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## FUND'S INFORMATION

<b>Management Company:</b>	Alfalalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
<b>Board of Directors of the Management Company:</b>	<ul style="list-style-type: none"><li>- Mr. Abdul Aziz Anis (Subject to approval of SECP)</li><li>- Syed Ali Sultan (Subject to approval of SECP)</li><li>- Mr. David Burlison (Subject to approval of SECP)</li><li>- Mr. Hanspeter Beier (Subject to approval of SECP)</li><li>- Mr. Amin Dawood Saleh (Subject to approval of SECP)</li><li>- Mr. Kashif Abdur Rahman (Subject to approval of SECP)</li><li>- Mr. Suleman Hudda (Subject to approval of SECP)</li></ul>
<b>CFO &amp; Company Secretary of the Management Company:</b>	- Mr. Omer Bashir Mirza
<b>Audit Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Kashif Abdur Rahman</li><li>- Mr. Amin Dawood Saleh</li></ul>
<b>HR Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Abdul Aziz Anis</li><li>- Mr. David Burlison</li></ul>
<b>Trustee:</b>	MCB Financial Services Limited 3rd Floor, Adamjee House, I.I. Chundrigarh Road, Karachi.
<b>Fund Manager:</b>	- Mr. Zeeshan Khalil
<b>Bankers to the Fund:</b>	Bank Alfalah Limited Faysal Bank Limited
<b>Auditors:</b>	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road, P.O. Box 8517, Karachi.
<b>Legal Advisor:</b>	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines, Karachi.
<b>Registrar:</b>	Alfalalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited
<b>Rating:</b>	Stability Rating AA (f) by PACRA

### **MISSION STATEMENT**

*Alfalah GHP Cash Fund will invest its assets in a prudent mix of short-term Government securities, placements and bank deposits so as to optimize the returns for its unit holders while maintaining liquidity and capital preservation as its primary goals*

### **VISION STATEMENT**

*Alfalah GHP Cash Fund aims to become a preferred investment choice for investors having requirement of regular and steady income stream with preference on capital preservation and liquidity*

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the Management Company of Alfalah GHP Cash Fund (AGCF) is pleased to present its annual report on the affairs of AGCF along with the audited accounts, report of the trustee and auditors' report to the unit holders for the year ended 30 June 2013.

### Financial Performance

Net assets under management as on 30 June 2013 were Rs. 2,887.94 million. During the year units worth Rs. 1,191.39 million were issued and units worth Rs. 1,936.82 million were redeemed.

AGCF earned a total income of Rs. 305.35 million for the year ended 30 June 2013. Major sources of revenue were income from Government Securities of Rs. 260.53 million and markup from term deposit receipts of Rs. 31.25 million, and markup on bank deposits of Rs. 8.21 million and Income from placement of Rs. 1.04 million. After accounting for expenses of Rs. 46.17 million, the net income from operating activities for the year stands at Rs. 259.18 million.

### Income Distribution

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Cash Fund (AGCF), in its meeting held on 28 June 2013 has declared interim distribution for the period ending 30 June 2013 in the form of bonus units to the unit holders of growth units and cash dividend to the unit holders of income units at the rate of Rs. 3.89 per unit (i.e. 0.7769% of the Ex-NAV of Rs. 500.72 at the beginning of the year).

During the year, the Chief Executive Officer of Alfalah GHP Investment Management Limited (AGIM) on behalf of Board of Directors of the management company has approved following Payouts.

Date	Rate	Bonus	Bonus Amount	Cash Distribution	Total
	(per unit)	(No. of units)	(Rs. In '000)	(Rs. In '000)	(Rs. In '000)
27 July 2012	4.35	32,844	16,422	14,041	30,463
27 August 2012	5.03	35,216	17,608	16,237	33,845
27 September 2012	4.19	22,660	11,330	13,525	24,855
27 October 2012	4.19	21,708	10,854	13,525	24,379
28 November 2012	3.28	16,678	8,339	10,588	18,927
27 December 2012	3.21	14,218	7,110	10,342	17,452
27 January 2013	3.23	16,600	8,300	10,084	18,384
27 February 2013	3.44	15,785	7,892	10,740	18,632
27 March 2013	2.87	12,799	6,400	8,960	15,360
29 April 2013	3.32	15,896	7,948	10,365	18,313
27 May 2013	2.91	13,608	6,805	9,085	15,890
28 June 2013	3.89	20,486	10,243	12,144	22,387
<b>Total</b>	<b>43.91</b>	<b>238,498</b>	<b>119,251</b>	<b>139,636</b>	<b>258,887</b>

As the above distribution is more than 90% of the realized income for the year, the income of the Fund will not be subject to tax under clause 99 of the part I of the 2nd schedule of the income tax ordinance 2001.

### Economic Review

Economic activity remained lackluster in FY13 as continuing problems including energy shortage, and law and order continued to cause problems, resulting in another year of missed economic targets on almost all major fronts including growth, deficits, etc. GDP growth of 3.60% during the year was again below target (4.30%), and even below the previous year's level of 3.70%. The services sector showed slightly above average growth of 3.7%, while manufacturing at 3.5% and agriculture at 3.3% growth, were below average. The Pak Rupee depreciated by over 5% during the year as the country's foreign exchange reserves dipped further to USD 11.02 billion, down USD 4.2 billion from the previous year.

Foreign remittances were up again this year to USD 13.9 billion, up 5.6% from USD 13.1 billion in the previous year. Further support was also provided by net inflows of USD 568.8 million on account of Foreign Portfolio Investment, which had recorded a net out

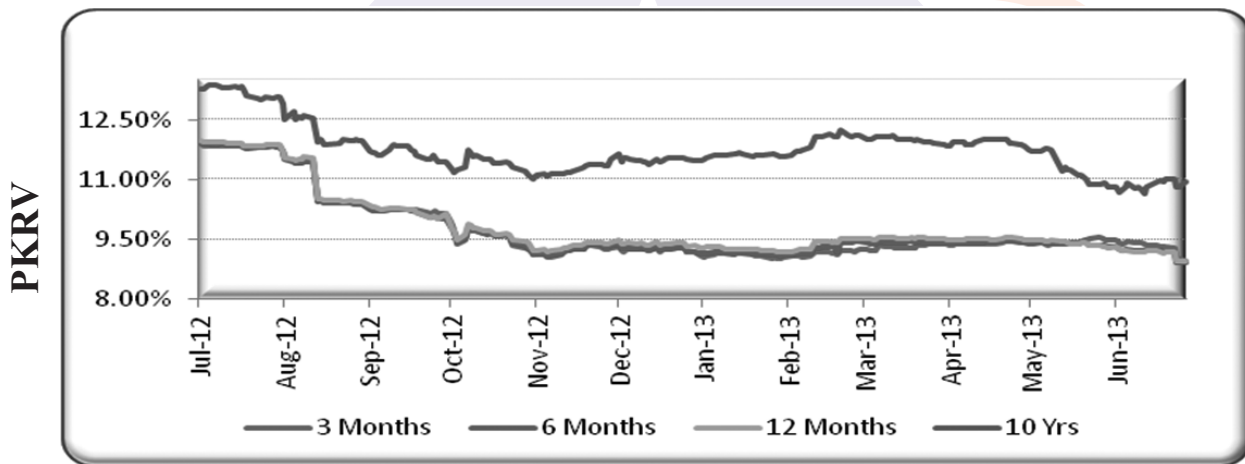
flow of USD 189.1 million in the previous year. Nevertheless, the external account continued to face pressure due to continued lack of progress on key issues, including auctioning of 3G licenses, receipt of outstanding privatization proceeds from Etisilat and dearth of new privatizations.

During FY13 net government borrowing for budgetary support took another quantum jump of 39% to PKR 1.590 trillion. Borrowing from commercial banks to meet budgetary support requirement increased to PKR1.012 trillion (63.66%), while PKR 0.578 trillion (36.34%) of the borrowing for budgetary support was met through the State Bank of Pakistan. Consequently, Net Domestic Assets (NDA) were up 21.09% to PKR8.6087 trillion. Increasing reliance on commercial banks to support the government's budgetary borrowing requirements continued to squeeze out the private sector, with private sector credit offtake showing negative growth of PKR 19.1 billion, a 0.56% decline to PKR 3.376 trillion.

In the plus column, CPI inflation remained restrained during the year with 7.8% growth versus 10.8% in the previous year. This enabled the central bank to reduce the benchmark policy discount rate by 300 bps during the year to 9.0% p.a.

**Money Market Review**

In FY13, SBP cumulatively announced a Treasury bill auction target of PKR 5,075.00 billion versus maturity of PKR 4,971.29 billion, while the SBP actually raised PKR 903.691 billion against the participation of PKR 1,336.202 billion. During the period, 3 months cut off yield decreased by 296.18 bps, 6 months by 297.47 bps and 12 months by 297.14 bps and settled at 8.9583, 8.9673 and 8.9808 respectively. Likewise, 10 year benchmark PIB cut off has decreased by 234 bps to 11.0496%.



