adjustments for:		
Unrealised loss on revaluation of investments classified as at fair value through profit or loss - held-for-trading - net		3,596,671
Provision against Sindh workers welfare fund		4,938
		<u>3,848,328</u>
Increase in assets		
Investments - net		(233,275,477)
Security deposits		(2,600,000)
Dividend, profit and other receivable		(2,286,086)
Receivable against sale of investment		(770,548)
Preliminary expenses and floatation cost		(294,833)
		<u>(239,226,944)</u>
Increase in liabilities		
Payable to the Management Company		1,629,742
Payable to the Trustee		64,988
Payable to the Securities and Exchange Commission of Pakistan		208,563
Accrued expenses and other liabilities		793,180
		<u>2,696,473</u>
Net cash flows used in operating activities		<u>(232,682,143)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units		581,305,010
Payments on redemption of units		(291,128,685)
Net cash flows generated from financing activities		<u>290,176,325</u>
Cash and cash equivalents at end of the period	4	<u><u>57,494,182</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE PERIOD FROM OCTOBER 12, 2017 TO JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Islamic Value Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on April 6, 2017 between Alfalah GHP Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.2 The Fund has been categorised as " Shariah Compliant Islamic 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 were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units 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 provide good total return through a combination of current income and long-term capital appreciation which the Fund aims to deliver mainly by investing in shariah compliant equity securities, shariah compliant government securities, cash and near cash instruments (GoP Ijarah Sukuk not exceeding 90 days maturity) which include cash in bank accounts of islamic banks and licensed islamic banking windows of conventional banks (excluding TDRs), secured / unsecured (listed and / or privately placed) Sukuks, shariah compliant spread transactions, certificates of modarba, certificates of musharika with financial institutions, placement of funds with financial institutions on the basis of murabaha, bai`Mu`ajjal, bai`salam or istisn`a, shariah compliant bank deposits, shariah compliant investment in real estate investment trust, investment outside Pakistan (shariah compliant), any other shariah compliant securities or instruments as permitted by the rules, the regulations and approved for investment by the SECP and the shariah advisor from time to time.

1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on December 22, 2017.

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

1.6 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 October 12, 2017 to June 30, 2018 (former being the date from which the proceeds from the issue of units were received).

1.7 This is the first accounting period of the Fund and hence there are no comparative figures.

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 Regulation) Rules, 2003 (the NBFC Rules), the 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.

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

There are certain other new and amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to 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 approved accounting standards that are not yet effective

The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standard, Interpretation & Amendments	Effective date (accounting periods beginning on or after)
- IFRS 9 - Financial Instruments	July 1, 2018
- IFRS 15 - Revenue from Contracts with Customers	July 1, 2018
- IFRS 16 - Leases	January 1, 2019

These standards may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification, valuation and impairment of financial assets (notes 3.3 and 5); and
- ii. Taxation (note 3.6 and 19)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments carried 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.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices.

3.3.2 Regular way contracts

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

3.3.3 Initial recognition and measurement

Financial assets 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 the related transaction costs are expensed out in the income statement.

3.3.4 Subsequent measurement

a) Financial assets at "fair value through profit or loss" and "available for sale"

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in listed equity securities is determined by reference to Stock Exchange quoted market prices at the close of period end.
- Debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective profit method.

3.3.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

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.

3.3.7 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Taxation

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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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.

3.7 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.

3.8 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 year 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 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 application 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.

3.10 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 a portion of income already paid on units redeemed during the year.

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

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

Element of income/ (loss) 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. The element of income/(loss) is a transaction of capital nature and the receipt and payment of element of income/(loss) 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Income on sukuk certificates, term deposit receipts, Bai Muajjal 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 SECP for which the profits are recorded on cash basis.
- "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.
- Profit on bank deposits is recognised on time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.

3.13 Expenses

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

3.14 Earnings per unit

Earnings per unit (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.

4 BANK BALANCES

June 30,2018
---- Rupees ----

Balances with banks in:

Saving accounts	4.1	47,431,412
Current account	4.2	10,062,770
		57,494,182

4.1 This includes balance of Rs 5.851 million maintained with Bank Alfalah Limited (a related party). Profit and loss sharing accounts of the Fund carries profit rates ranging from 3.72% to 6.5% per annum.

4.2 This balance is maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS

June 30,2018
----Rupees ----

'At fair value through profit or loss' - held for trading

Listed equity securities	5.1	179,618,807
Sukuk certificates - unlisted	5.2	20,000,000
Sukuk certificates - listed	5.3	30,060,000
		229,678,807

5.1 Investments in listed equity securities - "at fair value through profit or loss" - held for trading

Ordinary shares have a face value of Rs 10 each, unless stated otherwise.

Name of the Investee Company	Purchased during the period	Bonus / Right shares issued	Sold during the period	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Holding as a percentage of issue size
	----- Number of shares -----				----- Rupees -----			----- Percentage -----		
Commercial Banks										
MCB Bank Limited	80,500	-	16,000	64,500	4,552,536	5,270,940	718,404	2.29%	1.81%	0.01%
					4,552,536	5,270,940	718,404	2.29%	1.81%	
Cement										
Cherat Cement Company Limited	22,000	-	13,000	9,000	1,100,588	875,070	(225,518)	0.38%	0.30%	0.01%
D.G. Khan Cement Company Limited	88,500	-	41,000	47,500	6,901,088	5,438,275	(1,462,813)	2.37%	1.87%	0.01%
Fauji Cement Company Limited	167,000	-	44,000	123,000	3,432,165	2,810,550	(621,615)	1.22%	0.97%	0.01%
Kohat Cement Company Limited	14,300	-	13,500	800	120,470	98,456	(22,014)	0.04%	0.03%	0.00%
Lucky Cement Limited	21,300	-	2,200	19,100	11,328,399	9,701,463	(1,626,936)	4.22%	3.34%	0.01%
Maple Leaf Cement Factory Limited	69,000	-	8,500	60,500	4,550,507	3,069,770	(1,480,737)	1.34%	1.06%	0.01%
					27,433,217	21,993,584	(5,439,633)	9.570%	7.57%	

Name of the Investee Company	Purchased during the period	Bonus / Right shares issued	Sold during the period	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Holding as a percentage of issue size
	----- Number of shares -----				----- Rupees -----			----- Percentage -----		
Power Generation & Distribution										
Hub Power Company Limited	149,000	-	1,500	147,500	14,255,251	13,593,600	(661,651)	5.92%	4.68%	0.01%
Kot Addu Power Company Limited	178,500	-	48,000	130,500	7,186,882	7,035,255	(151,627)	3.06%	2.42%	0.01%
					<u>21,442,133</u>	<u>20,628,855</u>	<u>(813,278)</u>	<u>8.98%</u>	<u>7.10%</u>	
Oil & Gas Marketing Companies										
Pakistan State Oil Company Limited	38,800	-	20,100	18,700	5,739,456	5,952,397	212,941	2.59%	2.05%	0.01%
Sui Northern Gas Pipelines Limited	47,100	-	18,000	29,100	3,300,545	2,916,402	(384,143)	1.27%	1.00%	0.00%
					<u>9,040,001</u>	<u>8,868,799</u>	<u>(171,202)</u>	<u>3.86%</u>	<u>3.05%</u>	
Oil & Gas Exploration Companies										
Pakistan Petroleum Limited	124,000	-	13,400	110,600	22,931,588	23,767,940	836,352	10.35%	8.18%	0.01%
Oil & Gas Development Company Limited	163,500	-	16,500	147,000	24,328,679	22,876,140	(1,452,539)	9.96%	7.88%	0.00%
Pakistan Oilfields Limited	38,100	-	12,250	25,850	16,564,137	17,365,772	801,635	7.56%	5.98%	0.01%
Mari Petroleum Company Limited	7,700	-	1,180	6,520	9,734,259	9,820,294	86,035	4.28%	3.38%	0.01%
					<u>73,558,663</u>	<u>73,830,146</u>	<u>271,483</u>	<u>32.15%</u>	<u>25.42%</u>	
Engineering										
International Industries Limited	19,000	-	400	18,600	4,849,317	4,320,594	(528,723)	1.88%	1.49%	0.02%
International Steels Limited	41,000	-	1,000	40,000	4,753,432	4,068,000	(685,432)	1.77%	1.40%	0.01%
					<u>9,602,749</u>	<u>8,388,594</u>	<u>(1,214,155)</u>	<u>3.65%</u>	<u>2.89%</u>	
Fertilizer										
Engro Corporation Limited	59,300	-	5,900	53,400	14,484,296	16,760,124	2,275,828	7.3%	5.77%	0.01%
Fauji Fertilizer Company Limited	79,000	-	1,500	77,500	7,159,096	7,663,975	504,879	3.35%	2.64%	0.01%
Engro Fertilizers Limited	195,000	-	2,000	193,000	13,831,942	14,457,630	625,688	6.29%	4.98%	0.01%
					<u>35,475,334</u>	<u>38,881,729</u>	<u>3,406,395</u>	<u>16.94%</u>	<u>13.39%</u>	
Chemical										
Engro Polymer & Chemicals Limited	56,000	-	-	56,000	1,763,345	1,756,160	(7,185)	0.76%	0.60%	0.01%
					<u>1,763,345</u>	<u>1,756,160</u>	<u>(7,185)</u>	<u>0.76%</u>	<u>0.60%</u>	
Total					<u>182,867,978</u>	<u>179,618,807</u>	<u>(3,249,171)</u>	<u>78.20%</u>	<u>61.83%</u>	

5.1.1 Investments include shares with market value of Rs 30.148 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 SECP. The details of shares which have been pledged are as follows:

Name of investee Company	June 30, 2018	
	Number of shares	Amount in Rupees
Engro Corporation Limited	19,900	6,245,814
Pakistan Petroleum Limited	25,750	5,533,675
Oil & Gas Development Company	32,500	5,057,650
Pakistan Oilfields Limited	8,300	5,575,857
Pakistan State Oil Limited	6,150	1,957,607
Kot Addu Power Company	66,250	3,571,538
MCB Bank Limited	27,000	2,206,440
	<u>185,850</u>	<u>30,148,580</u>

5.2 Sukuk certificates - unlisted

(Certificates having a face value of Rs. 100,000 each unless stated otherwise)

Purchased during the year	Disposed / matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
Number of certificates			----- Rupees -----			----- Percentage -----		
Dubai Islamic Bank	20	(20)	-	-	-	-	-	-
International Brands Limited	200	-	200	20,000,000	20,000,000	-	8.71%	6.89%
				<u>20,000,000</u>	<u>20,000,000</u>	<u>-</u>	<u>8.71%</u>	<u>6.89%</u>

5.2.1 The cost of these sukuk certificates as at June 30, 2018 is Rs.20 million.

5.2.2 The terms and conditions of these sukuk certificates are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
International Brands Limited	AA	4 years	Annually	November 15, 2021	12 months Kibor + 0.50 %

5.3 Sukuk certificates - listed

(Certificates having a face value of Rs. 100,000 each unless stated otherwise)

Purchased during the year	Disposed / matured during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size	
Number of certificates			----- Rupees -----			----- Percentage -----			
Dawood Hercules Corporation Limited	300	-	300	30,407,500	30,060,000	(347,500)	13.09%	10.35%	0.58%
				<u>30,407,500</u>	<u>30,060,000</u>	<u>(347,500)</u>	<u>13.09%</u>	<u>10.35%</u>	

5.3.1 The cost of these sukuk certificates as at June 30, 2018 is Rs.30,408 million.

5.3.2 The terms and conditions of these sukuk certificates are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
Dawood Hercules Corporation Limited	AA	6 years	Quarterly	November 6, 2022	3 months Kibor + 1%

5.4 Unrealised (diminution) / appreciation on remeasurement of as 'fair value through profit or loss' - net

	Note	June 30, 2018
		-----Rupees-----
Market value of investments	5.1, 5.2 & 5.3	229,678,807
Less: carrying value of investments	5.1, 5.2 & 5.3	<u>233,275,478</u>
		<u>(3,596,671)</u>

6 SECURITY DEPOSITS

	Note	June 30, 2018
		-----Rupees-----
Security deposits with:		
- Central Depository Company of Pakistan Limited (CDC)		100,000
- National Clearing Company of Pakistan Limited (NCCPL)		<u>2,500,000</u>
		<u>2,600,000</u>

7 DIVIDEND, PROFIT AND OTHER RECEIVABLE

	Note	June 30, 2018
		-----Rupees-----
Profit receivable on:		
Bank balances		499,414
Sukuk certificates		1,155,407
Advance tax	7.1	238,640
Dividend receivable		<u>392,625</u>
		<u>2,286,086</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2018, 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 withholder. Management is confident that this amount will be recovered from the tax authorities.

