

ALFALAH Investments

ANNUAL REPORT

**JUNE 30,
2022**

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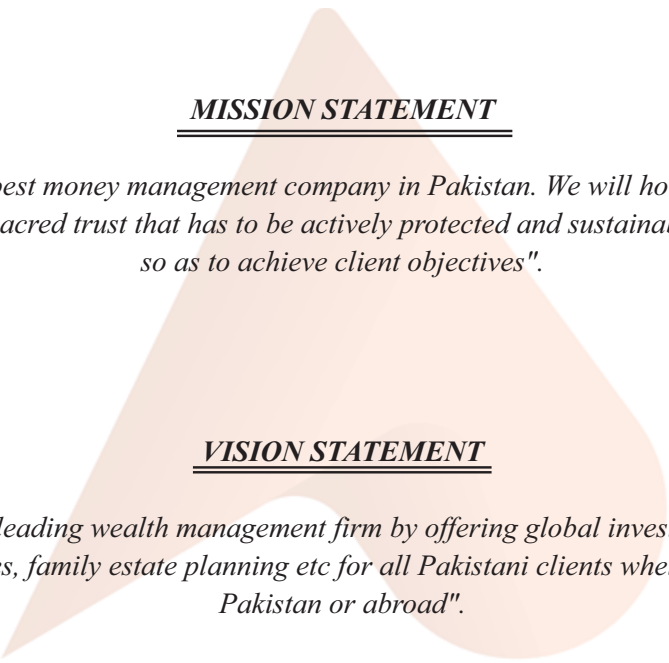
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MISSION STATEMENT

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

VISION STATEMENT

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

DIRECTORS' REPORT TO THE UNIT HOLDERS FOR THE YEAR ENDED JUNE 30, 2022

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Income Multiplier Fund (AGIMF), Alfalah GHP Cash Fund (AGCF), Alfalah GHP Islamic Stock Fund (AGISTF), Alfalah GHP Alpha Fund (AGAF), Alfalah GHP Value Fund (AGVF), Alfalah GHP Sovereign Fund (AGSOF), Alfalah GHP Income Fund (AGIF), Alfalah GHP Stock Fund (AGSTF), Alfalah GHP Money Market Fund (AGMMF), Alfalah GHP Islamic Income Fund (AGIIF), , Alfalah GHP Prosperity Planning Fund (AGPPF), Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF), Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF), Alfalah GHP Islamic Value Fund (AGIVF), Alfalah Islamic Rozana Amdani Fund (AIRAF), Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF-II CP 6) and Alfalah Consumer Index Exchange Traded Fund(ACIETF) for the year ended June 30, 2022.

Economy Overview

Government projects GDP growth for FY22 to clock at 5.97% compared to 5.74% in FY21. GDP growth remained high due to initiatives taken by the Government and SBP to promote the construction sector like Naya Pakistan Housing Scheme and mandatory limits being assigned to Banks for lending to the sector. Moreover, agricultural sector is also set to depict decent growth due to surge in agricultural sector credit, urea sales and increase in output of key crops like sugarcane, cotton and rice.

Massive increase in imports due to rise in economic activity, upbeat commodity prices and some extraordinary imports including Covid-19 vaccines and machinery imports under TERF has resulted in external account pressures in FY22 as CAD for FY22 has clocked at USD 17.41bn compared to a deficit of USD 2.82bn in same period last year. Moreover, remittances, which remained a key support in the backdrop of travel restrictions, have now started to lose pace, therefore, CAD for the current fiscal year clocked at 4.5%-5% of GDP, however, mean reversion of global commodity and energy prices should provide respite to CAD.

On account of huge monthly CAD numbers, the exchange rate faced immense pressure as PKR depreciated by almost 26% from its recent peak of 152.2 hit during the month of May 2021 to 204.85 on June 30, 2022. Subsequent to June end, the PKR slipped to an all-time low level of 239.94 but since then has recovered to 215.49. Any major fall in commodity and energy prices and resumption of the IMF program might provide more support to PKR in the medium term.

Moreover, extraordinarily high commodity and energy prices along with adjustment in power tariff to resume the paused IMF program has caused inflation to cross double digits from November 2021 and onwards. With adjustment in petroleum products and utility tariffs in accord with the IMF program, inflation is expected to average between 20%-22% for FY23 till the high base effect kicks in FY24. In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate to 15% by almost 800bps from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to the Rupee.

On the fiscal front, tax revenue has surged handsomely by 29% for FY22 compared to last year, surpassing FBR's target by 0.4%. As per tax revenue breakup for FY22, direct tax revenue has increased by 31% while indirect taxes including duties and sales tax have increased by 28%. Growth in economic activity, implementation of Point of Sales, Track and trace systems and hike in commodity prices have been main reasons for achievement of this feat. Moreover, higher development expenditures and Covid-19 spending has resulted in fiscal deficit to arrive at 5.2% of GDP for 11MFY22 compared to 3.9% for same period last year. The Government expects Fiscal deficit for the year to remain close to 7.1% of GDP.

Equity Market Review

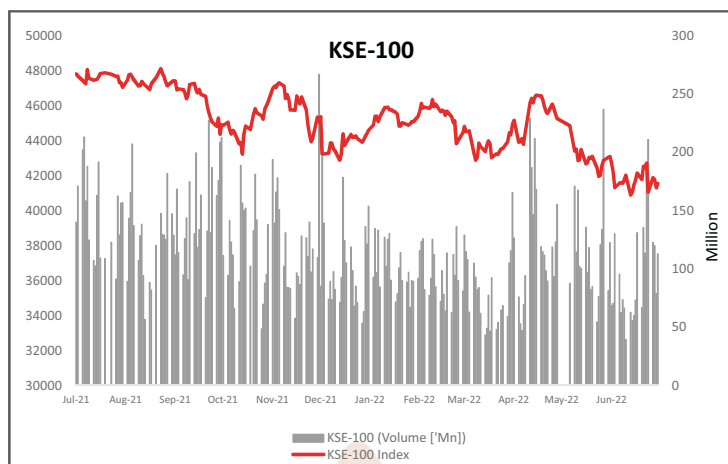
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result of this downgrading, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.