**Asset Allocation**

The asset allocation of the AGCF as at 30 June 2013 was as follows:

Cash / Bank Deposits	2.78%
Placement	29.12%
Treasury bills	67.84%
Others	0.26%
<b>Total</b>	<b><u>100.00%</u></b>

**Future Outlook**

We foresee the government struggling to fix the structural problems in coming year. Subsidies to power sector, low tax collection and declining exports are the key areas in which the government is expected to take harsh and unpopular decisions.

The new government has given top priority to the energy sector and has taken immediate steps to clear the long standing circular debt in the sector. However, unless cheaper sources of electricity can be tapped, the problem will not be permanently resolved.

The need to get on to another IMF program will constrain the government to implement some unpopular and inflationary policies, which coupled with a weakening exchange rate would mean that interest rates would be adjusted higher.

**Statement of Compliance**

- The financial statements prepared by the management present fairly its affairs and the results of its operations, cash flows and movement in unit holders' funds.
- The Fund has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, provisions of the Non Banking Financial Companies (Establishment and Regulation) Rules, 2003, Non Banking Finance Companies (NBFC) Regulations 2008, requirements of the Trust Deed and directives of Securities and Exchange Commission of Pakistan have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Funds' ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Karachi Stock Exchange (KSE) Listing Regulations.
- Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- Pattern of share holding of units is given in annexure of the annual report.
- Key financial data for the year ended 30 June 2013 is given in annexure of the annual report.
- Profile of members of Investment committee is given in annexure of the annual report.

**Attendance of Board Meetings:**

Statement showing attendance of Board meetings of the Management Company - Alfalah GHP Investment Management Limited is given in annexure of the annual report.

**Appointment of External Auditor:**

As recommended by the Audit Committee, the Board of Directors of the Management Company has re-appointed M/s KPMG Taseer Hadi & Co. Chartered Accountants as the fund's Auditors for the year ending 30 June 2014.

**Acknowledgement:**

The Board is thankful to the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the Trustee, MCB Financial Services Limited and the management of Karachi Stock Exchange (Guarantee) Limited for their continued co-operation and support. The Directors also appreciate the efforts put in by the management team for the growth and the meticulous management of the Fund.

For and on behalf of the Board

12 August 2013  
Karachi

**Abdul Aziz Anis**  
Chief Executive

## REPORT OF THE FUND MANAGER

### Investment Objective

Alfalah GHP Cash fund is an open end money market scheme. The primary investment objective of the fund is to provide a regular stream of income at a 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 of money market securities and placements.

### Objective accomplishment

The per unit Net Asset Value of AGCF appreciated by 9.06% in FY 13 as compared to its benchmark which was up by 7.24% during the same period. As per the investment objective of the Fund, the fund has provided a competitive return by investing majority of its funds in government securities and other money market securities and placements having low risk and a high degree of liquidity.

### Benchmark relevant to the fund

The benchmark is 70% of 3 M average PKRV + 30% of 3 M AA rated Bank deposit rate less all the SECP approved admissible fund's expenses.

### Fund's performance with benchmark (Annualised)

<b>FY'13 Return</b>	<b>Benchmark</b>	<b>Relative Performance</b>
9.06%	7.24%	1.82%

^ Annualised Returns - AGCF

The Alfalah GHP Cash Fund chose to invest the bulk of its assets in government securities i.e. Treasury bills ranging from 3 months to 6 months during FY13.

The fund, during the period, took an average exposure of more than 82.45% in treasury bills. The fund has adopted stringent criteria as per its investment & credit policy in selecting and allocating the exposure limits to the counter parties.

### Asset allocation (As at 30 June 2013)

Cash / Bank deposits	2.78%
Placements	29.12%
Treasury bills	67.84%
Other	0.26%
<b>TOTAL</b>	<b><u>100.00%</u></b>

### Any Significant changes in the state of affairs of fund

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

**Fund's Performance**
**On size (Rupees in '000)**

As on June 30, 2013	As on June 30, 2012	% Change
2,887,941	3,153,823	-17.81%

**On price ^ (Rupees)**

As on June 30, 2013	As on June 30, 2012	% Change **
500.32	500.72	9.06%

^ Annualised Return based on Adjusted Prices

\*\* Return calculated after incorporating distribution during the period

**Disclosure on the Markets**

The Fund mainly invests in the following markets:

- **Clean Market (TDRs, COIs, CODs, & LOPs)**  
Clean Market placements are done with large commercial banks at attractive deposit rates.
- **Repo Market**  
Repo lending is done to financial institutions on the basis of assets which serve as collateral for such lending.
- **Bills Market (Govt. Sector)**  
Investments in bonds / bills are made in risk free government bills at attractive rates.
- **Commercial Paper (Private / Public Sector)**  
Investment in Commercial Papers issued by private and public companies. This paper can either be listed or unlisted, secured or unsecured. The Fund seeks to invest here in line with overall investment parameters as set out in the Offering Document.

A full list of investment avenues for the Fund can be obtained from the Fund's Offering Document.

**Market and their Returns**

- **The Clean / Call Market**  
The volumes in the call and clean market remained lackluster during most part of the year. Rates were on average in the range of 7.00% to 11.90% for overnight placements.
- **Repo Market**  
With the introduction of interest rate corridor by SBP the repo rates for the overnight funds move within a band of 250 bps from the discount rate i.e., with the discount rate at 9.00% (at Jun 30. 13), the repo rate moved within the band of 6.50% to 9.00%.
- **Bond Market (PIB & Treasury Bills)**  
In FY13, SBP cumulatively announced a Treasury bill auction target of PKR 5,075.00 billion versus maturity of PKR 4,971.29 billion, while the SBP actually raised PKR 903.691 billion against the participation of PKR 1,336.202 billion. During the period, 3 months cut off yield has decreased by 296.18 bps, 6 months by 297.47 bps and 12 months by 297.14 bps and settled at 8.9583, 8.9673 and 8.9808 respectively. Likewise, 10 year benchmark PIB cut off yield has decreased by 234 bps to 11.0496%.



- **Corporate Paper**

In FY 13 fixed income market saw very few numbers of issuance of new corporate papers. Prominent issues are Jahangir Siddiqui & Co. Ltd, KESC and Bank Alfalah Ltd. They cumulatively raised around PKR 7.7 billion by issuing term finance certificates. The secondary market for corporate papers showed volatility and majority trading was witnessed in Banks, telecommunication, cement and Fertilizer.

**Disclosure of Other Remunerations**

NIL

**Performance Table**

Key financial data is disclosed in notes to the financial statements

**Risk Disclosure**

Investors in the Fund must realize that all investment in mutual funds and securities are subject to market risks. Our target return / dividend payout cannot be guaranteed and it should be clearly understood that the portfolio of the Fund is subject to interest rates, money market and stock market fluctuations and other risks inherent in all such investments.

**Disclaimer**

Prices of the Units of the Fund and income from them may go up or down.

Under exceptional (extraordinary) circumstances, the Management Company may declare suspension of redemptions, invoke a queue system or announce winding-up. In such events the investor will probably have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request is lodged. Investors are advised to read the relevant clauses of the Fund's Trust Deed and Offering Document for more detailed information regarding this clause.

The Units of the Trust are not the bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the SECP, any Government agency, the Management Company, the Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any other bank or financial institutions.

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Fund Manager



## MCB FINANCIAL SERVICES LIMITED

### REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

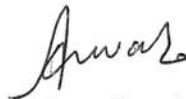
#### ALFALAH GHP CASH FUND

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

Alfalah GHP Cash Fund, an open-end Scheme established under a Trust Deed dated October 23, 2009 executed between Alfalah 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.

During the year, 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.

1. Alfalah GHP Investment Management Limited, the Management Company of Alfalah GHP Cash Fund has in all material respects managed Alfalah GHP Cash Fund during the year ended 30<sup>th</sup> June 2013 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: August 30, 2013

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2013

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulations No. 35 of listing regulations of Karachi Stock Exchange Limited (formerly Karachi Stock Exchange (Guarantee) Limited) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

<b>Categories</b>	<b>Names</b>
Independent Directors	Mr. Kashif Abdur Rahman Mr. Suleman Hudda
Executive Director	Mr. Abdul Aziz Anis
Non-Executive Directors	Syed Ali Sultan Mr. David Burlison Mr. Hanspeter Beier Mr. Amin Dawood Saleh Mr. Kashif Abdur Rahman Mr. Suleman Hudda

- 2 The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Management Company.
- 3 All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or a Non-Banking Finance Institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- 4 Casual vacancies occurred in the Board on 06 August 2012 and 08 April 2013 which were filled on 26 April 2013.
- 5 The Management Company has prepared a 'Code of Conduct' which has been signed by all the directors and employees of the Company at the time of their appointment. However, it has not been placed on the Company's website.
- 6 The Board has developed a vision / mission statement and overall corporate strategy of the Management Company. A complete record of particulars of significant policies along with the dates will be developed and their record will be maintained.
- 7 All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) and Company Secretary, have been taken by the Board.
- 8 The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings except for 51st and 53rd Board meetings. The minutes of the meetings were appropriately recorded and circulated.