8 PRELIMINARY EXPENSES AND FLOATATION COSTS

	Note	June 30, 2018
		-----Rupees-----
At the beginning of the year		-
Preliminary expenses and floatation costs incurred		344,310
Less: amortisation during the period		<u>49,477</u>
At the end of the year	8.1	<u>294,833</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 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

	Note	June 30, 2018
9 PAYABLE TO THE MANAGEMENT COMPANY		-----Rupees-----
Management fee payable	9.1	520,240
Sindh sales tax payable on management remuneration	9.2	67,637
Preliminary expenses and floatation cost payable to the management company		344,310
Payable against allocated expenses	9.3	139,510
Payable against marketing and selling expenses	9.4	558,045
		<u>1,629,742</u>

9.1 The Management Company has charged remuneration at a rate of 2% 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 period, Sindh Sales Tax on management remuneration has been charged at 13%.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

9.4 In connection with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan had issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017) whereby it had prescribed certain conditions on Asset Management Companies (AMCs) for charging selling and marketing expenses to collective investment schemes (CISs). However, during the year, the SECP vide its circular no. 5 of 2018 dated June 4, 2018 has made certain amendments in the conditions prescribed through the above mentioned circulars. As per the amendment, selling and marketing expenses will be allowed initially for three years (from January 1, 2017 till December 31, 2019) to all categories of open-end mutual funds (except fund of funds and money market funds) which was earlier allowed to be charged only in respect of open end equity, asset allocation and index funds. Further, the conditions prescribed for allocation of selling and marketing expenses have also been amended. As per the amendments prescribed, the selling and marketing expenses can only be used in respect of the following:

1. cost pertaining to opening and maintenance of all branches by asset management company in all cities,
2. Payment of salaries to sales team posted at all branches of an asset management company,
3. payment of commission to sales team and distributors in all cities of Pakistan, and
4. payment of advertising and publicity of these funds.

The management has carried out an exercise to identify expenses of the Management Company (on the basis of criteria mentioned in the above circulars) that can be charged to the Fund. As the actual expenses incurred by the Management Company that are allowable to be allocated to the Fund for the year ended June 30, 2018 are higher than 0.4% per annum of net assets of the Fund, the Management Company has charged expenses at the rate of 0.4% per annum of net assets of the Fund being lower than actual expenses chargeable to the Fund for the period.

	Note	June 30, 2018
10 PAYABLE TO THE TRUSTEE		-----Rupees-----
Trustee remuneration payable	10.1	57,548
Sindh Sales Tax payable on trustee remuneration	10.2	7,440
		<u>64,988</u>

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

Average net asset value

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

10.2 During the period, Sindh Sales Tax on trustee remuneration has been charged at the rate of 13%.

11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	June 30, 2018
		-----Rupees-----
Annual fee payable	11.1	<u>208,563</u>

11.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a asset allocation scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.095% of the average annual net assets of the Fund as annual fee.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	June 30, 2018
		-----Rupees-----
Auditors' remuneration payable		384,125
Printing charges payable		34,478
Brokerage payable		30,263
Settlement charges		17,678
Shariah advisory fee payable		180,121
Front load payable		107,261
Withholding tax payable		56
Capital value tax payable		1,225
Provision for Sindh Workers' Welfare Fund	12.1	4,938
Sindh sales tax payable		3,934
Other payables		<u>34,040</u>
		<u><u>798,119</u></u>

12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from October 12, 2017 to June 30, 2018, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.0017 per unit .

13 RECEIVABLE AGAINST SALE OF INVESTMENT

This represents receivable against sale of investment of listed equity securities which requires delivery and settlement / payment within two days after transaction date as required by the stock exchange regulations. The amount has been received subsequent to the period ended June 30, 2018.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There were no contingencies and commitments as at June 30, 2018 .

**For the period
from October 12,
2017 to June 30,
2018
-----Rupees-----**

15 PROFIT / MARK-UP INCOME

Profit / mark-up income on:

- Bank balances

- Sukuk certificates

5,570,312

2,293,844

7,864,156

16 SECURITIES TRANSACTION COST

This represents brokerage, sales tax on brokerage and settlement charges to the Central Depository Company Limited and National Clearing Company of Pakistan Limited.

**For the period
from October 12,
2017 to June 30,
2018**

-----Rupees-----

17 AUDITORS' REMUNERATION

Annual audit fee	250,000
Review and other certifications	245,000
Shariah advisory fee	30,000
	525,000
Sindh Sales Tax on services	42,000
Out of pocket expenses	59,375
	<u>626,375</u>

18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2018 is 3.08% which includes 0.34% 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% prescribed under the NBFC Regulations for a collective investment scheme categorised as a asset allocation scheme.

19 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 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 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. The Management Company has distributed, subsequent to the period end, the income earned by the Fund for the period to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund. 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, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

20.1 Transactions during the period - Unit Holders' Fund

		Note ----- June 30, 2018 -----							
		Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018
				(Units)					(Rupees)
Unit holders holding 10% or more units									
Netsol Employees Provident Fund	20.1.1	470,737	-	-	470,737	50,000,000	-	-	47,323,457
Barret Hodgson Pakistan (Private) Limited	20.1.1	499,498	-	-	499,498	50,000,000	-	-	50,214,782

20.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

For the period
from October 12,
2017 to June 30,
2018

20.2 Detail of transactions with related parties / connected persons during the period:

-----Rupees -----

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the Management Company	4,391,011
Sindh sales tax on remuneration of the Management Company	570,835
Allocated expenses	140,608
Selling and marketing expenses	562,436
Sales load	5,132,656

Bank Alfalah limited

Profit on saving accounts	241,568
Bank charges	7,642
Sales load	3,977,674

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	505,611
Sindh sales tax on remuneration of the Trustee	65,688
Settlement charges	17,637

June 30, 2018

20.3 Other balances

-----Rupees -----

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Management remuneration payable	520,240
Sindh sales tax payable on management remuneration	67,637
Payable against allocated expenses	139,510
Payable against marketing and selling expenses	558,045
Preliminary expenses and floatation cost payable to the management company	344,310

Bank Alfalah Limited

Bank balances	15,914,076
Profit receivable	20,852
Sales load payable	107,261

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	57,548
Sindh sales tax payable on Trustee remuneration	7,440
Security deposit	100,000

21 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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	June 30, 2018			Total
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available-for-sale	
----- Rupees -----				
Financial assets				
Bank balances	57,494,182	-	-	57,494,182
Investments	-	229,678,807	-	229,678,807
Security deposits	2,600,000	-	-	2,600,000
Dividend, profit and other receivable	2,047,446	-	-	2,047,446
Receivable against sale of investment	770,548	-	-	770,548
	62,912,176	229,678,807	-	292,590,983

Particulars	June 30, 2018		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	-----Rupees-----		
Financial liabilities			
Payable to the Management Company	-	1,629,742	1,629,742
Payable to the Trustee	-	64,988	64,988
Accrued expenses and other liabilities	-	787,966	787,966
	<u>-</u>	<u>2,482,696</u>	<u>2,482,696</u>

22 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.

22.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

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

22.1.1 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.

22.1.2 Interest rate risk

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

	June 30, 2018
	-----Rupees-----
Variable rate instruments (financial assets)	
Bank balances	57,494,182
Sukuk certificates	50,060,000
	<u>107,554,182</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.02 million and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

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

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2018 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 instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2018 can be determined as follows:

----- As at June 30, 2018 -----

Effective interest rate (%)	Exposed to yield / interest rate 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 -----

Financial assets

Bank balances	3.72 - 6.5	57,494,182	-	-	-	57,494,182
Investments	6.98 - 7.41	30,060,000	20,000,000	-	179,618,807	229,678,807
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	2,047,446	2,047,446
Receivable against sale of investment		-	-	-	770,548	770,548
		87,554,182	20,000,000	-	185,036,801	292,590,983

Financial liabilities

Payable to the Management Company		-	-	-	1,629,742	1,629,742
Payable to the Trustee		-	-	-	64,988	64,988
Accrued expenses and other liabilities		-	-	-	787,966	787,966
		-	-	-	2,482,696	2,482,696

On-balance sheet gap

	87,554,182	20,000,000	-	182,554,105	290,108,287
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Total interest rate sensitivity gap

	87,554,182	20,000,000	-	182,554,105	290,108,287
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Cumulative interest rate sensitivity gap

	87,554,182	107,554,182	107,554,182
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22.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2018. The analysis is based on the assumption that the PSX index had increased or 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 PSX index, having regard to the historical volatility of the index of the past three years.

At June 30, 2018, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	June 30, 2018
	-----Rupees-----
Effect due to increase / decrease in KSE 100 index	
Investment and net assets	1,796,188
Income statement	1,796,188

22.2 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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.

----- June 30, 2018 -----					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	57,494,182	-	-	-	57,494,182
Investments	179,618,807	-	-	50,060,000	229,678,807
Security deposits	2,600,000	-	-	-	2,600,000
Dividend, profit and other receivable	2,047,446	-	-	-	2,047,446
Receivable against sale of investment	770,548	-	-	-	770,548
	242,530,983	-	-	50,060,000	292,590,983
Financial liabilities					
Payable to the Management Company	1,629,742	-	-	-	1,629,742
Payable to the Trustee	64,988	-	-	-	64,988
Accrued expenses and other liabilities	787,966	-	-	-	787,966
	2,482,696	-	-	-	2,482,696
Net assets	240,048,287	-	-	50,060,000	290,108,287

22.3 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.

22.3.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

----- June 30, 2018 -----		
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees -----		
Bank balances	57,494,182	57,494,182
Investments	229,678,807	50,060,000
Security deposits	2,600,000	2,600,000
Dividend, profit and other receivable	2,047,446	2,047,446
Receivable against sale of investment	770,548	770,548
	292,590,983	112,972,176

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 179.619 million are not exposed to credit risk.

22.3.2 Settlement 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 past due or impaired at June 30, 2018.

22.3.3 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Name of Bank	Rating Agency	Rating	June 30, 2018
			----- (%) -----
Bank Islami Pakistan Limited	PACRA	A-1	72.30%
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A-1	0.02%
Bank Alfalah Limited	PACRA	A1+	27.68%
			<u>100.00%</u>

The above ratings are assigned by PACRA and JCR-VIS.

22.3.4 Investments

The Fund held investment in sukuk certificates at June 30, 2018 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	June 30, 2018
			----- (%) -----
International Brands Limited	JCR-VIS	AA	39.95%
Dawood Hercules Corporation Limited	PACRA	AA	60.05%
			<u>100.00%</u>

Above ratings are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2018.

22.3.5 Concentration of credit risk

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

	June 30, 2018	
	Rupees	%
Commercial banks (including profit receivable) [ratings disclosed in note 22.3.3]	57,993,596	51.33%
Investments (including profit receivable) [ratings disclosed in 22.3.4]	51,215,407	45.34%
Dividend receivable	392,625	0.35%
Receivable against sale of investment	770,548	0.68%
National Clearing Company of Pakistan Limited (security deposit)	2,500,000	2.21%
Central Depository Company of Pakistan Limited (security deposit)	100,000	0.09%
	<u>112,972,176</u>	<u>100.00%</u>

23 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3 to these financial statements.

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, 2018, the Fund held the following financial instruments measured at fair values:

	-----As at June 30, 2018 -----			
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
At fair value through profit or loss - held for trading				
Listed equity securities	179,618,807	-	-	179,618,807
Sukuk certificates	-	50,060,000	-	50,060,000
	179,618,807	50,060,000	-	229,678,807

24 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 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 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 period.

25 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.

26 NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company on July 2, 2018 approved a final distribution of Rs. 0.236 per unit on the face value of Rs.100 each (i.e 0.24%) amounting to Rs. 0.682 million. The financial statements of the Fund for the period ended June 30, 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

27 GENERAL

Figures have been rounded off to the nearest rupee.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	137	1,231,809	123,834,507	43%
Associated Co./ Directors	-	-	-	-
Retirement & Other Funds	2	567,186	57,019,550	20%
Insurance Co.	-	-	-	-
Others	7	1,089,907	109,568,995	38%
	146	2,888,902	290,423,053	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018 %
Arif Habib Limited	14%
Alfalah Securities (Private) Limited	10%
BIPL Securities	10%
JS Global Capital Limited	7%
Topline Securities (Pvt) Limited	6%
Elixir Securities Pakistan (Pvt.) Limited	6%
Nael Capital Private Limited	6%
IGI Finex Securities Limited	5%
BMA Capital Management Limited	5%
Inter Market Securities Limited	5%

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

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Kashif Kasim

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

(iv) **ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS**

The 79th, 80th, 81st , 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017 ,26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGIVF

	30 June 2018 (Rupees in '000)
Net Assets	<u>290,423</u>
NAV per unit	<u>100.5300</u>
Selling price per unit	<u>103.9386</u>
Redemption price per unit	<u>100.5300</u>
Highest selling price per unit	<u>110.0563</u>
Highest redemption price per unit	<u>106.4477</u>
Lowest selling price per unit	<u>99.7689</u>
Lowest redemption price per unit	<u>96.4976</u>
Total interim distribution per unit	<u>Nil</u>
Interim distribution date	<u>N/A</u>
Final distribution per unit	<u>0.236</u>
Final distribution date	<u>02 Jul,2018</u>
Annualized returns	<u>0.53%</u>
Income distribution	<u>0.24%</u>
Weighted avg. portfolio duration	<u>N/A</u>