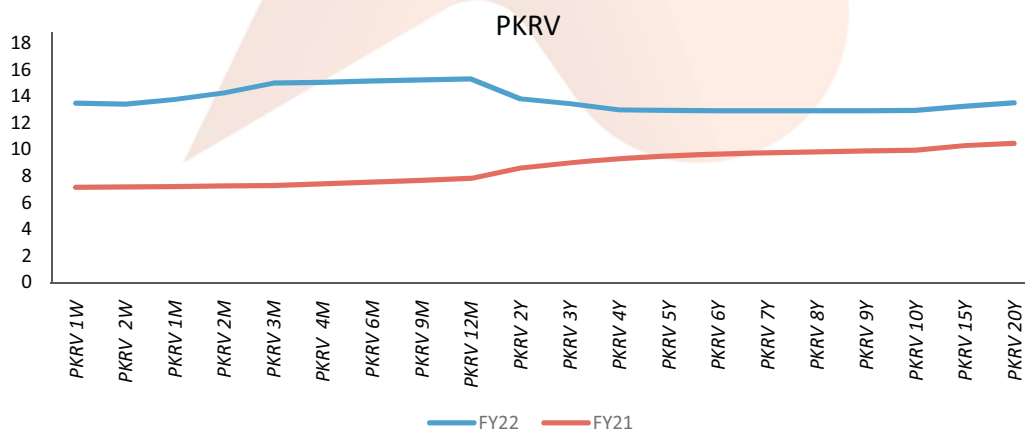
Money Market

Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy significantly. Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.

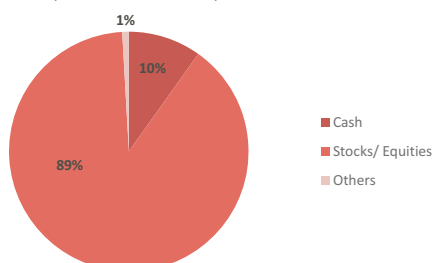


Fund Operations and Performance

Alfalalah GHP Alpha Fund

During FY22, AGAF earned a return of -17.98% versus the benchmark (KSE-100) return of -12.28% during the same period.

Asset Allocation
(as at 30 June 2022)



Key Financial Data

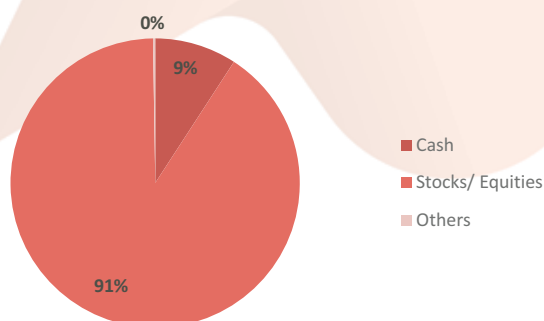
(Rupees in Million)

Description	For the year ended June 30 ,2022	For the year ended June 30, 2021
Average Net Assets	812.0516	1016.3470
Gross (loss)/ Profit	-129.97	352.72
Total Comprehensive Loss	-150.96	301.87
Net Assets Value per Unit (PKR)	49.08	59.84
Issuance of units during the year	203.18	1,287.45
Redemption of units during the year	-399.34	-1,278.91

Alfalalah GHP Islamic Stock Fund

In FY22, AGISTF earned a return of -18.67% while the benchmark return was -10.25% during year.

Asset Allocation
(as at 30 June 2022)



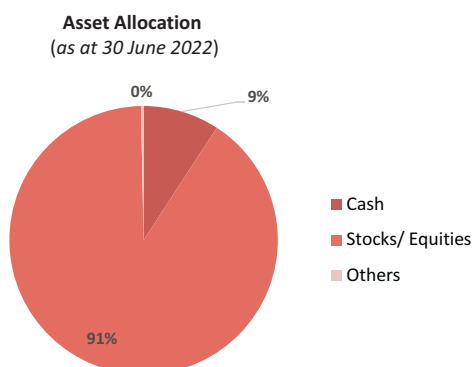
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2022	For the year ended June 30, 2021
Average Net Assets	1,973.6112	2,297.8734
Gross (loss) / Profit	-360.01	841.49
Total Comprehensive Loss	-394.79	719.13
Net Assets Value per Unit (PKR)	36.9032	45.3768
Issuance of units during the year	1,527.17	3,609.61
Redemption of units during the year	-2,041.69	-3,494.08

Alfalalah GHP Stock Fund

During FY22, AGSF earned a return of -19.86% versus the benchmark (KSE-100) return -12.28% during the year.



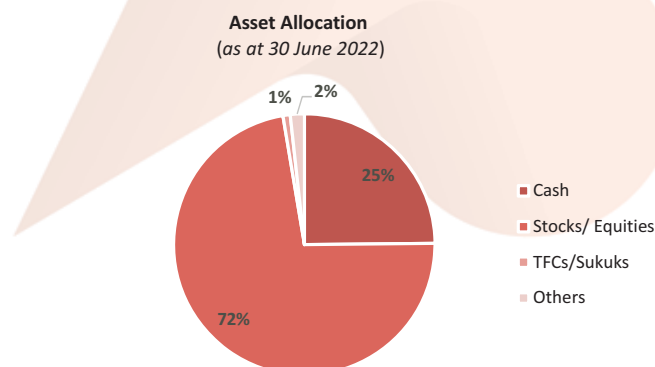
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	1,969.2843	1,841.8518
Gross (loss) / Profit	-311.05	623.63
Net Comprehensive Loss	-377.21	531.82
Net Assets Value per Unit (Rs.)	90.5762	113.0227
Issuance of units during the year	558.91	2,973.77
Redemption of units during the year	-1,036.81	-2,319.26

Alfalalah GHP Value Fund

During FY22, AGVF underperformed its benchmark with a return of -13.89% versus the benchmark return of -8.55%.