- 9 The Board has not arranged orientation courses and training programs for its directors during the year.
- 10 There was no new appointment of Chief Financial Officer (CFO) and Company Secretary during the year.
- 11 The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- 12 The financial statements of the Fund were duly endorsed by the CEO and CFO before approval of the Board.
- 13 The directors, CEO and executives do not hold any interest in the units of the Fund other than that disclosed in the Financial Statements.
- 14 The Fund has complied with most of the corporate and financial reporting requirements of the Code.
- 15 The Board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors including the Chairman of the Committee who is an independent director. However, the audit committee has not yet appointed / designated a secretary of the audit committee
- 16 The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Fund as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
- 17 The Board has formed Human Resource and Remuneration Committee in its Board meeting dated, 28 August 2012. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
- 18 The Board has outsourced the internal audit function to M. Yousuf Adil Saleem & Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company. The Management Company has not appointed / designated any person as the head of internal audit.
- 19 The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 20 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21 Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
- 22 The company has not submitted Secretarial Compliance Certificate as per clause xxii of the Code, which the company intends to seek compliance by the end of the next year.
- 23 We confirm that all other material principles, except those mentioned above, contained in the Code have been complied with.

For and on behalf of the Board of Directors

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**Chief Executive**



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

### **Review Report to the Unit Holders of Alfalah GHP Cash Fund (“the Fund”) on Statement of Compliance with Best Practices of Code of Corporate Governance**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Alfalah GHP Investment Management Limited (“Management Company”) of the Fund to comply with the Listing Regulations of the Karachi Stock Exchange Limited (formerly Karachi Stock Exchange (Guarantee) Limited), where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund’s compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the Code.

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

Further Listing Regulations notified by the Karachi Stock Exchange Limited (formerly Karachi Stock Exchange (Guarantee) Limited) requires the Management Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm’s length transactions and transactions which are not executed at arm’s length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm’s length price or not.

As more fully explained in paragraphs 4, 5, 6, 8, 9, 15, 18 and 22 which describe non-compliances in respect of casual vacancy, placement of code of conduct on website, record of significant policies, circulation of notices of meetings within the prescribed time, orientation course and training program for directors, appointment of secretary of audit committee, appointment of head of internal audit, and non submission of secretarial compliance certificate.

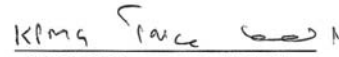


KPMG Taseer Hadi & Co.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended 30 June 2013.

**Date: 12 August 2013**

**Karachi**

  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**





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Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
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## Independent Auditors' Report to the Unit Holders

### *Report on the Financial Statements*

We have audited the accompanying financial statements of **Alfalah GHP Cash Fund** ("the Fund"), which comprise of the statement of assets and liabilities as at 30 June 2013, and the related income statement, statement of comprehensive income, distribution statement, cash flow statement, statement of movement in unit holders' fund for the year then ended and a summary of significant accounting policies and other explanatory notes.

### *Management's responsibility for the financial statements*

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

### *Auditors' responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2013, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



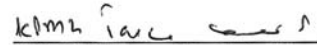
KPMG Taseer Hadi & Co.

*Report on Other Legal and Regulatory Requirements*

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

**Date: 12 August 2013**

**Karachi**

  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**Muhammad Taufiq**





## STATEMENT OF ASSETS AND LIABILITIES

### As at 30 June 2013

	Note	30 June 2013	30 June 2012
<b>(Rupees in '000)</b>			
<b>Assets</b>			
Bank balances	4	931,051	568,139
Investments	5	1,980,514	2,953,889
Profit receivable	6	6,687	1,871
Prepayments	7	121	-
Preliminary expenses and floatation costs	8	1,080	1,717
<b>Total assets</b>		<b>2,919,453</b>	<b>3,525,616</b>
<b>Liabilities</b>			
Payable to Alfalah GHP Investment Management Limited - Management Company	9	2,950	2,904
Payable to Central Depository Company of Pakistan Limited - Outgoing Trustee	10	-	282
Payable to MCB Financial Services Limited - Trustee	10	189	-
Payable to Securities and Exchange Commission of Pakistan - annual fee	11	2,215	1,191
Accrued expenses and other liabilities	12	26,158	7,416
<b>Total liabilities</b>		<b>31,512</b>	<b>11,793</b>
<b>Contingencies and commitments</b>	13	-	-
<b>Net assets</b>		<b>2,887,941</b>	<b>3,513,823</b>
<b>Unit holders' funds (as per statement attached)</b>		<b>2,887,941</b>	<b>3,513,823</b>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>5,772,161</b>	<b>7,017,532</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>500.32</b>	<b>500.72</b>

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

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	30 June 2013 (Rupees in '000)	30 June 2012
<b>Income</b>			
Capital gain on sale of investments		2,905	410
Profit from term deposit receipts		31,250	12,853
Income from placements		1,043	1,198
Profit on deposit accounts with banks		8,211	9,476
Income from government securities		260,529	173,276
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	5.2	1,414	(785)
<b>Total income</b>		<b>305,352</b>	<b>196,428</b>
<b>Expenses</b>			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	9.1	29,534	18,291
Sindh sales tax on management fee	9.2	4,760	2,927
FED on management fee	9.3	224	-
Remuneration of Central Depository Company of Pakistan Limited - Outgoing Trustee	10.1	314	2,199
Remuneration of MCB Financial Services Limited - Trustee	10.1	2,150	-
Annual fee - Securities and Exchange Commission of Pakistan	11	2,215	1,191
Amortisation of preliminary expenses and floatation costs	8	637	638
Bank and settlement charges		51	79
Legal and professional charges		-	117
Auditors' remuneration	16	477	515
Brokerage		174	67
Provision for workers' welfare fund	14	5,218	3,561
Fees and subscriptions		272	230
Printing and related cost		146	200
<b>Total expenses</b>		<b>46,172</b>	<b>30,015</b>
<b>Net income from operating activities</b>		<b>259,180</b>	<b>166,413</b>
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		<b>(3,486)</b>	<b>8,095</b>
<b>Net income for the year before taxation</b>		<b>255,694</b>	<b>174,508</b>
<b>Taxation</b>		<b>-</b>	<b>-</b>
<b>Net income for the year after taxation</b>		<b>255,694</b>	<b>174,508</b>

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

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013	30 June 2012
	(Rupees in '000)	
Net income for the year after taxation	255,694	174,508
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>255,694</u></b>	<b><u>174,508</u></b>

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

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	<i>Note</i>	<b>30 June 2013</b>	<b>30 June 2012</b>
		<b>(Rupees in '000)</b>	
Undistributed income / (loss) brought forward:			
Realised		<b>5,835</b>	16,037
Unrealised		<b>(785)</b>	(553)
		<b>5,050</b>	15,484
Net income for the year after taxation		<b>255,694</b>	174,508
Final distribution for the year ended 30 June 2012:			
- Cash distribution of Rs. NIL per unit (2011: Rs. 5.40 per unit)		-	(2,496)
- Issue of NIL bonus units (2011: 25,759 units)		-	(12,880)
Interim distribution for the year ended 30 June 2013:			
- Cash distribution of Rs. 43.91 per unit (2012: Rs. 51.93 per unit)	<i>17</i>	<b>(139,636)</b>	(49,353)
- Issue of 238,498 bonus units (2012: 240,421 units)	<i>17</i>	<b>(119,251)</b>	(120,213)
		<b>(3,193)</b>	(10,434)
Undistributed income / (loss) carried forward:			
Realised		<b>443</b>	5,835
Unrealised		<b>1,414</b>	(785)
		<b>1,857</b>	5,050

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

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

## STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2013

	<i>Note</i>	30 June 2013	30 June 2012
(Rupees in '000)			
Net assets at the beginning of the year		3,513,823	1,439,196
Issue of 2,371,245 units (2012: 7,028,725 units)		<b>1,191,391</b>	3,528,023
Redemption of 3,855,114 units (2012: 3,124,781 units)		<b>(1,936,817)</b>	(1,567,960)
		<b>(745,426)</b>	1,960,063
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units repurchased - transferred to the Income Statement		<b>3,486</b>	(8,095)
Final distribution of NIL bonus units declared for the year ended 30 June 2012 (2011: 25,759 units)		-	12,880
Interim bonus distribution of 238,498 units for the year ended 30 June 2013 (2012: 240,421 units)	17	<b>119,251</b>	120,213
Capital gain on sale of investments		<b>2,905</b>	410
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'		<b>1,414</b>	(785)
Other net income for the year		<b>251,375</b>	174,883
Final distribution for the year ended 30 June 2012:			
- Cash distribution of Rs. NIL per unit (2011: Rs. 5.40 per unit)		-	(2,496)
- Issue of NIL bonus units (2011: 25,759 units)		-	(12,880)
Interim distribution for the year ended 30 June 2013:			
- Cash distribution of Rs. 43.91 per unit (2012: Rs. 51.93 per unit)		<b>(139,636)</b>	(49,353)
- Issue of 238,498 bonus units (2012: 240,421 units)		<b>(119,251)</b>	(120,213)
Net loss for the year less distribution		<b>(3,193)</b>	(10,434)
<b>Net assets at the end of the year</b>		<b><u>2,887,941</u></b>	<b><u>3,513,823</u></b>
(Rupees in '000)			
<b>Net asset value per unit at the beginning of the year</b>		<b><u>500.72</u></b>	<b><u>505.44</u></b>
<b>Net asset value per unit at the end of the year</b>		<b><u>500.32</u></b>	<b><u>500.72</u></b>