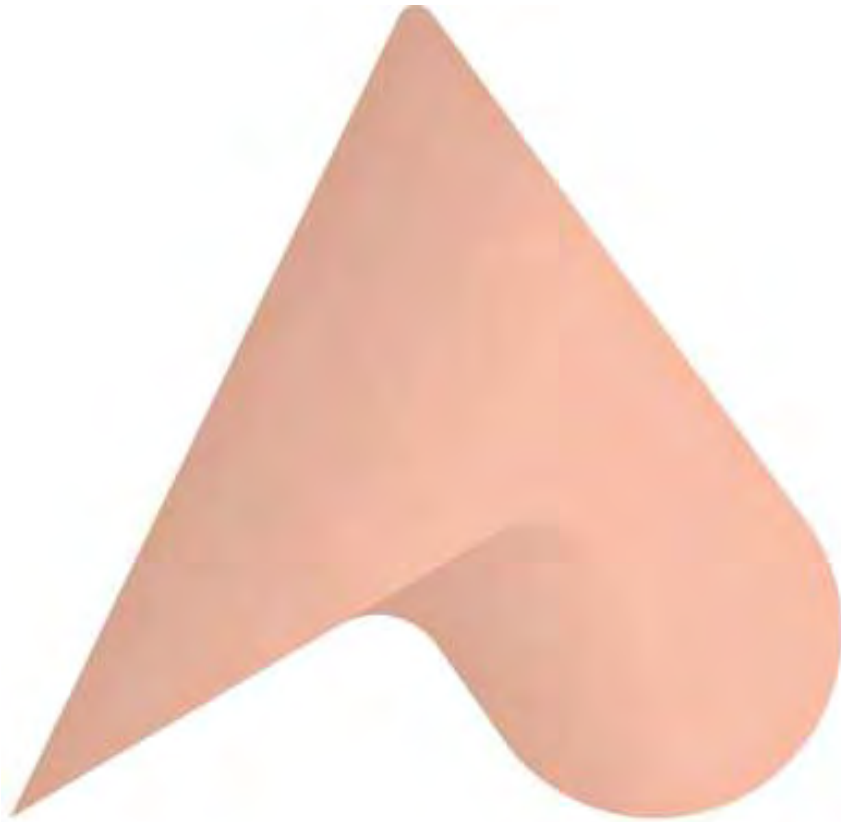
Return since inception is 0.53%

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

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Dedicated Equity Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
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Engro Corporation Limited							
AGM	16-Mar-18	Approval of Annual Accounts of the Company	53,900	0.010%	✓		
		Declaration of Dividend					
		Appointment of statutory Auditor					
		Election of Directors					





Alfalah
Capital Preservation Fund II

CORPORATE INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Capital Preservation Fund II

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Capital Protected

Investment Objective

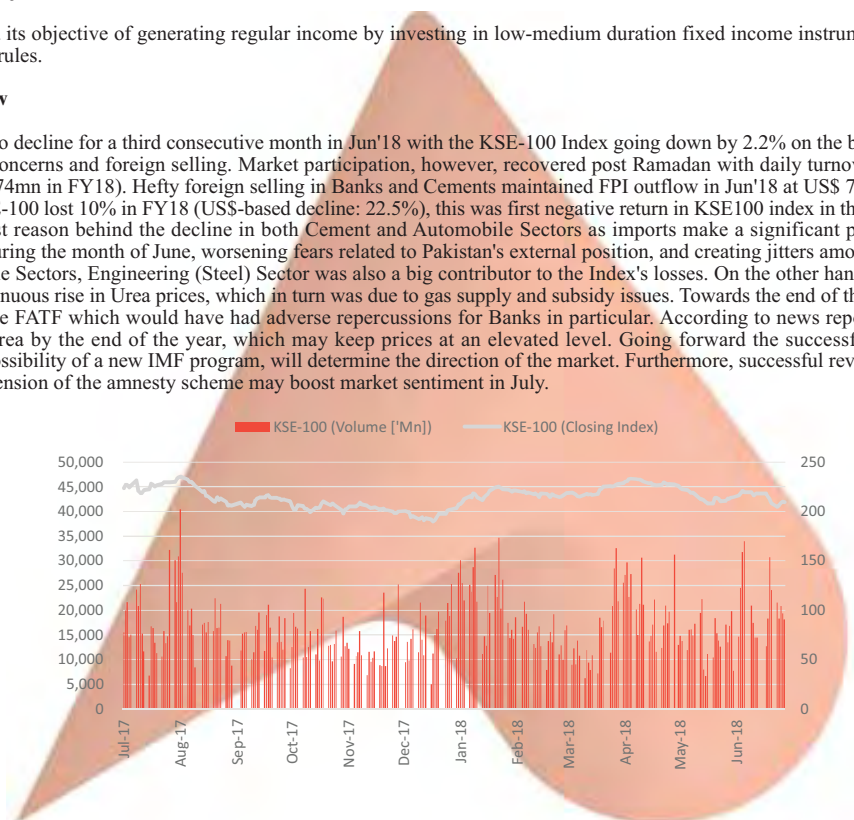
The objective of Alfalah Capital Preservation Fund II is to provide capital preservation to investors upon maturity by dynamically allocating a portion of the Trust Property in fixed income instruments in capital protection segment, and remaining in equity market as Investment segment or any other SECP permitted investments to provide investors with better returns.

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.

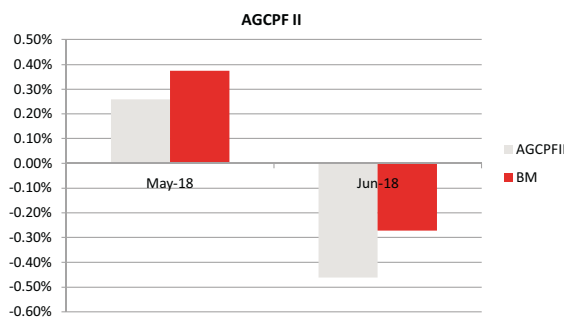
Equity Market Review

The market continued to decline for a third consecutive month in Jun'18 with the KSE-100 Index going down by 2.2% on the back of high political noise, Balance of Payments concerns and foreign selling. Market participation, however, recovered post Ramadan with daily turnover rising by 24% MoM to US\$ 61mn (Avg. US\$ 74mn in FY18). Hefty foreign selling in Banks and Cements maintained FPI outflow in Jun'18 at US\$ 74mn, taking FY18 outflow to US\$289mn. The KSE-100 lost 10% in FY18 (US\$-based decline: 22.5%), this was first negative return in KSE100 index in the past 9 years. Devaluation in PKR was the biggest reason behind the decline in both Cement and Automobile Sectors as imports make a significant portion of their costs. PKR depreciated by 5.1% during the month of June, worsening fears related to Pakistan's external position, and creating jitters amongst importers. Apart from Cement and Automobile Sectors, Engineering (Steel) Sector was also a big contributor to the Index's losses. On the other hand, Fertilizer Sector buoyed the Index due to a continuous rise in Urea prices, which in turn was due to gas supply and subsidy issues. Towards the end of the month, Pakistan avoided being blacklisted by the FATF which would have had adverse repercussions for Banks in particular. According to news reports, the country is headed towards shortage of Urea by the end of the year, which may keep prices at an elevated level. Going forward the successful transition to an elected government, and the possibility of a new IMF program, will determine the direction of the market. Furthermore, successful revenue and foreign exchange generation through extension of the amnesty scheme may boost market sentiment in July.

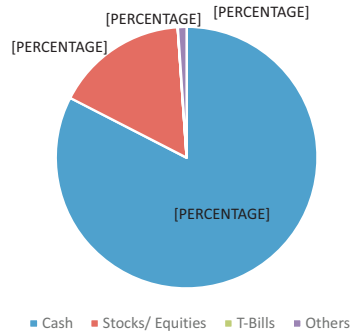


Fund Performance

For the year ended June 30 2018, the fund posted a return of -0.20% against the benchmark of 0.10%.



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 Shaheed-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH CAPITAL PRESERVATION FUND II

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Capital Preservation Fund II (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund for the period from May 11, 2018 to June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2018



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alfalah Capital Preservation Fund II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Capital Preservation Fund II (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' funds and cash flow statement for the period from May 11, 2018 to June 30, 2018, 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, 2018, and of its financial performance, its cash flows and transactions for the period from May 11, 2018 to June 30, 2018 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 are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	Amendments to NBFC Regulations, 2008 (Refer note 3.11 to the annexed financial statements) During the current period, the Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756 (I) / 2017] dated August 3, 2017 has prescribed a new definition of element of income. As per the notification, the element of income is considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of	Our audit procedures included the following: <ul style="list-style-type: none">understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the requirements with respect to recording of element of income.verified transactions on a test basis with the

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>income is explained in note 3.11.</p> <p>The SECP notification also stipulates that the accounting income available for distribution as appearing in the "Income Statement" excludes income already paid on units redeemed during the period.</p> <p>The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current period and therefore we considered these developments as key audit matter.</p>	<p>underlying records of the reports provided by the management to assess their compliance with the regulations.</p> <ul style="list-style-type: none"> • verified disclosures to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value</p> <p>(Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 185.22 million and bank balances aggregated to Rs 933.28 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments. • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled 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. • obtained approval of the Board of Directors of the management company in relation to opening and closing of bank accounts. • 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 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.

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 Requirement

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

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

Chartered Accountants

Karachi

Date: September 24, 2018

ALFALAH CAPITAL PRESERVATION FUND II
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

	Note	June 30, 2018 (Rupees)
Assets		
Bank balances	4	933,283,999
Investments	5	185,220,443
Security deposits	6	2,600,000
Dividend, profit and other receivable	7	4,047,664
Preliminary expenses and floatation cost	8	4,650,695
Total assets		1,129,802,801
Liabilities		
Payable to the Management Company	9	9,679,028
Payable to the Trustee	10	136,265
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	118,642
Accrued and other liabilities	12	1,089,421
Total liabilities		11,023,356
NET ASSETS		<u>1,118,779,445</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>1,118,779,445</u>
CONTINGENCIES AND COMMITMENTS	13	
NUMBER OF UNITS IN ISSUE		<u>11,209,583</u>
		Rupees
NET ASSET VALUE PER UNIT		<u>99.81</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II

INCOME STATEMENT

FOR THE PERIOD FROM MAY 11, 2018 TO JUNE 30, 2018

	Note	For the period from May 11, 2018 to June 30, 2018 Rupees
Income		
Profit / mark-up income	14	9,983,998
Dividend income		302,750
Back end load		5,263
Loss on sale of investments - net		(3,813,184)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3	<u>(4,332,064)</u>
Total income		<u>2,146,763</u>
Expenses		
Remuneration of the Management Company	9.1	2,372,813
Sindh sales tax on remuneration of the Management Company	9.2	308,466
Allocated expenses	9.3	158,181
Selling and marketing expenses	9.4	308,585
Remuneration of the Trustee	10.1	205,646
Sindh sales tax on remuneration of the Trustee	10.2	26,734
Annual fee to the Securities and Exchange Commission of Pakistan	11	118,642
Bank charges		7,394
Auditors' remuneration	16	156,167
Securities transaction cost	15	323,482
Amortisation of floatation costs		349,305
Printing and related costs		9,798
Total expenses		<u>4,345,213</u>
Net loss for the period before taxation		<u>(2,198,450)</u>
Taxation	18	-
Net loss for the period after taxation		<u>(2,198,450)</u>
Allocation of net income for the period		
Net income for the period after taxation		-
Income already paid on units redeemed		-
Accounting income available for distribution		<u>-</u>
- Relating to capital gains		-
- Excluding capital gains		-
		<u>-</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

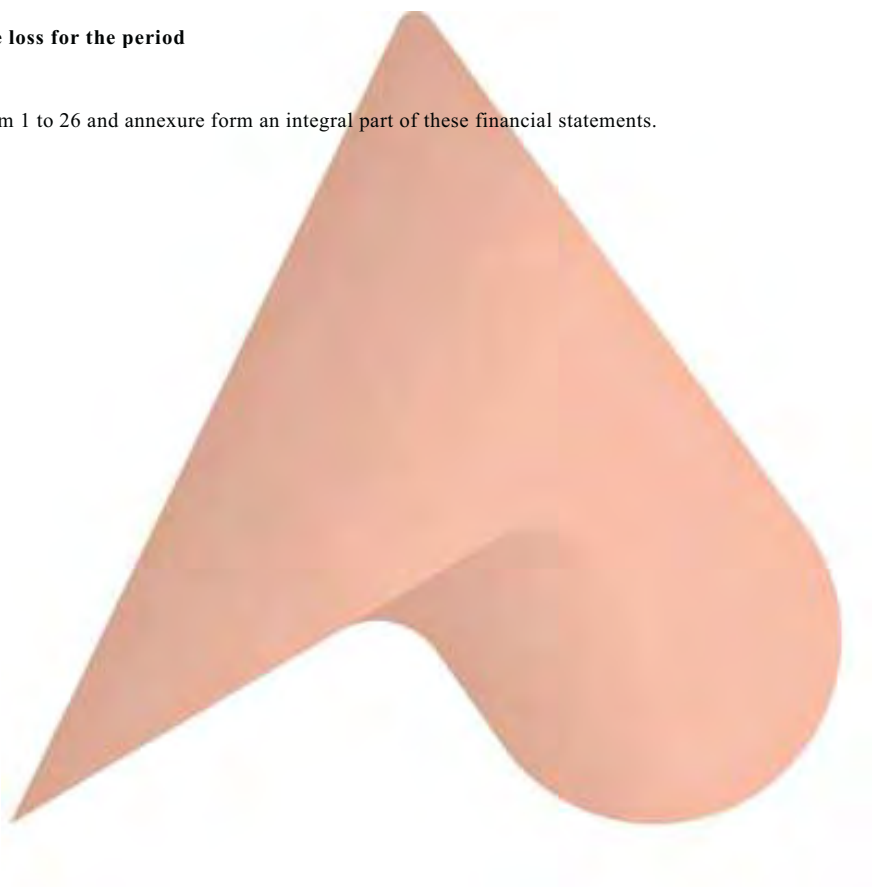
Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM MAY 11, 2018 TO JUNE 30, 2018