Key Financial Data

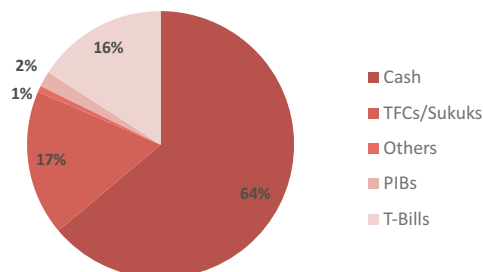
(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2022
Average Net Assets	531.8269	787.3721
Gross (loss) / profit	-60.58	247.06
Total Comprehensive income / (loss)	-69.01	207.63
Net Assets Value per Unit (PKR)	48.6897	56.5443
Issuance of units during the year	25.09	106.23
Redemption of units during the year	-158.99	-468.16

Alfalalah GHP Income Fund

During the year under review, AGIF earned a return of 7.97% while the fund's benchmark stood at 10.8%.

Asset Allocation
(as at 30 June 2022)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	1,694.2748	1,335.1209
Gross income	146.72	113.52
Total Comprehensive Income	126.19	90.60
Net Assets Value per Unit (PKR)	113.1815	113.2834
Issuance of units during the year	4,557.85	4,789.11
Redemption of units during the year	-5,014.42	-4,170.17

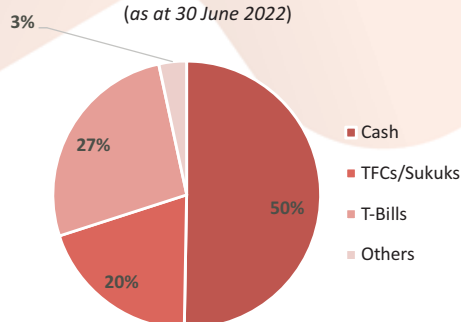
Alfalalah GHP Income Multiplier Fund

During the year, Alfalah GHP Income Multiplier Fund's NAV declined by 6.84% while the benchmark's return stood at 11.2%.

Payout

During the year, the fund paid 2.7655/unit cash dividend to the unit holders.

Asset Allocation
(as at 30 June 2022)



Key Financial Data

(Rupees in Million)

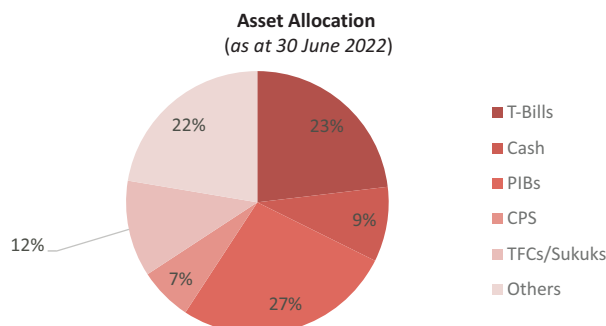
Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	109.4885	232.8614
Gross income	14.42	19.63
Total Comprehensive Income	5.66	-0.03
Net Assets Value per Unit (PKR)	53.9402	53.0835
Issuance of units during the year	13.66	201.69
Redemption of units during the year	-86.87	-238.25

Alfalalah GHP Sovereign Fund

During FY22, Alfalah GHP Sovereign Fund generated a return of 8.91% against the fund's benchmark returned 10.68%.

Payout

During the year, the fund paid out cash dividend of PKR 9.4865 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

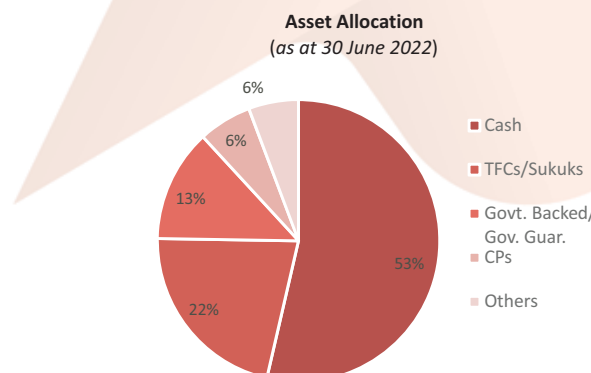
Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	913.4234	1,431.7538
Gross income	84.23	112.53
Total Comprehensive Income	76.52	87.64
Net Assets Value per Unit (PKR.)	106.7648	106.7465
Issuance of units during the year	319.52	2,312.99
Redemption of units during the year	-793.80	-2,644.86

Alfalalah GHP Islamic Income Fund

Alfalalah GHP Islamic Income Fund generated a return of 9.09% during the year under review while the benchmark return was 3.34%.

Payout

During the year, the fund paid out cash dividend of PKR 8.7609 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

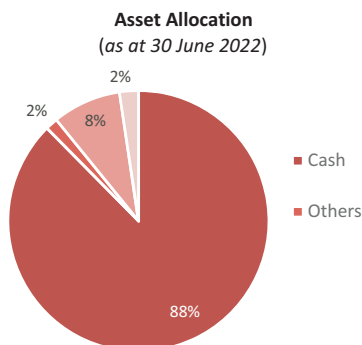
Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	6,391.2056	7,628.6863
Gross income	646.86	577.23
Total Comprehensive Income	554.18	474.30
Net Assets Value per Unit (PKR)	102.3990	102.1553
Issuance of units during the year	17,881.70	32,205.55
Redemption of units during the year	-18,563.98	-35,890.98

Alfalalah GHP Cash Fund

During FY22, Alfalah GHP Cash Fund (AGCF) generated a return of 11.01% while the benchmark of the fund was 9.32%.