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

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013	30 June 2012
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	255,694	174,508
<b>Adjustments for:</b>		
Unrealised (appreciation) / diminution in the value of investments - 'at fair value through profit or loss'	(1,414)	785
Profit on deposit accounts with banks	(8,211)	(9,476)
Amortisation of preliminary expenses and floatation costs	637	638
Profit from term deposit receipts	(31,250)	(12,853)
Income from placements	(1,043)	(1,198)
Provision for workers' welfare fund	5,218	3,561
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	3,486	(8,095)
	223,117	147,870
<b>(Increase) / decrease in assets</b>		
Investments	974,789	(1,782,567)
Prepayments	(121)	101
	974,668	(1,782,466)
<b>Increase / (decrease) in liabilities</b>		
Payable to Alfalah GHP Investment Management Limited - Management Company	46	1,558
Payable to Central Depository Company of Pakistan Limited - Outgoing Trustee	(282)	105
Payable to MCB Financial Services Limited - Trustee	189	-
Payable to Securities and Exchange Commission of Pakistan - annual fee	1,024	360
Accrued expenses and other liabilities	13,524	344
	14,501	2,367
Profit received	35,688	22,974
<b>Net cash flows from / (used in) operating activities</b>	1,247,974	(1,609,255)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	1,191,391	3,528,023
Payment against redemption of units	(1,936,817)	(1,567,960)
Cash dividend paid	(139,636)	(51,849)
<b>Net cash flows (used in) / from financing activities</b>	(885,062)	1,908,214
Net increase in cash and cash equivalents during the year	362,912	298,959
Cash and cash equivalents at beginning of the year	568,139	269,180
Cash and cash equivalents at end of the year	931,051	568,139

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

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Cash Fund ("the Fund") is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on 23 October 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) on 07 October 2009.

During the year, the first supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed between the MCB Financial Services Limited as the new Trustee. The Securities and Exchange Commission of Pakistan authorised the constitution of the Trust Deed on 13 June 2012 and it was executed on 21 June 2012 in accordance with the NBFC Regulations.

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 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road Karachi.

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

The Fund is an open end money market scheme. The primary investment 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 money market securities and placements.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset management rating of 'AM3' (outlook negative) to the Management Company in its rating report dated 17 May 2012 and AA (f) to the Fund in its credit rating report dated 09 January 2013.

The '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 PRESENTATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. the requirements of the Trust Deed, the Non Banking Finance companies (Establishment and Regulation) Rule, 2003 (the NBFC) Rule , the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008) and directives issued by the SECP. Wherever, the requirements of the Trust Deed, the NBFC Rules, 2003, the NBFC Regulation, 2008 and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, 2008 and the said directives shall prevail.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund and has been rounded off to the nearest thousand of Rupees.

## 2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise their judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments and impairment there against (note 3.1, 3.2 and 5).

## 2.5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2013:

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The amendments have no impact on financial statements of the Fund.
- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 Consolidated Financial Statements, IFRS 11- Joint Arrangements and IFRS 12- Disclosure of interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Fund.
- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Fund.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation.



The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’; and that some gross settlement systems may be considered equivalent to net settlement.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.

Annual Improvements 2009–2011 (effective for annual periods beginning on or after 1 January 2013).

The new cycle of improvements contains amendments to the following four standards, with consequential amendments to other standards and interpretations.

- IAS 1 Presentation of Financial Statements is amended to clarify that only one comparative period – which is the preceding period – is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the ‘third statement of financial position’, when required, is only required if the effect of restatement is material to statement of financial position.
- IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of ‘property, plant and equipment’ in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories.
- IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.
- IAS 34 Interim Financial Reporting is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments.
- IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.
- IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Fund.
- IFRIC 21- Levies ‘an Interpretation on the accounting for levies imposed by governments’ (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.
- IAS 39 Financial Instruments: Recognition and Measurement- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) (effective for annual periods beginning

on or after 1 January 2014). The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

- Amendment to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated:

#### 3.1 Financial instruments

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

##### *a) Financial instruments at fair value through profit or loss*

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

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

##### *b) Available-for-sale*

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

##### *c) Loans and receivables*

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

##### *d) Financial liabilities*

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

### ***Recognition***

The Fund recognises financial assets and financial liabilities on the date when it becomes a party to the contractual provisions of the instrument. A regular way purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

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

### ***Measurement***

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

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and available-for-sale' are measured at fair value. Gains or losses arising, from changes in the 'fair value of the financial assets ' at fair value through profit or loss' are recognised in the Income Statement. Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in Unit Holders' Fund until derecognised or impaired, then the accumulated fair value adjustments recognised in Unit Holders' Fund are included in the Income Statement. Unquoted securities are carried at investment price or break up value which ever is lower, except for Government and debt securities which are stated at fair value.

### ***Fair value measurement principles***

#### ***Basis of valuation of Government securities***

Fair value of the investments in Federal Government securities comprising Treasury Bills is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

## **3.2 Impairment**

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

## **3.3 Derecognition**

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

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

## **3.4 Unit holders' fund**

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

### 3.5 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.

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

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

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

### 3.7 Provisions

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

### 3.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from 13 March 2010 as per the requirements set out in the Trust Deed of the Fund & NBFC Regulations 2008.

### 3.9 Net asset value per unit

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

### 3.10 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.

### 3.11 Taxation

Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from tax to any income derived by a Mutual Fund, if not less than ninety percent of its accounting income of a year as reduced by capital gains whether realized or unrealized is distributed among 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 Fund provides for deferred taxation using the balance sheet liability method on all temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

### **3.12 Offsetting of financial instruments**

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

### **3.13 Derivative**

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

### **3.14 Revenue recognition**

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Profit on bank deposits is recognised on time proportionate basis using effective yield method.
- Income on term finance certificates, sukuk bonds, certificate of investments, placements and Government securities is recognised on a time proportionate basis using effective yield method.

### **3.15 Expenses**

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

### **3.16 Cash and cash equivalents**

Cash and cash equivalent comprises saving account, short term deposits maintained with banks and other short term highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

### **3.17 Dividend distribution and appropriations**

As per clause 5.1 of the offering document and clause 12.1 of the trust deed, the management company on behalf of the Fund on monthly basis (except for the last month of the financial year) shall distribute as cash dividend or bonus units or in any other form acceptable to the Commission that may qualify under the tax laws. Further, as per clause 5.2.6. of the offering document the interim distribution will be done automatically each month, hence there will not be any public announcement of book closure for the same, no announcement of monthly distribution to the concerned regulatory authorities and no need for any board approval for such regular monthly interim distributions. The SECP has approved the offering

document of the Fund vide its letter no. NBFC/MF/DD-ZRK/AGCF/ 170/2010 dated 23 February 2010.

The Board of Directors, in pursuance of circular number 59 dated 26 March 2010, have passed a resolution providing standing authorization to the Chief Executive Officer to approve and declare interim dividends out of the profits earned by the Fund upto the 26th of each month.

		<b>30 June 2013</b>	<b>30 June 2012</b>
		<b>(Rupees in '000)</b>	
<b>4. BANK BALANCES</b>	<i>Note</i>		
In deposit accounts	<i>4.1</i>	<b>81,051</b>	318,139
In term deposit receipts	<i>4.2</i>	<b>850,000</b>	250,000
		<b><u>931,051</u></b>	<b><u>568,139</u></b>
4.1	These represent balances in saving deposit accounts maintained with various banks carrying mark-up rates of 6.00% to 11% (2012: 10.50% to 11.90%) per annum. This Includes Rs. 81.050 million (2012: Rs. 258.725 million) with Bank Alfalah Limited, a related party that carry mark-up ranging from 8.00% to 9.00% per annum.		
4.2	This represents term deposit receipts maintained with National Bank of Pakistan and Bank Alfalah Limited carrying mark-up rates ranging from 9.75% to 9.90% (2012: 12.20%) per annum and having maturity dates upto 08 July 2013 (2012: 12 July 2012).		
<b>5. INVESTMENTS</b>	<i>Note</i>	<b>30 June 2013</b>	<b>30 June 2012</b>
		<b>(Rupees in '000)</b>	
At fair value through profit or loss - held for trading			
Market treasury bills	<i>5.1</i>	<b><u>1,980,514</u></b>	<b><u>2,953,889</u></b>