	For the period from May 11, 2018 to June 30, 2018 Rupees
Net loss for the period after taxation	(2,198,450)
Other comprehensive income for the period	-
Total comprehensive loss for the period	<u><u>(2,198,450)</u></u>

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



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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE PERIOD FROM MAY 11, 2018 TO JUNE 30, 2018

	2018		
	Rupees		
	Capital Value	Undistributed income / (loss)	Total
Issue of 11,210,637 units			
- Capital value (at net asset value per unit at the beginning of the period)	1,121,063,700	-	1,121,063,700
- Element of income	19,459	-	19,459
Total proceeds on issuance of units	1,121,083,159	-	1,121,083,159
Redemption of 1,054 units			
- Capital value (at net asset value per unit at the beginning of the period)	105,426	-	105,426
- Element of income	(162)	-	(162)
Total payments on redemption of units	105,264	-	105,264
Total comprehensive loss for the period	-	(2,198,450)	(2,198,450)
Distribution during the period	-	-	-
Net loss for the period less distribution	-	(2,198,450)	(2,198,450)
Net assets at end of the period (Rs 99.81 per unit)	1,120,977,895	(2,198,450)	1,118,779,445
Undistributed income carried forward			
- Realised income		2,133,614	
- Unrealised loss		(4,332,064)	
		<u>(2,198,450)</u>	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
		<u>-</u>	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II

CASH FLOW STATEMENT

FOR THE PERIOD FROM MAY 11, 2018 TO JUNE 30, 2018

	Note	For the period from May 11, 2018 to June 30, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation		(2,198,450)
Adjustments for:		
Amortisation of floatation costs		349,305
Unrealised loss on revaluation of investments classified as at fair value through profit or loss - held-for-trading - net		4,332,064
		2,482,919
Increase in assets		
Investments-net		(189,552,507)
Dividend, profit and other receivable		(4,047,664)
Security deposits		(2,600,000)
Preliminary expenses and floatation cost		(5,000,000)
		(201,200,171)
Increase in liabilities		
Payable to the Management Company		9,679,028
Payable to the Trustee		136,265
Payable to the Securities and Exchange Commission of Pakistan		118,642
Accrued and other liabilities		1,089,421
		11,023,356
Net cash flows used in operating activities		(187,693,896)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units		1,121,083,159
Amount paid against redemption of units		(105,264)
Net cash flows generated from financing activities		1,120,977,895
Cash and cash equivalents at end of the period	4	933,283,999

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE PERIOD FROM MAY 11, 2018 TO JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah Capital Preservation Fund II (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on February 28, 2018 between Alfalah GHP Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.2 The Fund has been categorised as " Capital Protected 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 were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units 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 provide capital preservation to investors upon maturity by dynamically allocating a portion of the Trust Property in fixed income instruments in capital protection segment, and remaining in equity market as Investment segment or any other SECP permitted investments to provide investors with better returns which the Fund aims to deliver mainly by investing in equity securities, government securities, cash in bank accounts and any other instruments that may be allowed by the SECP.
- 1.4 The duration of the Fund will be of 2 years starting from the close of initial offering period. The maturity date of the Fund is May 11, 2020.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on December 22, 2017.
- 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 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 May 11, 2018 to June 30, 2018 (former being the date from which the proceeds from the issue of units were received).
- 1.8 This is the first accounting period of the Fund and hence there are no comparative figures.

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 Regulation) Rules, 2003 (the NBFC Rules), the 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.

The Directors of the asset management company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

There are certain other new and amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to 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 approved accounting standards that are not yet effective

- 2.3.1 The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standard	Effective date (accounting periods beginning on or after)
- IFRS 9 - Financial Instruments	July 1, 2018
- IFRS 15 - Revenue from Contracts with Customers	July 1, 2018
- IFRS 16 - Leases	January 1, 2019

2.3.2 There are certain other new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2018 but are considered not to be relevant or to 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 approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- i. Classification and valuation of financial assets (notes 3.3.1, 3.3.4 and 5)
- ii. Impairment of financial assets (note 3.3.5)
- iii. Taxation (note 3.6 and 18)
- iv. Provision against Sindh Workers' Welfare Fund (note 12.1)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for certain investments 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.

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, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in prices.

3.3.2 Regular way contracts

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

3.3.3 Initial recognition and measurement

Financial assets 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 expensed out in the income statement.

3.3.4 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in listed equity securities is determined by reference to Stock Exchange quoted market prices at the close of period end.
- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective profit method.

3.3.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan. Impairment losses are recognised in the income statement.

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.

3.3.7 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Taxation

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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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.

3.7 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.

3.8 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 year end.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application 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 the 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.

3.10 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 a portion of income already paid on units redeemed during the year.

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

3.11 Element of income / (loss)

Element of income / (loss) 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. The element of income / (loss) is a transaction of capital nature and the receipt and payment of element of income / (loss) 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. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Income from investments in government securities is recognised on an accrual basis using the effective interest method.
- "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."

- Interest income on bank balances, term deposits, placements, MTS transactions and other money market placements is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

3.13 Expenses

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

3.14 Earnings per unit

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

4 BANK BALANCES	Note	June 30, 2018 (Rupees)
Balances with banks in:		
Saving accounts	4.1	933,283,999
		<u>933,283,999</u>

4.1 This includes balance of Rs 474.87 million maintained with Bank Alfalah Limited (a related party). Profit and loss sharing accounts of the Fund carries profit rates ranging from 4% to 7.35% per annum.

5 INVESTMENTS	Note	June 30, 2018 (Rupees)
'At fair value through profit or loss' - held for trading		
Listed equity securities	5.1	185,220,443
		<u>185,220,443</u>

5.1 Investments in listed equity securities - "at fair value through profit or loss" - held for trading

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at June 30, 2018	Carrying amount as at June 30, 2018	Market value as at June 30, 2018	Appreciation / (diminution)	Market value as a percentage of:		Holding as a percentage of paid up capital of the investee company
								Net assets	Total investment	
(Number of shares) ----- (Rupees) -----										
Fertilizer										
Engro Fertilizers Limited	185,500	-	-	185,500	13,880,615	13,895,805	15,190	1.24%	7.50%	0.01%
Engro Corporation Limited	37,900	-	-	37,900	11,887,444	11,895,294	7,850	1.06%	6.42%	0.01%
Fauji Fertilizer Company Limited	108,000	-	-	108,000	10,568,174	10,680,120	111,946	0.95%	5.77%	0.01%
Fauji Fertilizer Bin Qasim Limited	20,500	-	-	20,500	803,880	791,300	(12,580)	0.07%	0.43%	0.00%
					<u>37,140,113</u>	<u>37,262,519</u>	<u>122,406</u>	<u>3.32%</u>	<u>20.12%</u>	<u>0.03%</u>
Cement										
D.G Khan Cement Company Limited	38,500	-	38,500	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	19,000	-	19,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	18,000	-	18,000	-	-	-	-	-	-	-
Lucky Cement Limited	11,650	-	11,650	-	-	-	-	-	-	-
Power generation and distribution										
Hub Power Company Limited	198,000	-	-	198,000	19,394,978	18,247,680	(1,147,298)	1.63%	9.85%	0.02%
Kot Addu Power Company Limited	67,000	-	-	67,000	3,925,060	3,611,970	(313,090)	0.32%	1.95%	0.01%
					<u>23,320,038</u>	<u>21,859,650</u>	<u>(1,460,388)</u>	<u>1.95%</u>	<u>11.80%</u>	<u>0.03%</u>
Oil and gas marketing companies										
Pakistan State Oil Company Limited	24,100	-	-	24,100	7,916,426	7,671,271	(245,155)	0.69%	4.14%	0.01%
					<u>7,916,426</u>	<u>7,671,271</u>	<u>(245,155)</u>	<u>0.69%</u>	<u>4.14%</u>	<u>0.01%</u>
Oil and gas exploration companies										
Oil & Gas Development Company Limited	178,500	-	-	178,500	29,141,640	27,778,170	(1,363,470)	2.48%	15.00%	0.00%
Pakistan Oilfields Limited	23,350	-	-	23,350	15,237,636	15,686,297	448,661	1.40%	8.47%	0.01%
Pakistan Petroleum Limited	131,000	-	-	131,000	28,298,400	28,151,900	(146,500)	2.52%	15.20%	0.01%
Mari Petroleum Company Limited	7,300	-	-	7,300	11,213,676	10,995,114	(218,562)	0.98%	5.94%	0.01%
					<u>83,891,352</u>	<u>82,611,481</u>	<u>(1,279,871)</u>	<u>7.38%</u>	<u>44.61%</u>	<u>0.03%</u>
Textile composite										
Nishat Mills Limited	1,500	-	-	1,500	197,931	211,380	13,449	0.02%	0.11%	0.00%
					<u>197,931</u>	<u>211,380</u>	<u>13,449</u>	<u>0.02%</u>	<u>0.11%</u>	<u>0.00%</u>
Engineering										
International Industries Limited	2,000	-	2,000	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	13,500	-	-	13,500	1,385,376	1,372,950	(12,426)	0.12%	0.74%	0.00%
Mughal Iron & Steel Industries	5,000	-	-	5,000	302,050	307,100	5,050	0.03%	0.17%	0.00%
					<u>1,687,426</u>	<u>1,680,050</u>	<u>(7,376)</u>	<u>0.15%</u>	<u>0.91%</u>	<u>0.00%</u>
Commercial Banks										
Bank Alfalah Limited	91,000	-	-	91,000	4,884,803	4,758,390	(126,413)	0.43%	2.57%	0.01%
Bank Al Habib Limited	62,500	-	-	62,500	5,010,849	4,926,875	(83,974)	0.44%	2.66%	0.01%
Faysal Bank Limited	168,000	70,000	-	98,000	2,578,534	2,548,000	(30,534)	0.23%	1.38%	0.01%
Habib Bank Limited	140,500	93,500	-	47,000	8,455,145	7,822,680	(632,465)	0.70%	4.22%	0.00%
MCB Bank Limited	29,000	-	-	29,000	5,895,725	5,735,330	(160,395)	0.51%	3.09%	0.00%
United Bank Limited	116,400	-	103,000	13,400	2,404,792	2,264,332	(140,460)	0.20%	1.22%	0.00%
Bank of Punjab	360,500	-	-	360,500	4,676,395	4,351,235	(325,160)	0.39%	2.35%	0.01%
Habib Metropolitan Bank Limited	35,000	-	-	35,000	1,492,978	1,517,250	24,272	0.14%	0.82%	0.00%
					<u>35,399,221</u>	<u>33,924,092</u>	<u>(1,475,129)</u>	<u>3.04%</u>	<u>18.31%</u>	<u>0.04%</u>
As at June 30, 2018	2,093,200	-	355,650	1,737,550	189,552,507	185,220,443	(4,332,064)	16.55%	100.00%	

5.1.1 Investments include shares with market value of Rs. 21.975 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 SECP. The details of shares which have been pledged are as follows:

Name of investee Company	June 30, 2018	
	Number of shares	Amount in Rupees
Engro Fertilizers Limited	19,500	1,460,745
Engro Corporation Limited	6,000	1,883,160
Fauji Fertilizer Company Limited	18,000	1,780,020
Fauji Fertilizer Bin Qasim Limited	10,500	405,300
Hub Power Company Limited	15,000	1,382,400
Kot Addu Power Company Limited	4,500	242,595
Pakistan State Oil Company Limited	2,100	668,451
Oil & Gas Development Company Limited	15,000	2,334,300
Pakistan Oilfields Limited	2,550	1,713,065
Pakistan Petroleum Limited	9,000	1,934,100
Nishat Mills Limited	1,500	211,380
International Steels Limited	4,500	457,650
Mughal Iron & Steel Industries	2,500	153,550
Bank Alfalah Limited	21,000	1,098,090
Habib Bank Limited	15,000	2,496,600
MCB Bank Limited	9,000	1,779,930
United Bank Limited	9,000	1,520,820
Bank of Punjab	37,500	452,625
	202,150	21,974,781

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

Particulars	Issue date	Tenure	Face value			Balance as at June 30, 2018		Market value as a percentage of total investments	Market value as a percentage of net assets
			Purchased during the period	Disposed / matured during the period	As at June 30, 2018	Carrying value	Market value		
Market Treasury Bills - 6 months	December 7, 2018	6 months	975,000,000	975,000,000	-	-	-	-	
Market Treasury Bills - 3 months	December 7, 2018	3 months	100,000,000	100,000,000	-	-	-	-	
Market Treasury Bills - 3 months	April 12, 2018	3 months	300,000,000	300,000,000	-	-	-	-	
Market Treasury Bills - 3 months	June 7, 2018	3 months	775,000,000	775,000,000	-	-	-	-	
			2,150,000,000	2,150,000,000	-	-	-	-	

5.3 Unrealised (diminution) / appreciation on remeasurement of investments classified as 'fair value through profit or loss' - net

	Note	June 30, 2018 (Rupees)
Market value of investments	5.1 & 5.2	185,220,443
Less: carrying value of investments	5.1 & 5.2	(189,552,507)
		(4,332,064)

6 SECURITY DEPOSITS

Security deposits with:	
- Central Depository Company of Pakistan Limited (CDC)	100,000
- National Clearing Company of Pakistan Limited (NCCPL)	2,500,000
	2,600,000

7 DIVIDEND, PROFIT AND OTHER RECEIVABLE

Dividend receivable	302,750
Mark-up receivable on bank balances	3,744,914
	4,047,664

8 PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs incurred	5,000,000
Less: amortisation during the period	349,305
At the end of the year	8.1 4,650,695

- 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 2 years in accordance with the requirements set out in the Offering Document of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

9 PAYABLE TO THE MANAGEMENT COMPANY	Note	June 30, 2018 (Rupees)
Management fee payable	9.1	1,391,382
Sindh sales tax payable on management remuneration	9.2	180,880
Preliminary expenses and floatation cost payable to the management company		5,000,000
Payable in respect of security deposits		2,600,000
Payable in respect of initial deposit for opening of bank accounts		40,000
Payable against allocated expenses	9.3	158,181
Payable against marketing and selling expenses	9.4	308,585
		<u>9,679,028</u>

- 9.1 The Management Company has charged remuneration at a rate 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.