Payout

At the year end, the fund paid out cash dividend of PKR 52.6299 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

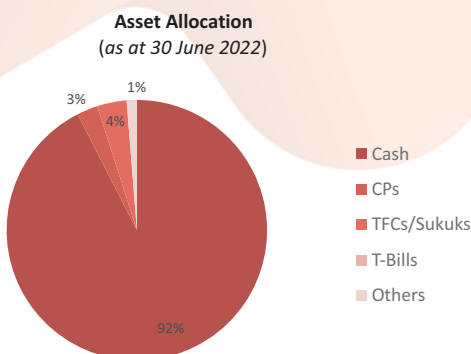
Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	7,864.9506	5,343.2849
Gross income	870.29	392.29
Total Comprehensive Income	860.95	365.55
Net Assets Value per Unit (PKR)	500.8549	500.1818
Issuance of units during the year	33,593.53	17,540.05
Redemption of units during the year	-26,339.91	-18,600.56

Alfalalah GHP Money Market Fund

During FY22, Alfalah GHP Money Market Fund (AGMMF) generated a return of 10.93% while the benchmark of the fund generated 8.95%.

Payout

During the year, the fund paid out cash dividend of PKR 10.1048 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	24,538.1619	20,061.3030
Gross income	2,534.36	1,480.29
Total Comprehensive Income	2,506.08	1,330.49
Net Assets Value per Unit (PKR)	98.3719	98.2385
Issuance of units during the year	94,454.56	54,783.63
Redemption of units during the year	-92,941.32	-43,379.36

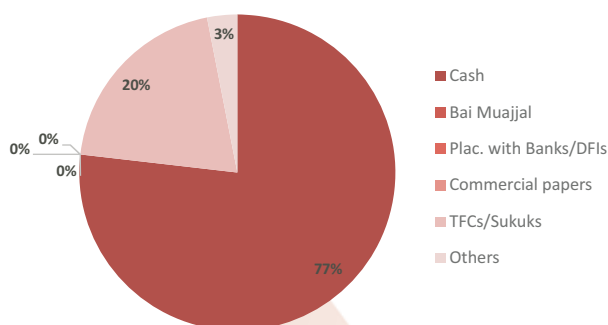
Alfalalah Islamic Rozana Amdani Fund

The fund's return stood at 9.7% against the benchmark return of 3.58%.

Payout

During the year, the fund paid out cash dividend of PKR 9.2572 per unit to the unit holders

Asset Allocation
(as at 30 June 2022)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2022	For the year ended June 30, 2021
Average Net Assets	5,165.6954	4,017.6583
Gross income	512.83	220.78
Net Comprehensive income	493.79	202.91
Net Assets Value per Unit (Rs.)	100.0000	100.0000
Issuance of units during the period	10,248.55	8,458.05
Redemption of units during the period	-8,657.69	-3,350.71

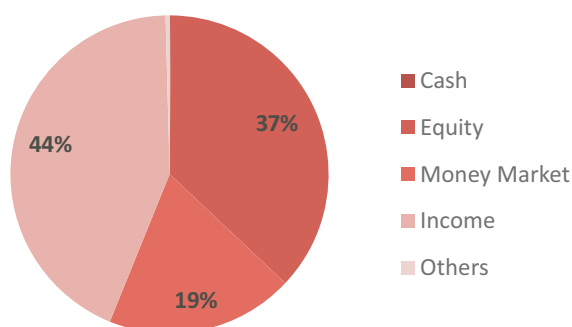
Alfalalah GHP Prosperity Planning Fund- Active Allocation Plan

The fund's return stood at -6.84% against the benchmark return of -2.15%.

Payout

During the year, the fund did not pay any cash dividend.

Asset Allocation
(as at 30 June 2022)

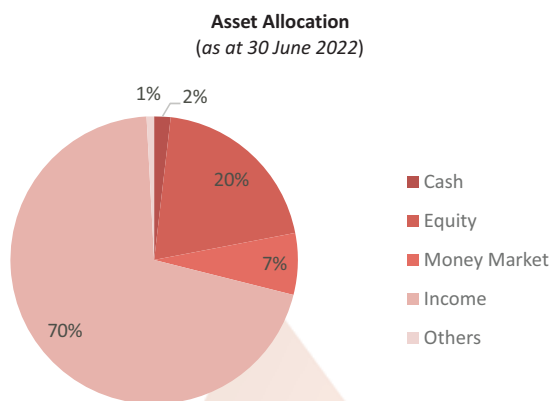


Alfalalah GHP Prosperity Planning Fund- Moderate Plan

The fund's return stood at of 2.4% against the benchmark return of 5.26%.

Payout

During the year, the fund paid out cash dividend of PKR 2.5436 per unit to the unit holders.

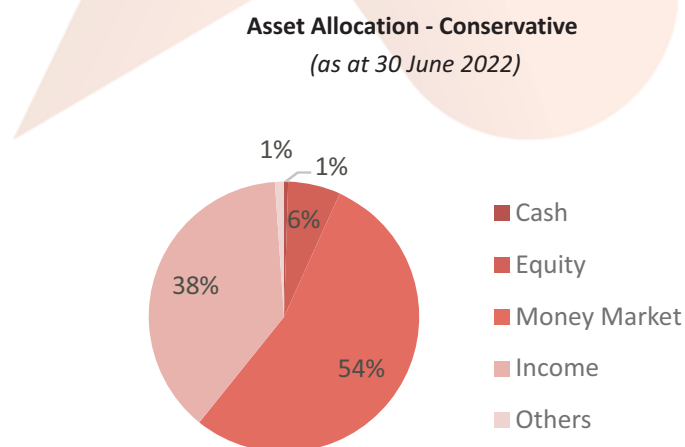


Alfalalah GHP Prosperity Planning Fund- Conservative Plan

The fund generated a return of 6.39% against the benchmark which generated 8.36%.

Payout

During the year, the fund paid out cash dividend of PKR.6.6795 per unit to the unit holders.