**5.1 Treasury bills**

Issue Date	Tenor	Face Value				Quantity as at 30 June 2013	Cost as at 30 June 2013	Market value as at 30 June 2013	Market value as a percentage of:		
		As at 01 Jul 2012	Purchases during the year	Sale during the year	Matured during the year				As at 30 June 2013	net assets	total investments
(Rupees in '000)						(Rupees in '000)					
T-Bill (19-Apr-12)	03Months	100,000	-	-	100,000	-	-	-	-	-	
T-Bill (03-May-12)	03Months	1,025,000	-	390,000	635,000	-	-	-	-	-	
T-Bill (17-May-12)	03Months	650,000	-	-	650,000	-	-	-	-	-	
T-Bill (31-May-12)	03Months	150,000	70,000	-	220,000	-	-	-	-	-	
T-Bill (14-Jun-12)	03Months	425,000	100,000	525,000	-	-	-	-	-	-	
T-Bill (28-Jun-12)	03Months	230,000	100,000	175,000	155,000	-	-	-	-	-	
T-Bill (12-Jul-12)	03Months	-	310,000	310,000	-	-	-	-	-	-	
T-Bill (26-Jul-12)	-	-	325,000	325,000	-	-	-	-	-	-	
T-Bill (09-Aug-12)	03Months	-	270,000	250,000	20,000	-	-	-	-	-	
T-Bill (23-Aug-12)	03Months	-	250,000	200,000	50,000	-	-	-	-	-	
T-Bill (06-Sep-12)	03Months	-	100,000	-	100,000	-	-	-	-	-	
T-Bill (20-Sep-12)	03Months	-	97,500	25,000	72,500	-	-	-	-	-	
T-Bill (18-Oct-12)	03Months	-	350,000	250,000	100,000	-	-	-	-	-	
T-Bill (01-Nov-12)	03Months	-	55,000	55,000	-	-	-	-	-	-	
T-Bill (15-Nov-12)	03Months	-	250,000	-	250,000	-	-	-	-	-	
T-Bill (13-Dec-12)	03Months	-	121,100	-	121,100	-	-	-	-	-	
T-Bill (10-Jan-13)	03Months	-	150,000	-	150,000	-	-	-	-	-	
T-Bill (24-Jan-13)	03Months	-	375,000	-	375,000	-	-	-	-	-	
T-Bill (07-Feb-13)	03Months	-	550,000	-	550,000	-	-	-	-	-	
T-Bill (21-Feb-13)	03Months	-	250,000	250,000	-	-	-	-	-	-	
T-Bill (07-Mar-13)	03Months	-	650,000	-	650,000	-	-	-	-	-	
T-Bill (21-Mar-13)	03Months	-	200,000	-	200,000	-	-	-	-	-	
T-Bill (04-Apr-13)	03Months	-	700,000	-	700,000	-	-	-	-	-	
T-Bill (18-Apr-13)	03Months	-	400,000	-	-	400,000	1	398,990	398,917	0.14	0.20
T-Bill (02-May-13)	03Months	-	800,000	125,000	-	675,000	1	670,907	670,837	0.23	0.34
T-Bill (27-Jun-13)	03Months	-	445,000	-	-	445,000	1	436,463	436,296	0.15	0.22
T-Bill (26-Jan-12)	06Months	25,000	70,000	-	95,000	-	-	-	-	-	
T-Bill (09-Feb-12)	06Months	50,000	-	-	50,000	-	-	-	-	-	
T-Bill (08-Mar-12)	06Months	14,500	35,000	49,500	-	-	-	-	-	-	
T-Bill (12-Jul-12)	06Months	-	335,000	325,000	10,000	-	-	-	-	-	
T-Bill (26-Jul-12)	06Months	-	340,000	340,000	-	-	-	-	-	-	
T-Bill (09-Aug-12)	06Months	-	380,000	150,000	230,000	-	-	-	-	-	
T-Bill (23-Aug-12)	06Months	-	575,000	575,000	-	-	-	-	-	-	
T-Bill (06-Sep-12)	06Months	-	288,900	-	288,900	-	-	-	-	-	
T-Bill (20-Sep-12)	06Months	-	192,500	-	192,500	-	-	-	-	-	
T-Bill (04-Oct-12)	06Months	-	175,000	175,000	-	-	-	-	-	-	
T-Bill (18-Oct-12)	06Months	-	275,000	25,000	250,000	-	-	-	-	-	
T-Bill (01-Nov-12)	06Months	-	225,000	175,000	50,000	-	-	-	-	-	
T-Bill (15-Nov-12)	06Months	-	50,000	50,000	-	-	-	-	-	-	
T-Bill (21-Feb-13)	06Months	-	15,000	-	-	15,000	1	14,809	14,805	0.01	0.01
T-Bill (24-Jan-13)	06Months	-	25,000	-	-	25,000	1	24,851	24,846	0.01	0.01
T-Bill (13-Dec-12)	06Months	-	400,000	-	400,000	-	-	-	-	-	
T-Bill (30-May-13)	06Months	-	53,000	-	-	53,000	1	51,056	51,112	0.02	0.03
T-Bill (13-Jun-13)	06Months	-	150,000	-	-	150,000	1	144,048	144,181	0.05	0.07
T-Bill (27-Jun-13)	06Months	-	250,000	-	-	250,000	1	239,584	239,521	0.08	0.12
T-Bill (11-Aug-11)	12Months	325,000	-	-	325,000	-	-	-	-	-	
T-Bill (03-Nov-11)	12Months	-	54,000	54,000	-	-	-	-	-	-	
T-Bill (25-Aug-11)	12Months	-	525,000	240,000	285,000	-	-	-	-	-	
T-Bill (17-Nov-11)	12Months	-	250,000	75,000	175,000	-	-	-	-	-	
T-Bill (28-Jun-12)	12Months	-	90,000	-	90,000	-	-	-	-	-	
T-Bill (14-Jun-12)	12Months	-	120,000	-	120,000	-	-	-	-	-	
		<u>2,994,500</u>	<u>11,792,000</u>	<u>5,113,500</u>	<u>7,660,000</u>	<u>2,013,000</u>		<u>1,980,707</u>	<u>1,980,514</u>		

\* On 11 March 2013 the Fund's investment in treasury bills exceeded the maximum exposure limit as per the clause 2.3 of offering document by Rs.65 million due to redemption of units on the said date.

		<b>30 June</b>	30 June
		<b>2013</b>	2012
		<b>(Rupees in '000)</b>	
<b>5.2</b>	<b>Net unrealized diminution in the value of investments classified as 'at fair value through profit or loss'</b>	<i>Note</i>	
	Fair value of investments classified as 'at fair value through profit or loss'	<b>1,980,514</b>	2,953,889
	Cost of investments classified as 'at fair value through profit or loss'	<b>(1,980,707)</b>	(2,955,496)
	Net unrealised diminution in the value of investments 'at fair value through profit or loss'	<b>(193)</b>	(1,607)
	Net unrealised appreciation in the value of investments at the beginning of the year	<b>1,607</b>	822
	Net unrealised appreciation / (diminution) in the value of investments at the end of the year	<b>1,414</b>	(785)
<b>6.</b>	<b>PROFIT RECEIVABLE</b>	<b>30 June</b>	30 June
		<b>2013</b>	2012
		<b>(Rupees in '000)</b>	
	Profit receivable on saving accounts with banks	-	1,119
	Profit receivable on term deposit receipts	<b>6,687</b>	752
		<b>6,687</b>	1,871
<b>7.</b>	<b>PREPAYMENTS</b>		
	Annual fee - PACRA	<b>121</b>	-
<b>8.</b>	<b>PRELIMINARY EXPENSES AND FLOATATION COSTS</b>		
	Balance at the beginning of the year	<b>1,717</b>	2,355
	Amortisation during the year	<b>(637)</b>	(638)
	Balance at the end of the year	<b>1,080</b>	1,717
8.1	Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from 13 March 2010 as per the requirements set out in the Trust Deed of the Fund and NBFC Regulation 2008.	<i>8.1</i>	
<b>9.</b>	<b>PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	<b>30 June</b>	30 June
		<b>2013</b>	2012
		<b>(Rupees in '000)</b>	
	Management fee	<b>2,950</b>	2,904
9.1	Under the provisions of NBFC Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the life of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter, of an amount equal to the two percent of such assets of the Fund. However, currently the Management Fee is charged @ 1% per annum.	<i>Note</i>	
9.2	Effective from 1 July 2011, through the Sindh Sales Tax on Services Act, 2011, sales tax @ 16% has been imposed on the Fund management services. Sales tax on the Management Company remuneration was charged to the Fund during the year amounting to Rs. 4.760 million. At the year end, sales tax on management company remuneration of Rs. 406,996 was due, which was paid subsequent to the year end. Securities and Exchange Commission of Pakistan vide letter No.SCD/PR&DD/AMCW/MUFAP /232/2012 dated 24 July 2012 has allowed the amount of sales tax to be charged as an expense to Collective Investment Scheme.	<i>9.1</i>	



- 9.3 As per Finance Act 2013, the description and duty on all types of financial services has been clubbed and extended under table II serial # 08 @ 16% in FED Act 2005, with effect from 13 June 2013.

<b>10. PAYABLE TO TRUSTEE</b>	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>(Rupees in '000)</b>	
Payable to MCB Financial Services Limited - Trustee	<u>189</u>	<u>-</u>
Payable to Central Depository Company of Pakistan Limited - Outgoing Trustee	<u>-</u>	<u>282</u>

- 10.1** The trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net asset value of the Fund. Based on the Trust Deed and Offering Document, the tariff structure applicable to the Fund in respect of the trustee was being Rs.1.7 million plus 0.085% per annum on the daily average net assets value of the Fund till the month of 31 July 2012. With effect from 1 August 2012, due to reason mentioned in note 1 to the financial statements, the trustee fee is being calculated as follows:

<b>NET ASSETS</b>	<b>TARIFF FEE</b>
On net assets upto Rs. 1,000 million	Rs.0.5 million or 0.12% per annum of the Net Assets, which ever is higher.
On net assets exceeding Rs. 1,000 million	Rs.1.2 million plus 0.060% per annum of Net Assets exceeding Rs. 1,000 million.