- 9.2 During the period, Sindh Sales Tax on management remuneration has been charged at 13%.

- 9.3 In accordance with the provisions of Regulation 60 of the NBFC Regulations, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses incurred.

- 9.4 In connection with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan had issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017) whereby it had prescribed certain conditions on Asset Management Companies (AMCs) for charging selling and marketing expenses to collective investment schemes (CISs). However, during the year, the SECP vide its circular no. 5 of 2018 dated June 4, 2018 has made certain amendments in the conditions prescribed through the above mentioned circulars. As per the amendment, selling and marketing expenses will be allowed initially for three years (from January 1, 2017 till December 31, 2019) to all categories of open-end mutual funds (except fund of funds and money market funds) which was earlier allowed to be charged only in respect of open end equity, asset allocation and index funds. Further, the conditions prescribed for allocation of selling and marketing expenses have also been amended. As per the amendments prescribed, the selling and marketing expenses can only be claimed in respect of the following:

1. cost pertaining to opening and maintenance of all branches by asset management company in all cities,
2. Payment of salaries to sales team posted at all branches of an asset management company,
3. payment of commission to sales team and distributors in all cities of Pakistan, and
4. payment of advertising and publicity of these funds.

The management has carried out an exercise to identify expenses of the Management Company (on the basis of criteria mentioned in the above circulars) that can be charged to the Fund. As the actual expenses incurred by the Management Company that are allowable to be allocated to the Fund for the period ended June 30, 2018 are higher than 0.4% per annum of the net assets of the Fund, accordingly, with effect from June 6, 2018 the Management Company has charged expenses at the rate of 0.4% per annum of the net assets of the Fund being lower than actual expenses chargeable to the Fund for the period.

10 PAYABLE TO THE TRUSTEE	Note	June 30, 2018 (Rupees)
Trustee remuneration payable	10.1	109,531
Sindh Sales Tax payable on trustee remuneration	10.2	26,734
		<u>136,265</u>

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily NAV of the Fund. The remuneration is payable to the Trustee at the rate of 0.13% per annum calculated on the daily net assets of the Fund.

- 10.2 During the period, Sindh Sales Tax on trustee remuneration has been charged at the rate of 13%.

11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	June 30, 2018 (Rupees)
Annual fee payable	<u>118,642</u>

- 11.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme classified as a capital protected scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	June 30, 2018
		(Rupees)
Auditors' remuneration payable		156,167
Brokerage payable		298,558
Settlement charges		935
Sales load payable		501,354
Printing charges		9,798
Withholding tax payable		98,621
Capital value tax payable		23,988
		<u>1,089,421</u>

- 12.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

However, since the Fund has incurred a loss during the period, therefore no provision has been made in respect of SWWF in these financial statements.

13 CONTINGENCIES AND COMMITMENTS

- 13.1** There were no contingencies and commitments as at June 30, 2018.

14 PROFIT / MARK-UP INCOME	For the period
	from May 11,
	2018 to June 30,
	2018
	(Rupees)
Profit / mark-up income on:	
- Market treasury bills	5,604,302
- Bank balances	4,379,696
	<u>9,983,998</u>

15 SECURITIES TRANSACTION COST

This represents brokerage, sales tax on brokerage and settlement charges to the Central Depository Company of Pakistan Limited and National Clearing Company of Pakistan Limited.

16 AUDITORS' REMUNERATION

Annual audit fee	100,000
Review and other certifications	29,600
	129,600
Sindh Sales Tax on services	10,367
Out of pocket expenses	16,200
	<u>156,167</u>

17 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at June 30, 2018 is 0.38% which includes 0.04% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as a capital protected scheme.

18 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 ninety percent of its accounting income for the period, 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 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 Fund has incurred a loss during the period, accordingly, no provision for taxation has been in these financial statements.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund. 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, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

19.1 Unit Holders' Fund

		June 30, 2018							
Note		Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at June 30, 2018	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018
Units					(Rupees)				
Unit holders holding 10% or more units									
	19.1.1	4,754,146	-	-	4,754,146	477,508,262	-	-	474,490,410

19.1.1 This reflects the position of related party / connected persons status as at June 30, 2018.

19.2 Detail of transactions with related parties / connected persons during the year:

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	2,372,813
Sindh sales tax on remuneration of the Management Company	308,466
Allocated expenses	158,181
Selling and Marketing expenses	308,585
Sales load	3,438,903

Bank Alfalah Limited

Profit on saving accounts	1,112,832
Bank charges	5,476
Sales load	9,449,875

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	205,646
Sindh sales tax on remuneration of the Trustee	26,734

**For the period
from May 11,
2018 to June 30,
2018
(Rupees)**

**For the period
from May 11,
2018 to June 30,
2018
(Rupees)**

19.3 Other balances

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Management fee payable	1,391,382
Sindh sales tax payable on management remuneration	180,880
Preliminary expenses and floatation cost payable to the management company	5,000,000
Payable in respect of security deposits	2,600,000
Payable in respect of initial deposit for opening of bank accounts	40,000
Payable against allocated expenses	158,181
Payable against marketing and selling expenses	308,585

Bank Alfalah Limited

Bank balances	474,873,676
Profit receivable	484,108
Sales load payable	501,354

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	109,531
Sindh sales tax payable on Trustee remuneration	26,734
Security deposit	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables 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.

Financial assets

	-----As at June 30, 2018-----		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
	----- (Rupees) -----		
Bank balances	933,283,999	-	933,283,999
Investments	-	185,220,443	185,220,443
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	4,047,664	-	4,047,664
	<u>939,931,663</u>	<u>185,220,443</u>	<u>1,125,152,106</u>

Financial liabilities

	-----As at June 30, 2018-----		
	Liabilities 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees) -----		
Payable to the Management Company	-	9,679,028	9,679,028
Payable to the Trustee	-	136,265	136,265
Accrued and other liabilities	-	966,812	966,812
	<u>-</u>	<u>10,782,105</u>	<u>10,782,105</u>

21 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.

21.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

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

21.1.1 Currency risk

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

21.1.2 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 interest rates. The profit rate profile of the Fund's interest bearing financial instruments is as follows:

Variable rate instruments (financial assets)	June 30, 2018 -----Rupees-----
Bank balances	933,283,999
	<u>933,283,999</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.037 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, 2018 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 instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2018 can be determined as follows:

Particulars	As at June 30, 2018					Total
	Effective interest rate (%)	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	Rupees				
Financial assets						
Bank balances	4%- 7.35%	933,283,999	-	-	-	933,283,999
Investments		-	-	-	185,220,443	185,220,443
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	4,047,664	4,047,664
		<u>933,283,999</u>	-	-	<u>191,868,107</u>	<u>1,125,152,106</u>
Financial liabilities						
Payable to the Management Company		-	-	-	9,679,028	9,679,028
Payable to the Trustee		-	-	-	136,265	136,265
Accrued and other liabilities		-	-	-	966,812	966,812
		-	-	-	<u>10,782,105</u>	<u>10,782,105</u>
On-balance sheet gap		<u>933,283,999</u>	-	-	<u>181,086,002</u>	<u>1,114,370,001</u>
Total profit rate sensitivity gap		<u>933,283,999</u>	-	-	<u>181,086,002</u>	<u>1,114,370,001</u>
Cumulative profit rate sensitivity gap		<u>933,283,999</u>	<u>933,283,999</u>	<u>933,283,999</u>		

21.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarises the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2018. The analysis is based on the assumption that the PSX 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 PSX index, having regard to the historical volatility of the index of the past three years.

At June 30, 2018, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

	June 30, 2018
	-----Rupees-----
<i>Effect due to increase / decrease in KSE 100 index</i>	
Investment and net assets	<u>1,852,204</u>
Income statement	<u>1,852,204</u>

21.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

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

21.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2018 was as follows:

	-----June 30, 2018-----	
	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	933,283,999	933,283,999
Investments	185,220,443	-
Security deposits	2,600,000	2,600,000
Dividend, profit and other receivable	4,047,664	4,047,664
	<u>1,125,152,106</u>	<u>939,931,663</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 185.220 million are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2018.

21.2.2 Bank balances

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Name of Bank	Rating Agency	Rating	June 30, 2018
			----- (%) -----
Allied Bank Limited	PACRA	A1+	49.01%
Bank Alfalah Limited	PACRA	A1+	50.99%
			<u>100.00%</u>

Above rating is on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

21.2.3 Concentration of credit risk

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

	June 30, 2018	
	Rupees	%
Commercial banks (including profit receivable)	937,028,913	99.69%
Dividend receivable	302,750	0.03%
National Clearing Company of Pakistan Limited (security deposit)	2,500,000	0.27%
Central Depository Company of Pakistan Limited (security deposit)	100,000	0.01%
	<u>939,931,663</u>	<u>100.00%</u>

21.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

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.

Particulars	June 30, 2018				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees)				
Financial assets					
Bank balances	933,283,999	-	-	-	933,283,999
Investments	185,220,443	-	-	-	185,220,443
Security deposits	2,600,000	-	-	-	2,600,000
Dividend, profit and other receivable	4,047,664	-	-	-	4,047,664
	1,125,152,106	-	-	-	1,125,152,106
Financial liabilities					
Payable to the Management Company	9,679,028	-	-	-	9,679,028
Payable to the Trustee	136,265	-	-	-	136,265
Accrued and other liabilities	966,812	-	-	-	966,812
	10,782,105	-	-	-	10,782,105
Net assets	<u>1,114,370,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,114,370,001</u>

22 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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.

Fair value of investments is determined as per the policy disclosed in note 3.3.4 to these financial statements.

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, 2018, the Fund held the following assets measured at fair values:

	As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
'At fair value through profit or loss' - held for trading				
Listed equity securities	185,220,443	-	-	185,220,443
	<u>185,220,443</u>	<u>-</u>	<u>-</u>	<u>185,220,443</u>

23 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

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

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

24 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.

25 GENERAL

Figures have been rounded off to the nearest rupee.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 16, 2018** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	116	5,087,035	507,714,819	45%
Retirement & Other Funds	10	588,665	58,752,016	5%
Others	7	5,533,884	552,312,609	49%
	133	11,209,583	1,118,779,445	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2018 %
Insight Securities (Private) Limited	21.09%
Taurus Securities Limited	15.45%
Elixir Securities Pakistan (Pvt.) Limited	13.23%
IGI Finex Securities Limited	9.64%
Arif Habib Limited	8.78%
AKD Securities Ltd.	7.45%
JS Global Capital Limited	7.32%
Next Capital Limited	3.38%
Topline Securities (Pvt) Limited	3.28%
EFG Hermes Pakistan Limited	3.20%

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

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

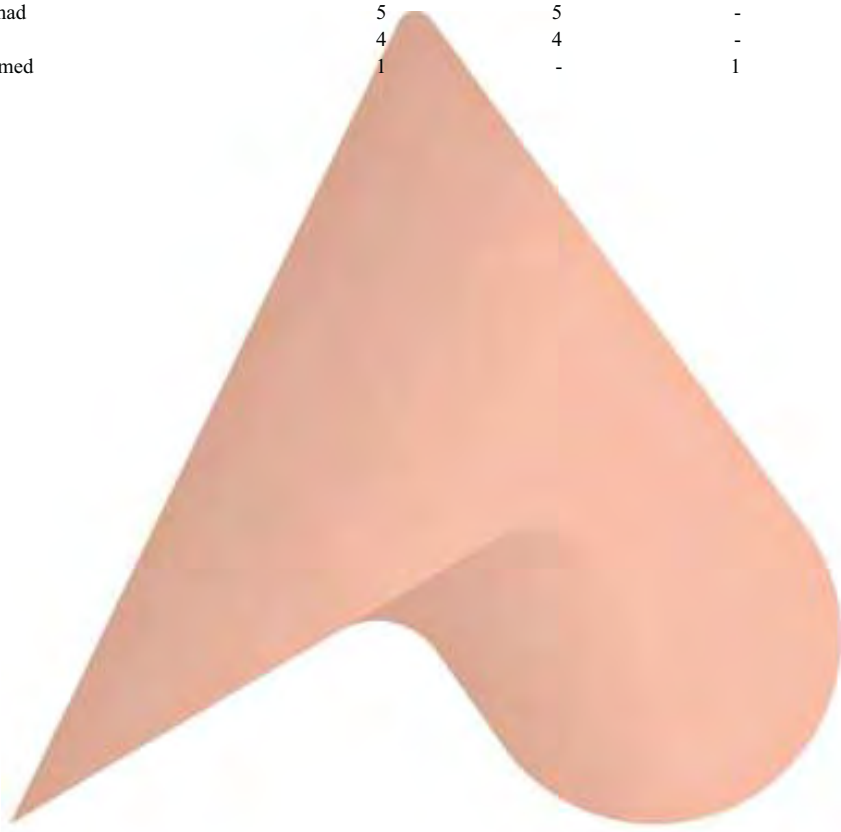
Kashif Kasim

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

(iv) **ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS**

The 79th, 80th, 81st , 82nd and 83rd Board Meetings were held on 23 Aug 2017, 26 Oct 2017, 07 Dec 2017 ,26 Feb 2018 and 30 April 2018 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Adeel Bajwa	5	2	3	3
Syed Ali Sultan	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail J. Ahmad	5	5	-	-
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	1	-	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 - AGCPF II