Key Financial Data Alfalalah GHP Prosperity Planning Fund

(Rupees in Million)

Description	Alfalalah GHP Active Allocation Plan	Alfalalah GHP Conservative Allocation Plan	Alfalalah GHP Moderate Allocation Plan	Alfalalah GHP Active Allocation Plan	Alfalalah GHP Conservative Allocation Plan	Alfalalah GHP Moderate Allocation Plan
	For the year ended June 30, 2022			For the year ended June 30, 2021		
Average Net Assets	176.274	198.889	175.028	167.965	191.626	194.392
Gross (loss) / income	-13.72	11.15	1.19	40.12	18.56	26.45
Total Comprehensive (loss) / Income	-12.24	12.29	4.07	38.86	17.49	25.31
Net Assets Value per Unit (PKR)	93.1710	103.6268	97.7938	100.0148	103.6812	97.9772
Issuance of units during the year	1.90	21.10	5.77	36.57	14.30	49.26
Redemption of units during the year	-1.91	-12.40	-4.28	-38.86	-17.49	-25.31

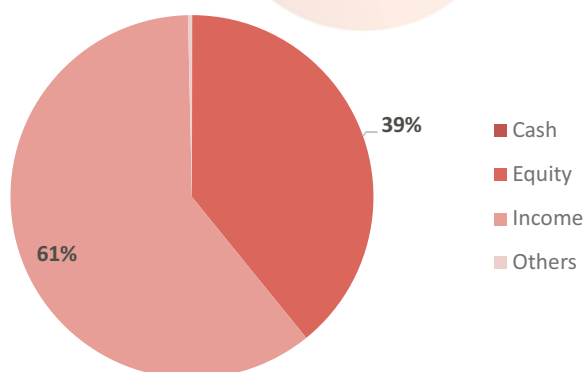
Alfalalah GHP Islamic Prosperity Planning Fund- Moderate Allocation Plan

The fund generated a return of 10.25% against the benchmark which generated 0.24%.

Payout

During the year, the fund paid out cash dividend of PKR 10.1737 per unit to the unit holders.

Asset Allocation
(as at 30 June 2022)



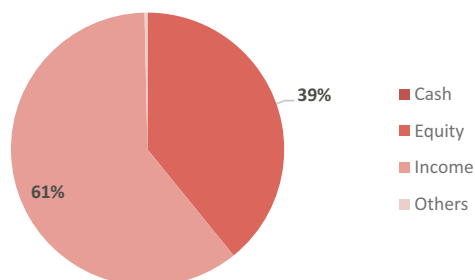
Alfalalah GHP Islamic Prosperity Planning Fund- Active Allocation Plan II

The fund generated a return of -7.3% against the benchmark which generated -4.07%.

Payout

During the year, the fund did not pay any cash dividend.

Asset Allocation
(as at 30 June 2022)



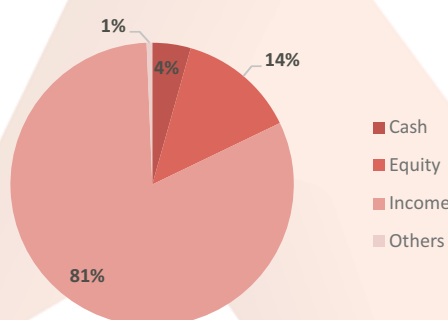
Alfalalah GHP Islamic Prosperity Planning Fund - Active Allocation Plan III

The fund generated a return of 5.59% against the benchmark which generated 2.42%.

Payout

During the year, the fund paid out cash dividend of PKR 4.5627 per unit to the unit holders.

Asset Allocation
(as at 30 June 2022)



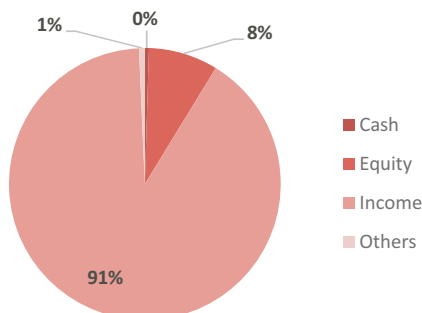
Alfalalah GHP Islamic Prosperity Planning Fund - Balance Allocation Plan

The fund generated a return of 7.97% against the benchmark which generated 1.86%.

Payout

During the year, the fund paid out cash dividend of PKR. 7.6181 per unit to the unit holders.

Asset Allocation as at June 30, 2022

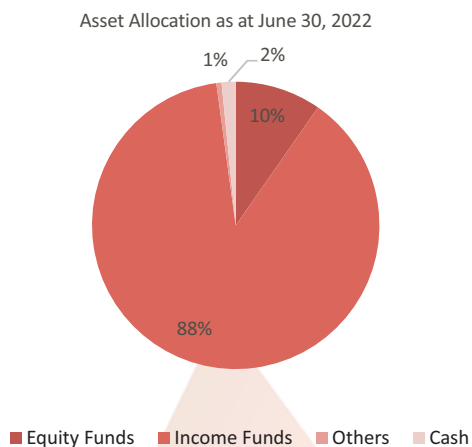


Alfalalah GHP Islamic Prosperity Planning Fund - Capital Preservation 4

The fund generated a return of 1.86% against the benchmark which generated -0.16%.

Payout

During the year, the fund paid out cash dividend of PKR. 1.5049 per unit to the unit holders.

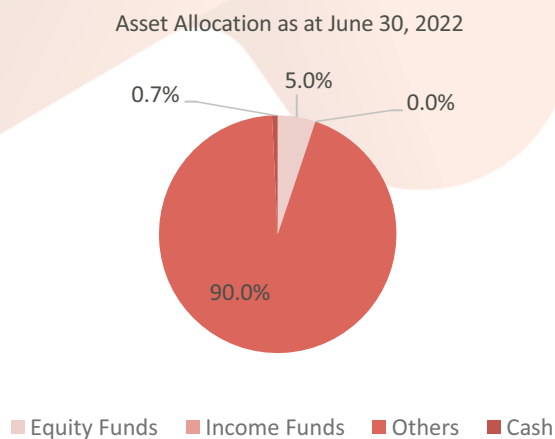


Alfalalah GHP Islamic Prosperity Planning Fund - Capital Preservation 5

The fund generated a return of 1.36% against the benchmark which generated 0.20%.