**11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - ANNUAL FEE**

Under the provisions of NBFC Regulations 2008, an open ended fund is required to pay an annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Fund.

<b>12. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>(Rupees in '000)</b>	
Auditors' remuneration	<b>310</b>	335
Legal and professional charges	-	90
Distribution payable	<b>12,144</b>	-
Provision for Workers' Welfare Fund	<b>11,771</b>	6,552
Redemption Payable	<b>1,753</b>	245
Annual fee PACRA	-	99
Brokerage payable	<b>10</b>	-
Other payable	<b>170</b>	95
	<u><b>26,158</b></u>	<u>7,416</u>

**13. CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at 30 June 2013.

#### 14. PROVISION FOR WORKERS' WELFARE FUND

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

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the year ended June 30, 2012, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 11.771 million (including Rs 5.218 million for the current year) in these financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs 2.04 per unit.

#### 15. CLASSES OF UNITS

Class	Note	Description
A (Restricted / Core units)	15.1	Units that shall be charged with no sales load.
A	15.2	Units that shall be charged with no sales load.
B	15.3	Units that shall be issued with sales load.

**15.1** These units were issued to core investors. These units cannot be redeemed for a period of two years from the date of closure of initial public offer.

**15.2** These units were offered and issued during the private placement and initial period of offer.

**15.3** These units were offered and issued after the initial period of offer.

#### 16. AUDITORS' REMUNERATION

	30 June 2013	30 June 2012
	(Rupees in '000)	
Audit fee	250	275
Other certification and services	180	200
Out of pocket expenses	47	40
	<u>477</u>	<u>515</u>

## 17. INTERIM DISTRIBUTIONS

The Fund has made following distribution during the year.

Date	Rate /unit (Rupees)	Bonus		Cash distribution ----- (Rupees in '000)-----	Total
		Units	Amount		
27 July 2012	4.35	32,844	16,422	14,041	30,463
27 August 2012	5.03	35,216	17,608	16,237	33,845
27 September 2012	4.19	22,660	11,330	13,525	24,855
27 October 2012	4.19	21,708	10,854	13,525	24,379
28 November 2012	3.28	16,678	8,339	10,588	18,927
27 December 2012	3.21	14,218	7,110	10,342	17,452
27 January 2013	3.23	16,600	8,300	10,084	18,384
27 February 2013	3.44	15,785	7,892	10,740	18,632
27 March 2013	2.87	12,799	6,400	8,960	15,360
29 April 2013	3.32	15,896	7,948	10,365	18,313
27 May 2013	2.91	13,608	6,805	9,085	15,890
28 June 2013	3.89	20,486	10,243	12,144	22,387
<b>Total Interim Distribution</b>	<b>43.91</b>	<b>238,498</b>	<b>119,251</b>	<b>139,636</b>	<b>258,887</b>

\* Bonus units have been distributed to growth unit holders.

\*\* Cash dividend has been distributed to income unit holders.

\*\*\* These distributions have been approved by the Board of Directors in their 48th, 49th, 50th, 52nd, 53rd meeting held on 28 August 2012, 16 October 2012, 15 February 2013, 16 April 2013. Distribution for the month of April, May and June 2013 will be approved in the Board of Director's meeting to be held subsequent to the year end.

As per clause 5.1 of the offering document and clause 12.1 of the trust deed, the management company on behalf of the Fund on monthly basis (except for the last month of the financial year) shall distribute as cash dividend or bonus units or in any other form acceptable to the Commission that may qualify under the tax laws. Further, as per clause 5.2.6. of the offering document the interim distribution will be done automatically each month, hence there will not be any public announcement of book closure for the same, no announcement of monthly distribution to the concerned regulatory authorities and no need for any board approval for such regular monthly interim distributions. The SECP has approved the offering document of the Fund vide its letter no. NBFC/MF/DD-ZRK/AGCF/170/201 dated 23 February 2010.

The Board of Directors, in pursuance of circular number 59 dated 26 March 2010, have passed a resolution providing standing authorization to the Chief Executive Officer to approve and declare interim dividends out of the profits earned by the Fund upto the 26th of each month.

## 18. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending 30 June 2013 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these financial statements for the year ended 30 June 2013.

## 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 Arbitrium AG, Bank Alfalah Limited, MAB

Investment Incorporated being associated companies of Management Company, Alfalah Insurance Company Limited, 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.

The transactions with the connected persons / related parties are in the normal course of business, at contractual rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules 2003, NBFC Regulations 2008 and the Constitutive Documents respectively.

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

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>(Rupees in '000)</b>	
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Balance at beginning of the year	2,904	1,346
Remuneration for the year	29,534	18,291
Sales Tax for the year	4,760	2,927
FED on Management Fee for the year	224	-
	<u>34,518</u>	<u>21,218</u>
Amount paid during the year	(34,472)	(19,660)
Balance at the end of the year	<u>2,950</u>	<u>2,904</u>
<b>Central Depository Company of Pakistan Limited - Outgoing Trustee</b>		
Balance at beginning of the year	282	177
Remuneration for the year	314	2,199
	<u>596</u>	<u>2,376</u>
Amount paid during the year	(596)	(2,094)
Balance at the end of the year	<u>-</u>	<u>282</u>
<b>MCB Financial Services Limited - Trustee</b>		
Balance at beginning of the year	-	-
Remuneration for the year	2,150	-
	<u>2,150</u>	<u>-</u>
Amount paid during the year	(1,961)	-
Balance at the end of the year	<u>189</u>	<u>-</u>
<b>Bank Alfalah Limited</b>		
Deposits at the end of the year	<u>81,050</u>	<u>258,725</u>
Term deposits receipts at the end of the year	<u>600,000</u>	<u>250,000</u>
Market treasury bills at the end of the year	<u>1,980,514</u>	<u>2,669,500</u>
Profit receivable on term deposits receipts at the end of the year	<u>2,890</u>	<u>752</u>
Profit on deposit accounts during the year	<u>5,876</u>	<u>5,420</u>
Profit receivable on deposit account at the end of the year	<u>-</u>	<u>688</u>
Profit on term deposit receipts during the year	<u>18,190</u>	<u>7,642</u>
Income from placements during the year	<u>-</u>	<u>319</u>
Bank charges during the year	<u>49</u>	<u>77</u>

	<b>30 June 2013</b>		<b>30 June 2012</b>	
	(Units in '000)	(Rupees in '000)	(Units in '000)	(Rupees in '000)
<b>Units sold to:</b>				
- Bank Alfalah Limited	-	-	3,000	1,506,095
- Alfalah Insurance Company Limited	<b>40</b>	<b>20,044</b>	350	175,716
- Alfalah GHP Investment Management Limited Management Company	-	-	39	19,653
- Chief Executive	-	-	30	15,125
- Other Executives	<b>15</b>	<b>7,706</b>	7	4,834
<b>Units redeemed by:</b>				
- Alfalah GHP Investment Management Limited Management Company	<b>32</b>	<b>16,000</b>	66	33,367
- Chief Executive	-	-	41	20,991
- Other Executives	<b>17</b>	<b>8,744</b>	7	4,239
- Alfalah Insurance Company Limited	<b>325</b>	<b>164,000</b>	-	-
<b>Bonus Units distributed</b>				
- Alfalah Insurance Company Limited	<b>21</b>	<b>10,288</b>	19	9,335
- Alfalah GHP Investment Management Limited Management Company	<b>56</b>	<b>28,030</b>	70	32,385
- Chief Executive	-	-	1	380
- Other Executives	<b>0.73</b>	<b>364</b>	1	310
<b>Units held by:</b>				
			<b>30 June 2013</b>	<b>30 June 2012</b>
			(Units in '000)	
- Bank Alfalah Limited			<b>3,000</b>	3,000
- Bank Alfalah Limited - Employees' Gratuity Fund			<b>100</b>	100
- Alfalah Insurance Company Limited			<b>188</b>	452
- Alfalah GHP Investment Management Limited Management Company			<b>654</b>	630
- Chief Executive			<b>0.09</b>	0.09
- Other Executives			<b>5</b>	6
<b>Dividend Paid to:</b>				
			(Rupees in 000)	
- Bank Alfalah Limited			<b>131,727</b>	18,994
- Bank Alfalah Limited - Employees' Gratuity Fund			<b>4,391</b>	5,733

## 20. FINANCIAL RISK MANAGEMENT FRAMEWORK

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

## 20.1 Market risk

Market risk is the risk that changes in market prices, such as interest rate or equity prices will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of Market risk management is to manage and control market risk exposures within the investment parameters as defined in Fund's constitutive and investment policy documents, while optimizing the return. The Fund is categorized as money market scheme. The objective of the Fund is to provide a regular stream of income at a 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 of money market securities and placements. The Management Company manages 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: Interest rate risk, Currency risk and other price risk.

### 20.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The majority of Fund's interest rate risk exposure arises on Fund's investment in treasury bills. Cash and equivalents are not subject to fair value interest rate risks.

As at 30 June 2013, investments in treasury bills exposed to interest rate risk are detailed in Note 5.1. Cash and cash equivalents are not subject to cash flow and fair value interest rate risk.