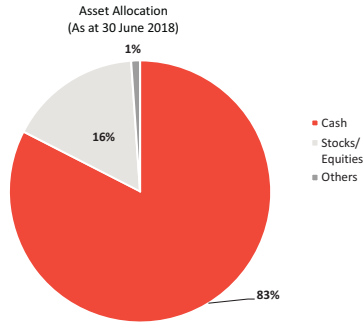
	30 June 2018 (Rupees in '000)
Net Assets	<u><u>1,118,779</u></u>
NAV per unit	<u><u>99.8100</u></u>
Selling price per unit	<u><u>N/A</u></u>
Redemption price per unit	<u><u>94.8153</u></u>
Highest selling price per unit	<u><u>N/A</u></u>
Highest redemption price per unit	<u><u>100.0423</u></u>
Lowest selling price per unit	<u><u>N/A</u></u>
Lowest redemption price per unit	<u><u>94.4736</u></u>
Annualized returns	<u><u>-0.20%</u></u>

Return since inception is -0.20%

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

الفلاح کبیٹل پریزیوشن فنڈ

فنانس 0.10 فیصد ہارک کے برعکس 0.20۔ فیصد YTD ریٹرن کمایا۔



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2017
Average Net Assets	1,132.07
Gross (Loss) / income	2.15
Total Comprehensive Income / (loss)	-2.19
Net Assets Value per Unit (PKR)	99.8056
Issuance of units during the period	1,121.08
Redemption of units during the period	-0.105

اظہار تشکر

ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے شکر گزار ہیں۔ بورڈ، گلن اور محنت پر مینجمنٹ کمپنی کے ملازمین اور ٹرنٹی کا اور مینجمنٹ میں اعتماد پر یونٹ ہولڈرز کا بھی شکر یاد ادا کرتے ہیں۔

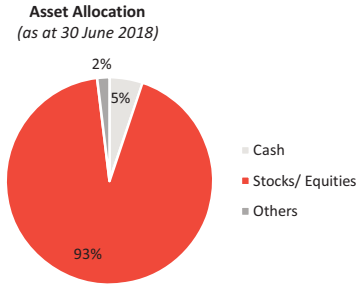
منجانب بورڈ

چیف ایگزیکٹو آفیسر

کراچی، ستمبر 2018ء

الفلاح جی ایچ پی اسلامک ڈیڈیکٹیڈ ایکوٹی فنڈ:

فنڈ نے بیچ مارک 12.21% کے خلاف 9.59% ریٹرن حاصل کیا۔



Key Financial Data

(Rupees in Million)

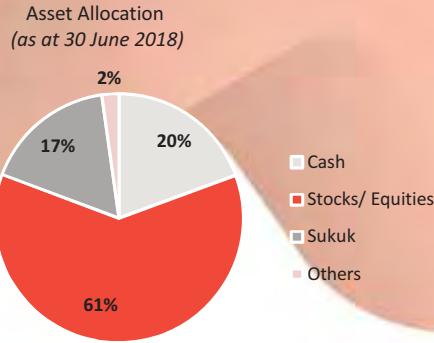
Description	For the year ended June 30, 2017
Average Net Assets	1,179.74
Gross (Loss) / income	-58.69
Total Comprehensive Income / (loss)	-89.51
Net Assets Value per Unit (PKR)	84.8112
Issuance of units during the period	2,104.78
Redemption of units during the period	-1,061.07

الفلاح GHP اسلامک ویلیونڈ

فنڈ نے بیچ مارک 1.52% فیصد پیدا ہوا کے برعکس 0.53% فیصد ریٹرن کیا۔

ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونے ہولڈرز کو 0.236% روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



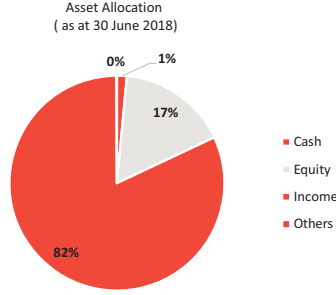
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2017
Average Net Assets	263.61
Gross (Loss) / income	8.38
Total Comprehensive Income / (loss)	0.25
Net Assets Value per Unit (PKR)	100.5306
Issuance of units during the period	581.31
Redemption of units during the period	-291.13

الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ- بیلنس ایلوکیشن پلان

فنڈ نے بیچ مارک 0.52 فیصد پیدا ہوا کے برعکس 0.80 فیصد ریٹرن کمایا۔



الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ

Key Financial Data

Alfalah GHP Islamic Prosperity Planning Fund (Rupees in Million)

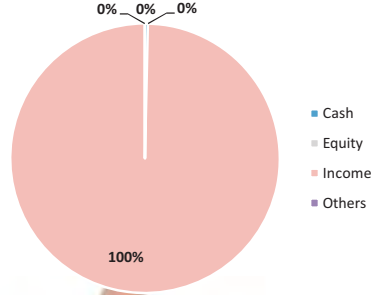
Description	Active Allocation Plan	Balance Allocation Plan	Active Allocation Plan - II	Active Allocation Plan - III
	For the year ended June 30 ,2018			
Average Net Assets	1,465.82	2,403.43	1,883.99	1,047.91
Gross Loss	-133.18	-0.502	-164.68	-44.83
Total Comprehensive Income	-140.04	-8.30	-170.76	-48.82
Net Assets Value per Unit (PKR)	97.9444	105.4376	92.4122	95.2688
Issuance of units during the period	0.09	651.59	-	-
Redemption of units during the period	-738.40	-2,797.31	-197.14	-69.01

Description	Active Allocation Plan	Balance Allocation Plan	Active Allocation Plan - II	Active Allocation Plan - III
	For the year ended June 30 ,2017			
Average Net Assets	1,716.651	2,897.981	2,204.806	1,101.757
Gross income	244.80	231.83	165.40	-2.37
Total Comprehensive Income	231.61	250.17	146.21	3.38
Net Assets Value per Unit (PKR)	106.5153	104.8977	100.8383	99.6929
Issuance of units during the period	164.06	5,149.55	2,191.81	1,101.16
Redemption of units during the period	98.68	3873.04	120.74	-

الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ- ایکٹو ایلوکیشن پلان

فنڈ نے بیچ مارک جو 4.74- فیصد پیدا ہوا کے برعکس 8.05- فیصد ریٹرن کمایا۔

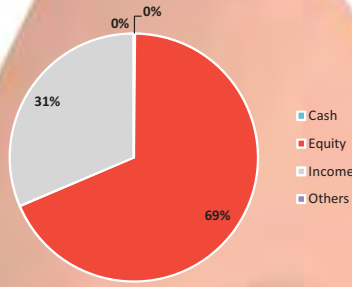
Asset Allocation
(as at 30 June 2018)



الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ- ایکٹو ایلوکیشن پلان II

فنڈ نے بیچ مارک جو 5.87- فیصد پیدا ہوا کے برعکس 8.36- فیصد ریٹرن کمایا۔

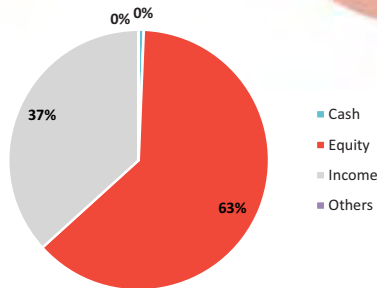
Asset Allocation
(as at 30 June, 2018)



الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ- ایکٹو ایلوکیشن پلان III

فنڈ نے بیچ مارک جو 3.37- فیصد پیدا ہوا کے برعکس 4.44- فیصد ریٹرن کمایا، فنڈ کا افتتاح 22 جون 2017 کو ہوا۔

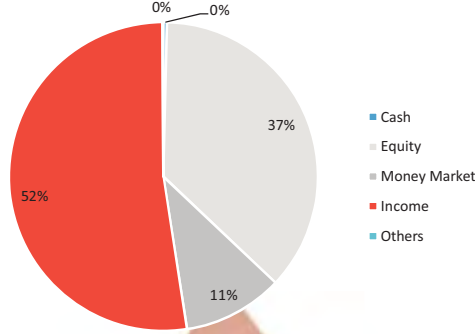
Asset Allocation
(as at 30 June, 2018)



الفلاح GHP پراسپیریٹی پلاننگ فنڈ - ماڈریٹ پلان

فنڈ کاربن کے 0.95 فیصد شیئہ مارک ریٹرن کے برعکس 2.63 فیصد پر قائم رہا۔

Asset Allocation
(as at 30 June 2018)



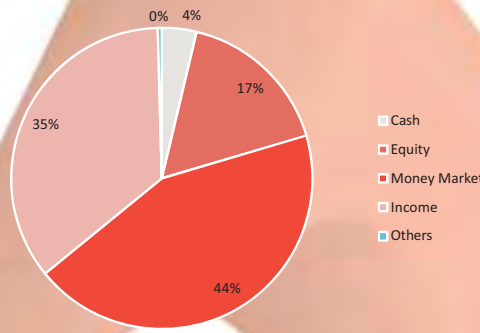
الفلاح GHP پراسپیریٹی پلاننگ فنڈ - کنزرویٹو پلان

فنڈ نے شیئہ مارک جو 3.76 فیصد پیدا ہوا کے برعکس 0.98 فیصد ریٹرن کمایا۔

ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونٹ ہولڈرز کو 0.8922 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2018)



الفلاح GHP پراسپیریٹی پلاننگ فنڈ

Key Financial Data

Alfalah GHP Prosperity Planning Fund

(Rupees in Million)

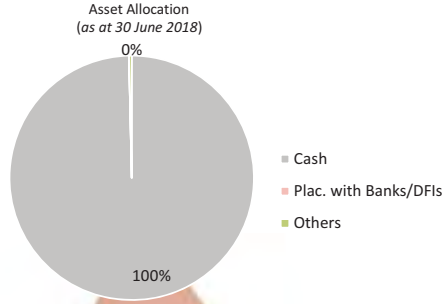
Description	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan
	For the year ended June 30, 2018			For the year ended June 30, 2017		
Average Net Assets	513.12	418.55	699.64	307.19	382.84	547.56
Gross income	-41.14	5.27	-25.04	38.72	31.17	49.65
Total Comprehensive Income	-42.90	3.01	-27.74	48.14	38.75	101.59
Net Assets Value per Unit (PKR)	106.9901	111.0195	104.1419	117.4231	109.9390	106.9507
Issuance of units during the period	248.44	49.04	111.03	202.84	457.38	998.95
Redemption of units during the period	-27.19	-149.29	-461.20	-114.44	-99.94	-331.85

الفلاح GHP منی مارکیٹ فنڈ

مالی سال 18 کے دوران، الفلاح GHP منی مارکیٹ فنڈ (AGMMF) نے 5.46 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ کے بیچ مارک نے 5.36 فیصد ریٹرن کمایا۔

ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونٹ ہولڈرز کو 5,324,1 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔



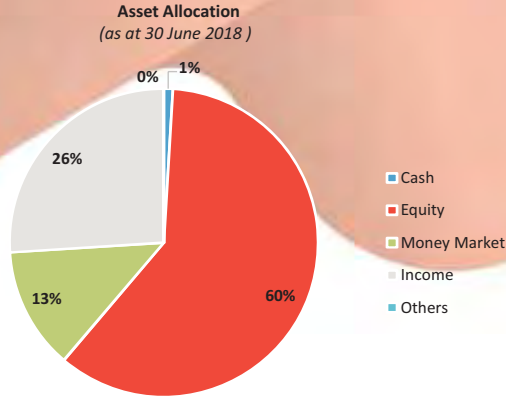
(روپے بلین میں)

کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2018 تخمینہ سال	برائے 30 جون 2017 تخمینہ سال
اوسط خالص اثاثے	2,689.43	1,394.236
مجموعی (نقصان) / آمدن	171.59	92.94
کل مجموعی آمدنی	145.34	9.940
خالص اثاثے کی ویلیو فی پونٹ (پاکستانی روپے)	102.7407	97.4166
مدت کے دوران پونٹس کا اجراء	11,232.95	7,625.02
مدت کے دوران پونٹس کی واپس وصولی	-7,467.26	-10,299.52