Payout

During the year, the fund paid out cash dividend of PKR. 1.5035 per unit to the unit holders.



Key Financial Data Alfalah GHP Islamic Prosperity Planning Fund

(Rupees in Million)

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
For the year ended June 30, 2022						
<i>Average Net Assets</i>	72.755	206.383	369.159	71.943	47.333	25.048
<i>Gross income / (loss)</i>	1.21	10.09	-31.10	3.78	0.38	0.35
<i>Total Comprehensive Income / (loss)</i>	6.62	15.97	-27.62	4.09	0.75	0.37
<i>Net Assets Value per Unit (PKR)</i>	103.7259	100.6639	90.1495	87.9206	99.7612	99.6905
<i>Issuance of units during the year</i>	23.54	10.21	2.98	3.36	2.64	0.30
<i>Redemption of units</i>	-22.12	-49.87	-29.05	-8.56	-10.23	-2.68

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
For the year ended June 30, 2021						
<i>Average Net Assets</i>	71.772	234.664	392.020	75.691	65.244	28.415
<i>Gross income / (loss)</i>	11.85	23.89	87.23	16.70	3.40	1.39
<i>Total Comprehensive Income / (loss)</i>	11.38	22.59	84.23	16.05	3.06	1.26
<i>Net Assets Value per Unit (PKR)</i>	103.3169	100.3020	97.2449	87.6002	99.7087	99.6445
<i>Issuance of units during the year</i>	16.22	15.59	46.82	9.42	1.92	2.39
<i>Redemption of units</i>	-27.71	-39.06	-33.22	-11.06	-37.60	-6.21

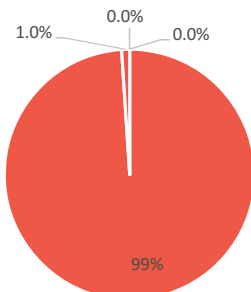
Alfalalah GHP Islamic Prosperity Planning Fund II - Capital Preservation 6

The fund generated a return of 1.36% against the benchmark which generated 0.20%.

Payout

During the year, the fund paid out cash dividend of PKR. 1.1148 per unit to the unit holders.

Asset Allocation as at June 30, 2022



■ Equity Funds ■ Income funds ■ Others ■ Cash

Key Financial Data

(Rupees in Million)

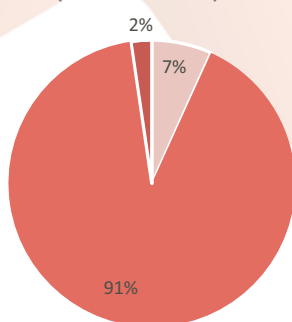
Description	For the year ended June 30 ,2022
Average Net Assets	5,165.6954
Gross income	4.77
Net Comprehensive income	4.30
Net Assets Value per Unit (Rs.)	100.2230
Issuance of units during the period	157.91
Redemption of units during the period	-1.13

Alfalalah GHP Islamic Dedicated Equity Fund

The fund generated a return of -20.02% against the benchmark which generated -10.25%.

The fund did not pay any dividend during the year.

Asset Allocation
(as at 30 June 2022)



■ Cash
■ Stocks/Equities
■ Others

Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2022	For the year ended June 30, 2021
Average Net Assets	273.509	376.944
Gross (Loss)	-50.321	130.81
Total Comprehensive Loss	-61.18	112.61
Net Assets Value per Unit (PKR)	63.8012	79.7674
Issuance of units during the year	215.62	218.62
Redemption of units during the year	-471.85	-122.00

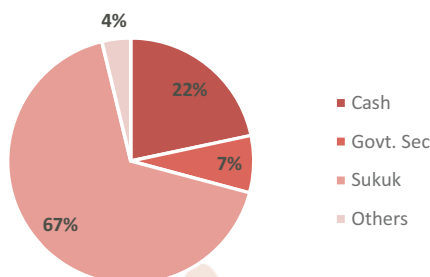
Alfalalah GHP Islamic Value Fund

The fund generated a return of 9.34% against the benchmark which generated 3.40%.

Payout

During the year, the fund paid out cash dividend of PKR 8.4367 Per unit to the unit holders.

Asset Allocation
(as at 30 June 2022)



Key Financial Data

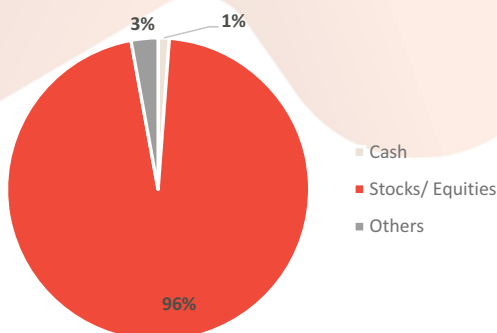
(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	2,295.120	2,053.813
Gross (loss)	210.09	168.43
Total Comprehensive Loss	205.09	157.55
Net Assets Value per Unit (PKR)	89.0616	89.1575
Issuance of units during the year	2,458.93	4,041.37
Redemption of units during the year	-2,828.55	-2,498.74

Alfalalah GHP Consumer Index Exchange Traded Fund

The fund generated a return from inception to date of -20.50% against the benchmark which generated -21.06%. (from 14-Jan-2022).