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

On-balance sheet financial instruments	Effective rate of mark-up/return %	30 June 2013			Not exposed to interest rate risk	Total
		-----Exposed to interest rate risks -----				
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----						
<b>Financial assets</b>						
Bank balances	6.00 to 11.00	931,051	-	-	-	931,051
Investments	8.92 to 11.90	1,545,700	434,814	-	-	1,980,514
Profit receivable		-	-	-	6,687	6,687
Prepayments		-	-	-	121	121
Preliminary expenses and floatation costs		-	-	-	1,080	1,080
		<u>2,476,751</u>	<u>434,814</u>	<u>-</u>	<u>7,888</u>	<u>2,919,453</u>
<b>Financial liabilities</b>						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	2,950	2,950
Payable to Central Depository Company of Pakistan Limited - Outgoing Trustee		-	-	-	-	-
Payable to MCB Financial Services Limited - Trustee		-	-	-	189	189
Accrued expenses and other liabilities		-	-	-	14,387	14,387
		<u>-</u>	<u>-</u>	<u>-</u>	<u>17,526</u>	<u>17,526</u>
<b>On-balance sheet gap 2013</b>		<u><u>2,476,751</u></u>	<u><u>434,814</u></u>	<u><u>-</u></u>	<u><u>(9,638)</u></u>	<u><u>2,901,927</u></u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap 2013</b>		<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

On-balance sheet financial instruments	Effective rate of mark-up/ return %	30 June 2012			Not exposed to interest rate risk	Total
		-----Exposed to Interest rate risks -----				
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----						
<b>Financial assets</b>						
Bank balances	10.50 to 12.20	568,139	-	-	-	568,139
Investments	10.50 to 13.76	2,953,889	-	-	-	2,953,889
Profit receivable		-	-	-	1,871	1,871
		<u>3,522,028</u>	<u>-</u>	<u>-</u>	<u>1,871</u>	<u>3,523,899</u>
<b>Financial liabilities</b>						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	2,904	2,904
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	282	282
Accrued expenses and other liabilities		-	-	-	864	864
		<u>-</u>	<u>-</u>	<u>-</u>	<u>4,050</u>	<u>4,050</u>
<b>On-balance sheet gap 2012</b>		<u>3,522,028</u>	<u>-</u>	<u>-</u>	<u>(2,179)</u>	<u>3,519,849</u>
<b>Off- balance sheet financial instruments</b>		-	-	-	-	-
<b>Off- balance sheet gap 2012</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

#### Sensitivity analysis for fixed rate instruments

Presently, the Fund holds treasury bills which are classified as 'at fair value through profit and loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase in rates on 30 June 2013, the income for the year and net assets would be lower by Rs 1.98 million (2012: Rs. 3.346 million). In case of 100 basis points decrease in rates on 30 June 2013, the income for the year and net assets would be higher by Rs. 1.98 million (2012 Rs. 3.346 million).

The composition of the Fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2013 is not necessarily indicative of future movements in interest rates.

#### Sensitivity analysis for variable rate instruments

The Fund does not hold any variable rate instruments as on 30 June 2013.

#### 20.1.2 Currency risk

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

#### 20.1.3 Other price risk

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

Presently, the Fund is not exposed to equity price risk, as the Fund does not hold any equity security as at 30 June 2013.

## 20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. The Fund is also exposed to counterparty risk, credit risk on cash and cash equivalents, deposits and other receivable balances. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. All transactions are settled / paid for upon delivery. The Fund does not expect to incur material credit losses on its financial assets.

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

	<b>30 June 2013</b>	30 June 2012
	<b>(Rupees in '000)</b>	
<b>Financial assets</b>		
Bank balances	<b>931,051</b>	568,139
Profit receivable	<b>6,687</b>	1,871
	<b><u>937,738</u></b>	<u>570,010</u>

Interest on Government securities amounting to Rs. 1,980.514 million (2012: Rs. 2,953.889 million) is not exposed to credit risk.

	<b>30 June 2013</b>	30 June 2012
	<b>(Rupees in '000)</b>	
Secured	-	-
Unsecured	<b>937,738</b>	570,010
	<b><u>937,738</u></b>	<u>570,010</u>

No financial assets carried at amortised cost were past due or impaired either at 30 June 2013 or 30 June 2012.

The Fund's cash and cash equivalents are held mainly with Bank Alfalah Limited & Faysal Bank Limited which is rated AA by PACRA (2012: AA by PACRA)

### Concentration of credit Risk

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

All deposits with Banks and MCB Financial Services Limited -MCBFSL are highly rated and risk of default is considered minimal.

Details of credit ratings of the balances with banks, deposits and other receivables as at 30 June 2013 are as follows:

	<b>30 June 2013</b>	30 June 2012
	<b>(Rupees in '000)</b>	
<b>Bank balances by rating category</b>		
AA	<b>931,051</b>	568,137
AA+	<b>-</b>	2
	<b><u>931,051</u></b>	<u>568,139</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS (as of 30 June 2013).



### 20.3 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Management Company manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets.

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

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

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

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

	As at 30 June 2013			
	Total	Upto three months	Over three months and upto one year	More than one month upto three months
<b>On balance sheet financial liabilities (excluding unit holder fund)</b>				
<b>Liabilities</b>	----- (Rupees in '000) -----			
Payable to Alfalah GHP Investment Management Limited - Management Company	2,950	2,950	-	-
Payable to MCB Financial Services Limited - Trustee	189	189	-	-
Accrued expenses and other liabilities	14,387	14,387	-	-
	<u>17,526</u>	<u>17,526</u>	<u>-</u>	<u>-</u>
<b>Unit holders' fund</b>	<u>2,887,941</u>	<u>2,887,941</u>	<u>-</u>	<u>-</u>
	<u>2,905,467</u>	<u>2,905,467</u>	<u>-</u>	<u>-</u>
	-----			
	As at 30 June 2012			
	Total	Upto three months	Over three months and upto one year	More than one month upto three months
<b>On balance sheet financial liabilities (excluding unit holder fund)</b>				
<b>Liabilities</b>	----- (Rupees in '000) -----			
Payable to Alfalah GHP Investment Management Limited - Management Company	2,904	2,904	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	282	282	-	-
Accrued expenses and other liabilities	864	864	-	-
	<u>4,050</u>	<u>4,050</u>	<u>-</u>	<u>-</u>
<b>Unit holders' fund</b>	<u>3,513,823</u>	<u>3,513,823</u>	<u>-</u>	<u>-</u>
	<u>3,517,873</u>	<u>3,517,873</u>	<u>-</u>	<u>-</u>

## 20.4 Operational risk

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

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

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

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

## 20.5 Capital Risk Management

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

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

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

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

## 21. FAIR VALUE OF FINANCIAL INSTRUMENTS

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management Company is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Fund's accounting policy on fair value measurements of its investments is discussed in note 3.1 to these financial statements.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

	30 June 2013			Total
	Level 1	Level 2	Level 3	
<b>Financial assets at 'fair value through profit or loss'</b>	----- <b>(Rupees in '000)</b> -----			
Market treasury bills	-	<b>1,980,514</b>	-	<b>1,980,514</b>

## 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 Non Banking Finance Companies and Notified Entities Regulations, 2008 has been disclosed in Annexure I to the financial statements.

## 23. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 12 August 2013 by the Board of Directors of the Management Company.

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION**  
**As required under sections 6(D), (F), (G), (H), (I) and (J) of the Fifth schedule of the**  
**Non Banking Finance Companies and Notified Entities Regulation, 2008**

**PATTERN OF UNIT HOLDING**

Category	30 June 2013			
	Number of Unit Holder	Units held	(Rupees in '000)	Percentage of total investment
Individual	73	326,458	163,232	6%
Associated companies	2	3,653,763	1,826,918	63%
Insurance companies	4	485,864	242,937	8%
Bank / financial institutions	3	460,982	230,495	8%
NBFCs	0	-	-	0%
Retirement Funds	7	121,411	60,707	2%
Public companies	0	-	-	0%
Others	17	723,683	363,652	13%
	<u>106</u>	<u>5,772,161</u>	<u>2,887,941</u>	<u>100%</u>

Category	30 June 2012			
	Number of Unit Holder	Units held	(Rupees in '000)	Percentage of total investment
Individual	87	430,101	215,360	6%
Associated companies	3	3,629,667	1,817,450	52%
Insurance companies	2	520,802	260,776	7%
Bank / financial institutions	3	721,319	361,179	10%
NBFCs	0	-	-	0%
Retirement Funds	9	174,500	87,376	3%
Public companies	4	1,063,263	532,398	15%
Others	14	477,880	239,284	7%
	<u>122</u>	<u>7,017,532</u>	<u>3,513,823</u>	<u>100%</u>

**SIZE OF UNIT HOLDING**

Size of Unit Holding	Unit Holder Pattern of the Fund as at 30 June, 2013			
	Number of Unit Holders	Total Units	Invested Amount	%
1 - 1000	45	9,256	4,631	0%
1001 - 5000	22	65,510	32,776	1%
5001 - 10000	8	57,687	28,862	1%
10001- 50000	16	291,511	145,850	5%
50001 - 100000	5	320,532	160,370	6%
100001 - 500000	8	1,373,902	687,394	24%
500001 - 1000000	1	653,823	327,122	11%
1000001 - 3000000	1	2,999,940	1,500,937	52%
Total	<u>106</u>	<u>5,772,161</u>	<u>2,887,941</u>	<u>100%</u>