الفلاح GHP پراسپییریٹی پلاننگ فنڈ - ایکٹو ایلوکیشن پلان

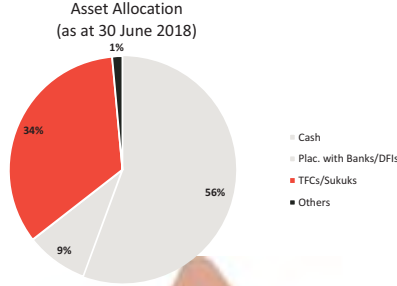
فنڈ کار ریٹرن 4.49- فیصد بیچ مارک ریٹرن کے برعکس 8.88- فیصد پر قائم رہا۔



الفلاح GHP اسلامک انکم فنڈ

زیر جائزہ مدت کے دوران، الفلاح GHP اسلامک انکم فنڈ نے 4.22 فیصد سالانہ ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران بیچ مارک 2.44 فیصد سالانہ اوسط ریٹرن کمایا۔
ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونے ہولڈرز کو 4.2713 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔



(روپے بلین میں)

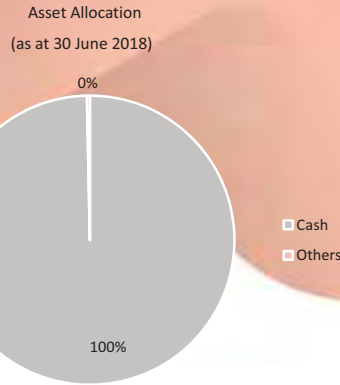
کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2018 ختم ہونے والے سال	برائے 30 جون 2017 ختم ہونے والے سال
اوسط خالص اثاثے	6,022.53	3,654.929
مجموعی (نقصان) / آمدن	346.99	241.30
کل مجموعی آمدنی	253.99	82.80
خالص اثاثے کی ویلیو فی پونٹ (پاکستانی روپے)	105.5066	101.2353
مدت کے دوران پونٹس کا اجراء	7,735.66	9,442.35
مدت کے دوران پونٹس کی واپس وصولی	-6,328.85	6,887.71

الفلاح GHP کیس فنڈ

مالی سال 18 کے دوران، الفلاح GHP کیس فنڈ (AGCF) نے 4.71 فیصد سالانہ ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ کے بیچ مارک نے 5.36 فیصد ریٹرن کمایا۔
ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونے ہولڈرز کو 23.36 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔



(روپے بلین میں)

کلیدی مالیاتی اعداد و شمار

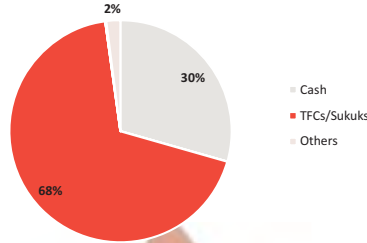
تفصیل	برائے 30 جون 2018 ختم ہونے والے سال	برائے 30 جون 2017 ختم ہونے والے سال
اوسط خالص اثاثے	131.44	838.590
مجموعی (نقصان) / آمدن	9.32	70.16
کل مجموعی آمدنی	6.24	90.38
خالص اثاثے کی ویلیو فی پونٹ (پاکستانی روپے)	520.20	496.75
مدت کے دوران پونٹس کا اجراء	276.41	2,874.25
مدت کے دوران پونٹس کی واپس وصولی	-1,544.05	3,303.94

الفلاح GHP انکم ملٹی پلائر فنڈ

مدت کے دوران، الفلاح GHP انکم ملٹی پلائر فنڈ نے 4.90 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ کا بیج مارک 6.69 فیصد پر قائم رہا۔
ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونٹ ہولڈرز کو 2.6124 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2018)



(روپے بلین میں)

کلیدی مالیاتی اعداد و شمار

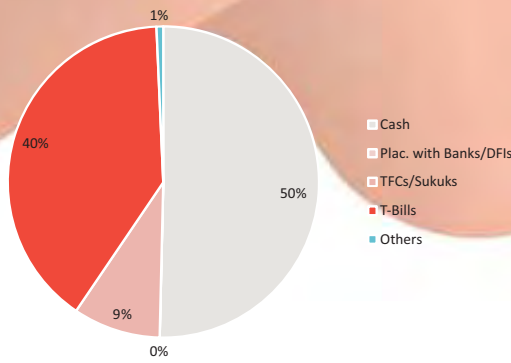
تفصیل	برائے 30 جون 2018 تختہ سال	برائے 30 جون 2017 تختہ سال
اوسط خالص اثاثے	2,276.115	1,583.75
مجموعی (نقصان) / آمدن	175.35	108.07
کل مجموعی آمدنی	52.27	26.28
خالص اثاثے کی ویلیوٹی پونٹ (پاکستانی روپے)	53.2500	55.8625
مدت کے دوران پونٹس کا اجراء	4,299.03	1,760.83
مدت کے دوران پونٹس کی واپس وصولی	-4,147.55	-2,921.00

الفلاح GHP سو ریجن فنڈ

مالی سال 18 کے دوران، الفلاح GHP سو ریجن فنڈ نے 4.96 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ کا بیج مارک ریٹرن 6.20 فیصد پر قائم رہا۔
ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونٹ ہولڈرز کو 5.2464 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 Jun 2018)



(روپے بلین میں)

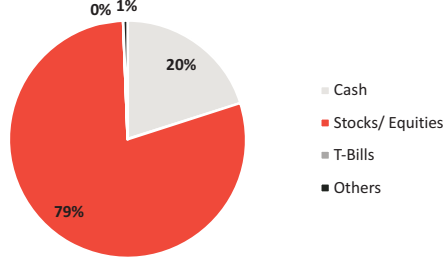
کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2018 تختہ سال	برائے 30 جون 2017 تختہ سال
اوسط خالص اثاثے	1,235.94	3108.014
مجموعی (نقصان) / آمدن	80.98	206.40
کل مجموعی آمدنی	59.88	40.18
خالص اثاثے کی ویلیوٹی پونٹ (پاکستانی روپے)	111.0050	105.7586
مدت کے دوران پونٹس کا اجراء	1,455.015	5,554.170
مدت کے دوران پونٹس کی واپس وصولی	-1,898.730	-7,436.773

الفلاح ویلیو فنڈ

مالی سال 18 کے دوران، AGVF نے گزشتہ سال کی اسی مدت کے دوران 6.67 فیصد بیچ مارک ریٹرن کے برعکس 12.04 فیصد ریٹرن کے ساتھ اپنی بیچ مارک کی خراب کارکردگی کا مظاہرہ کیا۔

Asset Allocation
(as at 30 June 2018)



(روپے بلین میں)

کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2018 تھتہ سال	برائے 30 جون 2017 تھتہ سال
اوسط خالص اثاثے	2,353.78	1,544.048
مجموعی (نقصان) / آمدن	-224.67	283.17
کل مجموعی آمدنی	-304.94	461.49
خالص اثاثے کی ویلیو فی یونٹ (پاکستانی روپے)	61.9813	70.4655
مدت کے دوران پیسے کا اجراء	1,368.91	3,530.23
مدت کے دوران پیسے کی واپس وصولی	-1,015.80	-2,068.79

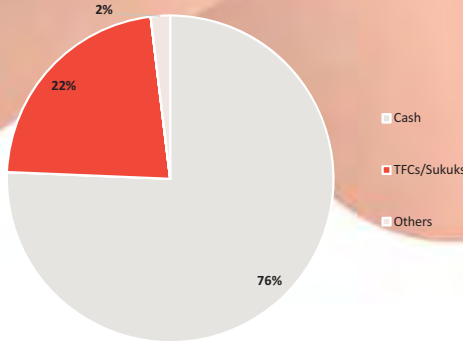
الفلاح GHP انکم فنڈ

زیر جائزہ مدت کے دوران، AGIF نے 4.79 فیصد ریٹرن کمایا جبکہ فنڈ کا بیچ مارک 6.35 فیصد پر قائم رہا۔

ادائیگی

سال کے اختتام کے بعد، فنڈ نے ہولڈرز کو 5.3659 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2018)



(روپے بلین میں)

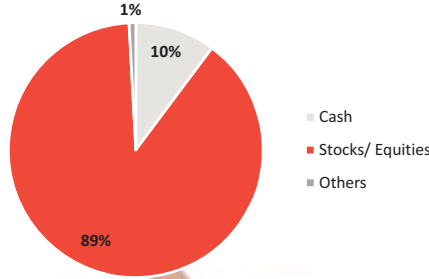
کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2018 تھتہ سال	برائے 30 جون 2017 تھتہ سال
اوسط خالص اثاثے	730.92	1,256.978
مجموعی (نقصان) / آمدن	48.47	93.42
کل مجموعی آمدنی	33.90	34.07
خالص اثاثے کی ویلیو فی یونٹ (پاکستانی روپے)	117.3377	111.9719
مدت کے دوران پیسے کا اجراء	1,282.75	3,012.47
مدت کے دوران پیسے کی واپس وصولی	-1,534.34	-2,929.27

الفلاح GHP اسلامک اسٹاک فنڈ

مالی سال 18 کے دوران، AGISTF نے 14.43% فیصد کار بیزنس کمایا جبکہ اسی مدت کے دوران اپنے بیچ مارک ریٹرن 9.59% فیصد کمایا تھا۔

Asset Allocation
(as at 30 June 2018)



(روپے بلین میں)

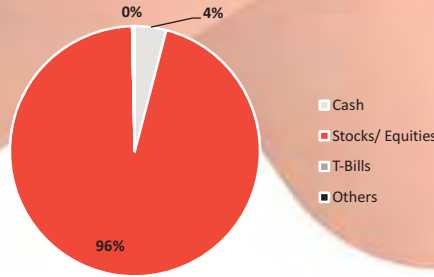
کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2018 تھمتہ سال	برائے 30 جون 2017 تھمتہ سال
اوسط خالص اثاثے	5,919.37	6,533.29
مجموعی (نقصان) / آمدن	-1,132.34	1,346.79
کل مجموعی آمدنی	-1,335.15	1,904.36
خالص اثاثے کی ویلیو پی پیٹ (پاکستانی روپے)	62.3088	72.8229
مدت کے دوران پیٹس کا اجراء	2,213.02	10,923.38
مدت کے دوران پیٹس کی واپس وصولی	-5,625.08	-4,102.21

الفلاح GHP اسلامک اسٹاک فنڈ

مالی سال 18 کے دوران، AGSF نے گزشتہ سال کی اسی مدت کے دوران 10.00% فیصد بیچ مارک (KSE-100) ریٹرن کے برعکس 14.61% فیصد کار بیزنس کمایا۔

Asset Allocation
(as at 30 June 2018)



(روپے بلین میں)

کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2018 تھمتہ سال	برائے 30 جون 2017 تھمتہ سال
اوسط خالص اثاثے	2,663.39	2,720.74
مجموعی (نقصان) / آمدن	-404.65	644.73
کل مجموعی آمدنی	-497.37	614.83
خالص اثاثے کی ویلیو پی پیٹ (پاکستانی روپے)	133.9569	156.8824
مدت کے دوران پیٹس کا اجراء	2,102.41	3,965.14
مدت کے دوران پیٹس کی واپس وصولی	-1,912.06	-3,016.84

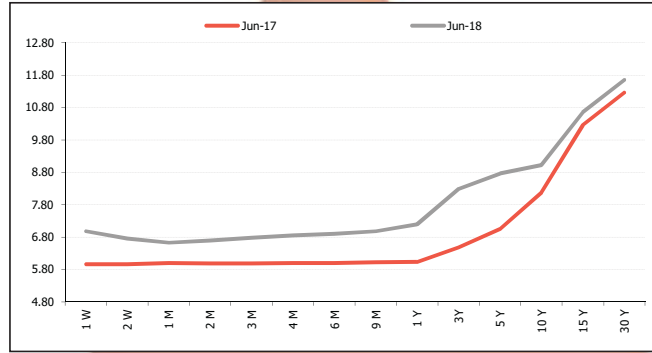
منی مارکیٹ

پاکستان کی جی ڈی پی مالی سال 17 میں 5.37 فیصد کے مقابلے میں مالی سال 18 میں 5.79 فیصد نمو درج کی گئی ہے۔ ہیڈلائن افراط زر گزشتہ سال کی اسی مدت میں 4.15 فیصد کے مقابلے میں 3.92 فیصد تک بڑھ گئی۔ تاہم، آخری سہ ماہی میں تیل کی قیمتوں میں اضافہ اور پاکستانی روپیہ کی قدر میں بہت زیادہ کمی کی وجہ سے CPI میں 4.70 فیصد تک اضافہ ہوا جو 15 فیصد تک ایڈجسٹ ہوا۔ موجودہ اکاؤنٹ خسارہ مالی سال 18 کے دوران 50 فیصد تک بڑھ گیا، جبکہ پاکستان کے غیر ملکی ذخائر مالی سال 18 میں 18.81 فیصد تک کمی سے 16.6 بلین امریکی ڈالر تک پہنچ گئے جو مالی سال 17 میں 20.61 بلین امریکی ڈالر تھے۔ درآمدات میں اضافہ اور ایف آئی اے میں ذخائر میں کمی نے مالی سال 17 میں پالیسی میکرو ڈکوسال کے دوران ڈسکاؤنٹ ریٹ دو بارہ 6.25 فیصد سے 7 فیصد تک بڑھانے پر مجبور کیا۔