Asset Allocation
(as at 30 June 2022)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022
Average Net Assets	61.137
Gross (loss)	-13.74
Total Comprehensive Loss	-14.09
Net Assets Value per Unit (PKR)	7.95
Issuance of units during the year	70.08
Redemption of units during the year	-0.59

Acknowledgement

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

For and behalf of the Board

Chief Executive Officer
August 25, 2022





Alfalah GHP Cash Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA+ (f) by PACRA

Alfalalah GHP Cash Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Money Market Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review

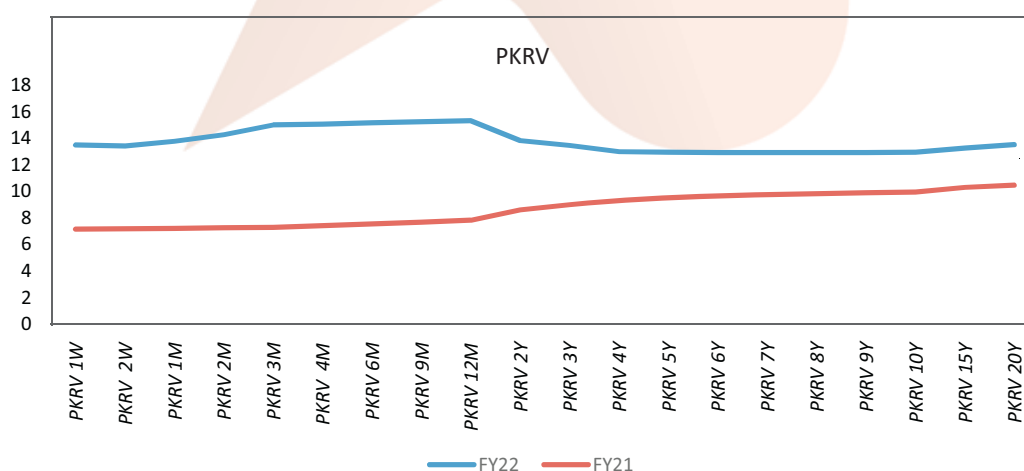
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

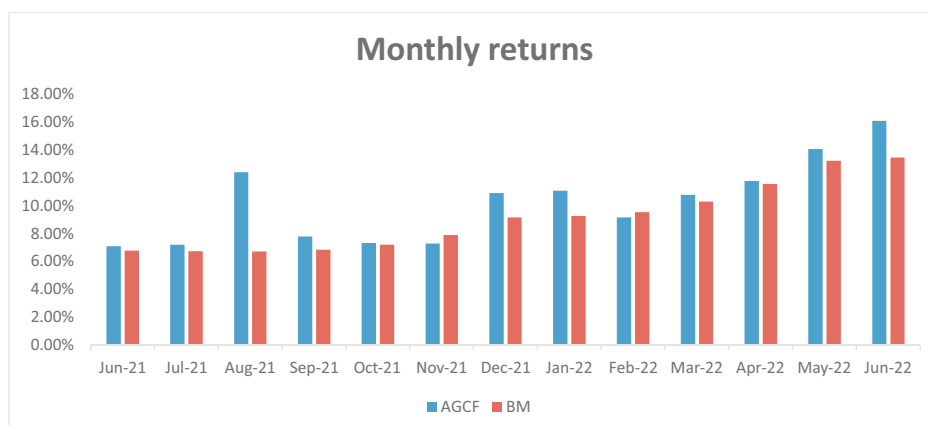
Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.

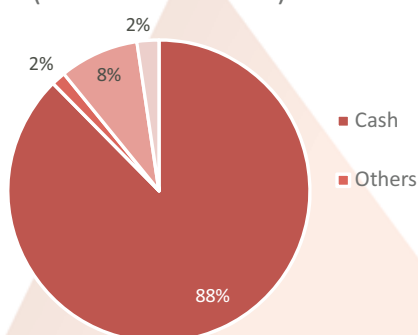


Fund Performance

For the year ended June 31, 2022 the fund posted a return of 11.01% against the target benchmark of 9.32%.



Asset Allocation
(as at 30 June 2022)



Credit Quality (as % of Total Assets)			
Govt. Guar.	0.00%	A	0.00%
AAA	71.24%	A-	0.00%
AA+	17.97%	BBB+	0.00%
AA	9.27%	BBB	0.00%
AA-	0.00%	Below IG	0.00%
A+	0.00%	NR/UR	1.52%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP CASH FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Cash Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Cash Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Cash Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2022**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key Audit Matter	How the matter was addressed in our audit
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 99.83% of the total assets of the Fund as at the year end. In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

-: 3 :-

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

-: 4 :-

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

Date: 29 September 2022

Karachi

UDIN:

ALFALAH GHP CASH FUND**STATEMENT OF ASSETS AND LIABILITIES***As AT JUNE 30, 2022*

	Note	2022 ----- (Rupees) -----	2021 -----
Assets			
Bank balances	4	10,343,479,170	4,636,051,254
Investments	5	1,308,752,250	-
Profit receivable on bank balances		19,933,039	361,086
Advance tax and prepayment	6	123,295	518,274
Total assets		11,672,287,754	4,636,930,614
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	7	17,735,651	12,597,120
Payable to Central Depository Company of Pakistan Limited - Trustee	8	630,081	466,953
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	1,573,352	1,068,632
Accrued and other liabilities	10	29,416,452	43,423,642
Dividend payable		494,898	10,306,993
Total liabilities		49,850,434	67,863,340
Net assets attributable to the unit holders		11,622,437,320	4,569,067,274
Unit holders' fund (as per the statement attached)		11,622,437,320	4,569,067,274
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		23,205,201	9,134,813
		----- (Rupees) -----	
Net asset value per unit		500.8549	500.1818

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer_____
Chief Financial Officer_____
Director