**Unit Holder Pattern of the Fund as at 30 June, 2012**

<b>Size of Unit Holding</b>	<b>Number of Unit Holders</b>	<b>Total Units</b>	<b>Invested Amount</b>	<b>%</b>
1 - 1000	52	13,355	6,687	0%
1001 - 5000	27	73,018	36,562	1%
5001- 10000	9	66,123	33,109	1%
10001 - 50000	18	378,076	189,310	5%
50001 - 100000	6	373,507	187,023	5%
100001 - 500000	6	1,329,704	665,810	19%
500001 - 1000000	3	1,783,808	893,189	25%
1000001 - 30000000	1	2,999,941	1,502,133	43%
<b>Total</b>	<b>122</b>	<b>7,017,532</b>	<b>3,513,823</b>	<b>100%</b>

**TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID**

	<b>30 June 2013</b>
<b>Optimus Market Pvt Ltd</b>	<b>52.82%</b>
<b>KASB Securities Limited</b>	<b>15.94%</b>
<b>C&amp;M Management Pvt Ltd</b>	<b>14.46%</b>
<b>Invest Capital Market Ltd</b>	<b>9.62%</b>
<b>First Capital Securities Corporation Ltd</b>	<b>2.30%</b>
<b>Global Securities Pakistan Ltd</b>	<b>1.75%</b>
<b>Invest and Finance Securities Ltd</b>	<b>1.71%</b>
<b>JS Global Capital Limited</b>	<b>0.99%</b>
<b>BMA Capital Management Ltd</b>	<b>0.41%</b>
	<b>100.00%</b>
	<b>30 June 2012</b>
Invest Capital Market Ltd	40.05%
Invest and Finance Securities Ltd	32.36%
BMA Capital Management Ltd	8.79%
JS Global Capital Limited	8.67%
Optimus Market Pvt Ltd	6.61%
Global Securities Pakistan Ltd	3.04%
Invisor Markets Pvt Ltd	0.48%
	<b>100.00%</b>

**INVESTMENT COMMITTEE**

Details of members of the Investment Committee of the Fund are as follow:

<b>Name</b>	<b>Designation</b>	<b>Qualification</b>	<b>Experience in years</b>
Abdul Aziz Anis	Chief Executive Officer	CFA / MBA (Finance)	17+
Omer Bashir Mirza	CFO & Company Secretary	ACA	11+
Mr. Ather H. Medina	Fund Manager	MBA / CFA-II	18+
Mr. Zeeshan Khalil	Fund Manager	CMA	8+

Mr. Zeeshan Khalil is the Manager of the Fund. Other Funds being managed by the Fund Manager are as follows:

- Alfalah GHP Income Multiplier Fund

**ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS**

The 48th, 49th, 50th, 51st, 52nd, 53rd Board Meetings were held on 08 Aug 2012, 16 Oct 2012, 15 Feb 2013, 28 Feb 2013, 16 Apr 2013 and 22 May 2013 respectively.

<b>Name of Director</b>	<b>Number of Meetings</b>			
	<b>Held</b>	<b>Attended</b>	<b>Leave granted</b>	<b>Meeting not attended</b>
Mr. Abdul Aziz Anis*	6	6	-	-
Mr. Hanspeter Beier*	6	-	6	-
Syed Ali Sultan*	4	4	-	-
Mr. David Burlison*	1	-	1	-
Mr. Amin Dawood Saleh*	1	1	-	-
Mr. Kashif Abdur Rehman*	1	1	-	-
Mr. Suleman Hudda*	1	1	-	-
Mr. Shakil Sadiq**	4	4	-	-
Mr. Shahab Bin Shahid ***	5	5	-	-
Mr. Shahid Hosain Kazi****	-	-	-	-

\* New Board of Directors appointed on April 26, 2013 subject to SECP approval.

\*\* Mr. Shakil Sadiq (Nominee Director - Bank Alfalah Ltd) has resigned from the Board with effect from April 08, 2013.

\*\*\* Mr. Shahab bin Shahid (Nominee Director - Bank Alfalah Ltd) has completed his tenor of Directorship on April 26, 2013.

\*\*\*\* Mr. Shahid Hosain Kazi (Nominee Director - Bank Alfalah Ltd) has resigned from the Board with effect from August 06, 2012.

**PERFORMANCE TABLE**

	<b>30 June 2013</b>	30 June 2012	30 June 2011
<b>Net assets</b>	<b><u>2,887,941</u></b>	<u>3,513,823</u>	<u>1,439,196</u>
	------(Rupees per unit)-----		
Net asset value	<u>500.32</u>	<u>500.72</u>	<u>505.44</u>
Year end offer price	<u>500.32</u>	<u>500.72</u>	<u>505.44</u>
Highest offer price	<u>505.47</u>	<u>505.76</u>	<u>509.28</u>
Lowest offer price	<u>500.19</u>	<u>500.25</u>	<u>500.26</u>
Year end repurchase price	<u>500.32</u>	<u>500.72</u>	<u>505.44</u>
Highest repurchase price	<u>505.47</u>	<u>505.76</u>	<u>509.28</u>
Lowest repurchase price	<u>500.19</u>	<u>500.25</u>	<u>500.26</u>
Interim distribution - PKR Rs.	<u>43.91</u>	<u>Rs. 51.93</u>	<u>Rs.49.65</u>
Final distribution - PKR Rs.	<u>NIL</u>	<u>NIL</u>	<u>Rs.5.40</u>
Total distribution - PKR Rs.	<u>43.91</u>	<u>Rs. 51.93</u>	<u>Rs.55.05</u>

**Interim Distribution**

2013		2012		2011	
Date	Rate	Date	Rate	Date	Rate
27 July 2012	Rs.4.35 per unit	27 July 2011	Rs.3.94 per unit	27 July 2010	Rs.3.72 per unit
27 August 2012	Rs.5.03 per unit	27 August 2011	Rs.5.08 per unit	27 August 2010	Rs.4.24 per unit
27 September 2012	Rs.4.19 per unit	27 September 2011	Rs.4.72 per unit	27 September 2010	Rs.4.18 per unit
27 October 2012	Rs.4.19 per unit	27 October 2011	Rs.5.37 per unit	27 October 2010	Rs.4.81 per unit
28 November 2012	Rs.3.28 per unit	28 November 2011	Rs.3.97 per unit	27 November 2010	Rs.4.53 per unit
27 December 2012	Rs.3.21 per unit	27 December 2011	Rs.3.93 per unit	27 December 2010	Rs.4.11 per unit
27 January 2013	Rs.3.23 per unit	27 January 2012	Rs.4.42 per unit	27 January 2011	Rs.5.17 per unit
27 February 2013	Rs.3.44 per unit	27 February 2012	Rs.3.69 per unit	28 February 2011	Rs.4.96 per unit
27 March 2013	Rs.2.87 per unit	27 March 2012	Rs.4.17 per unit	28 March 2011	Rs.4.36 per unit
29 April 2013	Rs.3.32 per unit	27 April 2012	Rs.4.26 per unit	28 April 2011	Rs.5.00 per unit
27 May 2013	Rs.2.91 per unit	27 May 2012	Rs.4.18 per unit	28 May 2011	Rs.4.57 per unit
28 June 2013	Rs.3.89 per unit	27 June 2012	Rs.4.20 per unit	-	-

**Final Distribution**

Date	Rate	Date	Rate	Date	Rate
N/A	Nil	N/A	Nil	02 July 2011	Rs.5.40 per unit

	<b>30 June 2013</b>	30 June 2012	30 June 2011
	----- <b>(Percentage)</b> -----		
Total return of the fund	<u><b>9.06%</b></u>	<u>11.01%</u>	<u>11.56%</u>
Annual dividend distribution.	<u><b>8.77%</b></u>	<u>10.44%</u>	<u>10.99%</u>
Capital growth	<u><b>0.29%</b></u>	<u>0.58%</u>	<u>0.57%</u>
Average annual return			
First year	<u><b>9.06%</b></u>	<u>11.01%</u>	<u>11.56%</u>
Second year	<u><b>10.05%</b></u>	<u>11.29%</u>	<u>N/A</u>
Third year	<u><b>10.55%</b></u>	<u>N/A</u>	<u>N/A</u>
Return Since Inception - Simple Annualised	<u><b>11.86%</b></u>	<u>11.99%</u>	<u>11.48%</u>
Return Since Inception - (CAGR)	<u><b>10.52%</b></u>	<u>11.17%</u>	<u>11.29%</u>
----- <b>(Days)</b> -----			
Weighted average portfolio duration	<u><b>53.75 days</b></u>	<u>36 Days</u>	<u>44 Days</u>
Launch date	<u>13 March 2011</u>		
Portfolio Composition (See Fund Manager Report).			

**Disclaimer**

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

**RATING**

Credit rating of the Management Company is 'AM3'. The credit rating of the fund is AA (f)