میکرو-اقتصادی عدم استحکام کی وجہ سے ڈسکاؤنٹ ریٹ میں اضافے نے پیداوار کے گراف کی تیز رفتار گراؤ ایڈجسٹ کرنے کی طرف قیادت کی، کیونکہ مختصر مدتی ٹی بلز میں پیداوار 90.79 اور 116 اور بی بی ایس تک بڑھ گئی۔ اسی دوران 3 سالہ 5 سالہ اور 10 سالہ بانڈ پر پیداوار بائریٹیو 170، 180 اور 90 بی بی ایس تک بڑھ گئی۔

سال کے دوران، ایس بی بی نے بنیادی طور پر 3 ماہ مدت میں شرکت کے ساتھ ٹی بلز کے ذریعے 16.92 ٹریلین پاکستانی روپے کے ہدف کے برعکس 17.3 ٹریلین پاکستانی روپے اکٹھے کئے۔ PIBs کے ذریعے، 3 تین سالہ مدت کی سب سے زیادہ اہم شرکت کے ساتھ 900 بلین پاکستانی روپے کے مجموعی ہدف کے مقابلے میں 98.3 بلین پاکستانی روپے کی معمولی رقم کمائی گئی۔

خانوی مارکیٹ کی پیداوار میں تیز ایڈجسٹمنٹ سے واضح ہے کیونکہ مائٹری ٹائٹنگ سائیکل شروع ہو چکا ہے اور آگے بڑھتے ہوئے ہمیں یقین ہے کہ میکرو اقتصاد کی خطرات میں اضافے کی وجہ سے، مالی سال 19 کے دوران ڈسکاؤنٹ ریٹ میں 100-150 بی بی ایس کے ایک اور اضافے کی توقع ہے۔

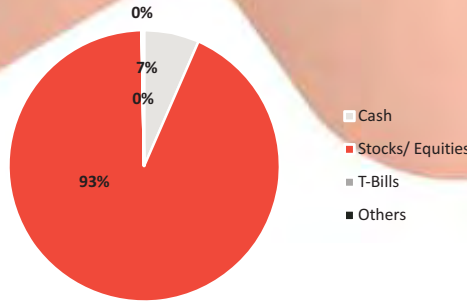


فنڈ کے آپریشنز اور کارکردگی

الفلاح GHP الفافنڈ

مالی سال 18 کے دوران، AGAF نے اسی مدت کے دوران 10.00 فیصد کی پیچھا مارک (KSE-100) ریٹرن کے برعکس 14.18 فیصد کار ریٹرن کیا۔

Asset Allocation (as at 30 June 2018)



(روپے بلین میں)

کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2018 اختتام سال	برائے 30 جون 2017 اختتام سال
اوسط خالص اثاثے	1,821.60	1,667.60
مجموعی (نقصان) / آمدن	-234.71	416.58
کل مجموعی آمدنی	-296.39	342.35
خالص اثاثے کی واپس پونڈ (پاکستانی روپے)	72.52	84.50
مدت کے دوران پونڈس کا اجراء	960.07	2,043.07
مدت کے دوران پونڈس کی واپس وصولی	-265.03	-1,879.75

ڈائریکٹرز کی یونٹ ہولڈرز کو رپورٹ

برائے مختتمہ سال 30 جون 2018

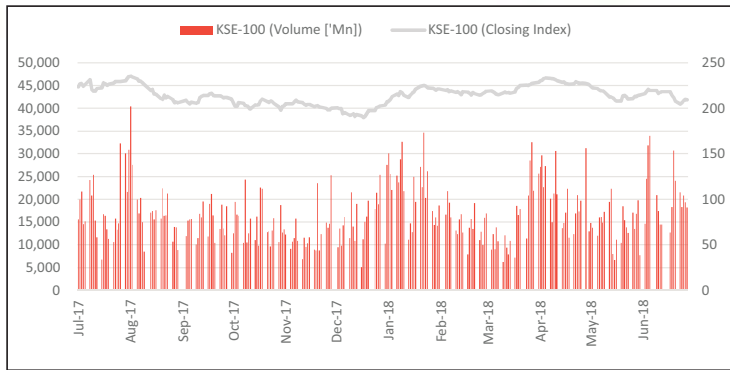
بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2018 کو ختم ہونے والے سال کے لئے میں الفلاح GHP انکم پلائی ٹی پرائز (AGIMF)، الفلاح GHP کمپنیشن فنڈ (AGCF)، الفلاح GHP اسلامک اسٹاک فنڈ (AGISTF)، الفلاح GHP الفا فنڈ (AGAF)، الفلاح GHP پلیٹو فنڈ (AGVF)، الفلاح GHP سوہجین فنڈ (AGSOF)، الفلاح GHP انکم فنڈ (AGIF)، الفلاح GHP اسلامک فنڈ (AGSTF)، الفلاح GHP معنی مارکیٹ فنڈ (AGMMF)، الفلاح GHP اسلامک انکم فنڈ (AGIIF)، الفلاح GHP اسپیریٹی پلاننگ فنڈ (AGPPF)، الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ (AGIPPF)، الفلاح GHP ڈیڈ ویکیٹڈ ایکویٹی فنڈ (AGIDEF)، الفلاح GHP اسلامک ویلیو فنڈ، الفلاح کپٹل پریزیشن فنڈ II (AGCPF II) کے مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کرتا ہوں۔

معاشی جائزہ

اپریل کے دوران بڑے پیمانے پر مینوفیکچررز (ایل ایس ایم) کی سست رفتار نمو 4.14 فیصد سالانہ تھی، جو مالی سال 18 میں عشرے کی بلند ترین سطح 5.76 فیصد تک پہنچی۔ پچھلے مہینے کے مقابلے میں، اپریل میں ایل ایس ایم انڈیکس میں 16.08 فیصد کمی زیادہ تر دو سازی، آئرن اور اسٹیل انڈسٹری میں اختصار کی وجہ سے ہوئی۔ جون میں جاری کردہ اپ ڈیٹ ریٹنگ میں، موڈیز نے اپنی ریٹنگ پر پاکستان کے لئے (B3) گزشتہ "مستحکم" سے "منفی" درجہ بندی کی ہے۔ تاہم، حالیہ کہا گیا ہے کہ توانائی کی فراہمی اور فزیکل انفراسٹرکچر میں مسلسل بہتری کے باعث پاکستان کی مضبوط ترقی کی صلاحیت میں اضافہ ہو رہا ہے۔ دوسری طرف، جون میں جاری کردہ رپورٹ میں ورلڈ بینک نے تیسرا بار کہا کہ مالی سال 19 میں پاکستان کی ترقی میں معیشت کے استحکام کو بہتر بنانے کے لئے سخت پالیسیوں کی وجہ سے 5.0 فیصد (FY18) کے لئے 5.8 فیصد تخمینہ کے برعکس) بہتری کا امکان ہے۔ اس کے علاوہ، امریکہ اور چین کے درمیان تجارتی جنگ چین کے ساتھ تجارت کے سبب بھی پاکستان کو متاثر کر سکتی ہے۔ جون میں انفراسٹرکچر شرح 5.21 فیصد سالانہ ریکارڈ ہوئی، جو اکتوبر 2014 سے سب سے زیادہ ہے۔ اس سال کے باقی عرصے میں بنیادی ڈھانچے کے ساتھ ساتھ ایندھن کی اعلیٰ قیمتوں کی وجہ سے سی آئی پی آئی 5.5 فیصد رہنے کی توقع ہے۔ مزید برآں ایران پر لگنے والی پابندیوں کی وجہ سے تیل کی قیمتیں مزید بڑھنے کی توقعات ہیں، جو ایل ایس ایم انڈیکس میں 2.5 بلین ڈالر پمپنگ کی اکثریتی برآمد کو متاثر کریں گی۔ پاکستان کی بیرونی پوزیشن غیر ملکی کرنسی کے ذخائر 16.2 بلین امریکی ڈالر (10 بلین امریکی ڈالر کے تحت ایس بی بی کے ذخائر)، جو تقریباً دو گنا درآمد کا احاطہ کرتے ہیں، کے ساتھ تازہ رک رہتی ہے۔ اس کے علاوہ مینیفیکچرنگ کے دوران پاکستانی روپیہ کی قدر میں 1.1 فیصد کمی کی ہے۔ پاکستانی روپیہ 121.4972 / امریکی ڈالر تک پہنچ گئی ہے۔ بیرونی پوزیشن مستحکم کرنے کے لئے حکومت کئی آپشنز پر غور کر رہی ہے۔ عبوری حکومت IMF جیسے پروگرام میں داخل ہونے کی طویل المدتی معاہدہ نہیں کر سکتی؛ لہذا، اس وقت دیگر سٹریٹجیوں کا مطالعہ ضروری ہے۔ اس کے علاوہ، حکومت پاکستان اپنی ایمنسٹی اسکیم کے ذریعے غیر ملکی کرنسی کو اپنی طرف متوجہ کرنے پر غیر مطلوب رہتا ہے، جس کی آخری حد جولائی 18 کے آخر تک توسیع کی گئی ہے۔ خبروں کے مطابق، جون کے اختتام تک اس اسکیم کے ذریعے 80-100 بلین روپے مالیت کی آمدنی حاصل کی گئی ہے۔

ایکویٹی مارکیٹ کا جائزہ

اعلیٰ سیاسی شور، بنیاد پرستی اور غیر ملکی فروخت کی پشت پر کے ایس ای 100 انڈیکس 2.2 فیصد نیچے جانے کے ساتھ جون 18 میں مسلسل تیسرے ماہ کے لئے مارکیٹ میں کمی ہو رہی ہے۔ تاہم، مارکیٹ کی شراکت نے رمضان المبارک کی روزانہ آمدنی کے ساتھ 24 فیصد ماہانہ اضافہ کے ساتھ 61mn امریکی ڈالر (مالی سال 18 میں اوسط 74mn امریکی ڈالر) تک پہنچایا۔ بینکوں اور سٹیکس میں ہماری فیملی فروخت نے جون 18 میں FPI آؤٹ فلوم 74mn امریکی ڈالر پر برقرار رکھا، جو مالی سال 18 کے آؤٹ فلوم 289mn امریکی ڈالر تک لے گیا۔ مالی سال 18 میں کے ایس ای 100 انڈیکس 10 فیصد کم ہوئے (امریکی ڈالر کی بنیاد پر، 22.5 فیصد) یہ پچھلے 9 سالوں میں KSE 100 انڈیکس میں پہلی منفی ریٹرن تھی۔ پاکستانی روپیہ کی قدر میں کمی سبب اور آٹوموبائل سیکٹور دونوں میں کمی کی سب سے بڑی وجہ تھی کیونکہ درآمدات میں اسکی قیمت کا ایک اہم کردار ہے۔ جون کے مہینے کے دوران پاکستانی روپیہ کی قدر میں 5.1 فیصد کمی، پاکستان کی خارجی پوزیشن سے متعلق خدشات کو ختم دے رہی ہے اور درآمد کنندگان کے درمیان انتہائی خوف پیدا کر رہی ہے۔ سینٹ اور آٹوموبائل سیکٹرز کے علاوہ، ٹیکسٹائل (سٹیل) سیکٹرز بھی انڈیکس کے نقصانات میں بڑا شراکت دار تھا۔ دوسری جانب، یورپ کی قیمتوں میں مسلسل اضافہ، جو گیس کی فراہمی اور سسٹمز مسائل کی بدولت تھا، کے باعث فریٹ لائزر سیکٹرز انڈیکس کی دسترس سے باہر تھا۔ مینیفیکچرنگ کے اختتام پر، پاکستان نے FATF کی طرف سے بلیک لسٹ ہونے سے گریز کیا تھا جس میں خاص طور پر بینکوں کے لئے منفی رد عمل بڑے کا خطرہ تھا۔ خبروں کے مطابق، ملک کو جولائی کے اختتام تک یورپ کی کمی کا سامنا ہوسکتا ہے، جس کی وجہ سے قیمتیں بلند سطح پر ہو سکتی ہیں۔ آگے بڑھتے ہوئے ایک منتخب حکومت کی کامیاب منتقلی اور نئے آئی ایم ایف پروگرام کا امکان، مارکیٹ کی سمت کا قہرین کرے گا۔ رسی انتخابی مہمات کے ذریعے 25 جولائی کو عام انتخابات میں حصہ لیا گیا ہے، بنیادی طور پر مقابلہ مسلم لیگ ان اور تحریک انصاف کے درمیان ہے۔ اہم صوبہ پنجاب ہے جس میں براہ راست این اے سینیٹوں میں سے 50 فیصد کا مقابلہ ہے، اور ان کا تعاون پی پی پی کے ساتھ ہونے کا امکان ہے کیونکہ مسلم لیگ ان کو اختلافات کا سامنا ہے۔ سابق وزیر اعظم نواز شریف کے خلاف نیب ریفرنس میں سے ایک فیصلہ انتخابات کے آگے ایک گمانزدہ واقعہ ہے۔ اس کے علاوہ، ایمنسٹی اسکیم کی توسیع کے ذریعے کامیاب آمدنی اور غیر ملکی زرمبادلہ کی پیداوار جولائی میں مارکیٹ کی آراء فروغ دے سکتی ہے۔



















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