ALFALAH GHP CASH FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
Income			
Profit / mark-up income	12	881,251,645	395,022,541
Loss on sale of investments - net		(10,961,431)	(2,735,117)
Total income		870,290,214	392,287,424
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	7.1	15,017,748	11,221,005
Sindh sales tax on remuneration of the Management Company	7.2	1,952,302	1,458,734
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	4,476,301	3,473,178
Sindh sales tax on remuneration of the Trustee	8.2	581,920	451,515
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	1,573,377	1,068,657
Bank and settlement charges		132,979	12,485
Auditors' remuneration	13	633,830	633,830
Brokerage expense		235,522	255,573
SST on Brokerage		26,277	-
Selling & Marketing		7,256,881	236,256
Legal & Professional Charges		293,040	-
Printing charges		29,952	30,000
Fees and subscriptions		475,633	431,422
Total expenses		32,685,762	19,272,655
Operating income for the year		837,604,452	373,014,769
Reversal / (charge) against Sindh Worker's Welfare Fund	10.1	23,344,668	(7,460,295)
Net income for the year before taxation		860,949,120	365,554,474
Taxation	15	-	-
Net income for the year after taxation		860,949,120	365,554,474
Allocation of net income for the year			
Net income for the year after taxation		860,949,120	365,554,474
Income already paid on units redeemed		(192,168,396)	(102,967,685)
		668,780,724	262,586,789
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		668,780,724	262,586,789
		668,780,724	262,586,789

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees) -----	
Net income for the year after taxation	860,949,120	365,554,474
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>860,949,120</u>	<u>365,554,474</u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	4,547,931,028	21,136,246	4,569,067,274	5,659,586,768	19,322,603	5,678,909,371
Issuance of 65,988,975 units (2021: 34,554,245 units)						
- Capital value (at net asset value per unit at the beginning of the period)	33,006,484,296	-	33,006,484,296	17,276,349,713	-	17,276,349,713
- Element of income	587,048,690	-	587,048,690	263,699,493	-	263,699,493
Total proceeds on issuance of units	33,593,532,986	-	33,593,532,986	17,540,049,206	-	17,540,049,206
Redemption of 51,918,587 units (2021: 36,777,759 units)						
- Capital value (at net asset value per unit at the beginning of the period)	25,968,732,299	-	25,968,732,299	18,388,056,986	-	18,388,056,986
- Element of income	179,009,360	192,168,396	371,177,756	109,530,648	102,967,685	212,498,333
Total payments on redemption of units	(26,147,741,659)	(192,168,396)	(26,339,910,055)	(18,497,587,634)	(102,967,685)	(18,600,555,319)
Total comprehensive income for the year	-	860,949,120	860,949,120	-	365,554,474	365,554,474
Distributions during the year (Note 23)	(407,894,514)	(653,307,491)	(1,061,202,005)	(154,117,312)	(260,773,146)	(414,890,458)
Net assets at the end of the year	11,585,827,841	36,609,479	11,622,437,320	4,547,931,028	21,136,246	4,569,067,274
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		21,136,246			13,889,483	
- Unrealised loss		-			5,433,120	
		21,136,246			19,322,603	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gain	-			-		
- Excluding capital gain	668,780,724			262,586,789		
	668,780,724			262,586,789		
Distributions during the year		(653,307,491)			(260,773,146)	
Undistributed income carried forward		36,609,479			21,136,246	
Undistributed income carried forward						
- Realised income		36,609,479			21,136,246	
- Unrealised income		-			-	
		36,609,479			21,136,246	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		500.1818			499.9776	
Net asset value per unit at the end of the year		500.8549			500.1818	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND**CASH FLOW STATEMENT***FOR THE YEAR ENDED JUNE 30, 2022*

	Note	2022 ----- (Rupees) -----	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		860,949,120	365,554,474
Adjustments for:			
(Reversal) / provision against Sindh Workers' Welfare Fund	10.1	<u>23,344,668</u>	<u>7,460,295</u>
		884,293,787	373,014,769
Decrease / (increase) in assets			
Investments - net		(1,308,752,250)	2,317,753,809
Profit receivable on bank balances		(19,571,953)	14,823,354
Advance tax and prepayment		<u>394,979</u>	<u>(146,792)</u>
		(1,327,929,224)	2,332,430,371
(Decrease) / increase in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		5,138,531	278,433
Payable to Central Depository Company of Pakistan Limited - Trustee		163,128	24,759
Annual fee payable to the Securities and Exchange Commission of Pakistan		504,720	(24,635)
Accrued and other liabilities		<u>(47,163,952)</u>	<u>(13,592,799)</u>
		(41,357,573)	(13,314,242)
Net cash (used in) / generated from operating activities		<u>(484,993,010)</u>	<u>2,692,130,898</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units - net of refund of capital		33,185,638,472	17,385,931,894
Amount paid against redemption of units		(26,339,910,055)	(18,600,555,319)
Dividend paid		<u>(653,307,491)</u>	<u>(250,985,484)</u>
Net cash generated / (used in) from financing activities		6,192,420,926	(1,465,608,909)
Net increase in cash and cash equivalents during the year		<u>5,707,427,916</u>	<u>1,226,521,989</u>
Cash and cash equivalents at beginning of the year		4,636,051,254	3,409,529,265
Cash and cash equivalents at end of the year	16	<u><u>10,343,479,170</u></u>	<u><u>4,636,051,254</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Cash Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on October 23, 2009 between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company Limited (CDC) as the Trustee. In 2012, the first supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed and MCB Financial Services Limited was appointed as the new Trustee. On October 10, 2019, a supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed and Central Depository Company of Pakistan Limited was appointed as the new Trustee. The Securities and Exchange Commission of Pakistan authorised the constitution of the Trust Deed on June 13, 2012 and it was executed on June 21, 2012 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'money market scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The Fund offers two types of units, Growth and Income. Growth unit holders are entitled to bonus units and Income unit holders are entitled to cash dividend at the time of distribution by the Fund.
- 1.4** According to the Trust Deed, the objective of the Fund is to provide a regular stream of income at competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted mostly of money market securities and placements.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 03, 2022 and AA(f) to the Fund in its credit rating report dated April 08, 2022.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act and on September 17, 2021. The above mentioned Trust Deed has been registered under the Sindh Trust Act. The above mentioned Trust Deed has been registered under the Sindh Trust Act on 17 September 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of financial assets (notes 3.2.1 and 5)
- ii. Provision against Sindh Workers' Welfare Fund (note 10.1)
- iii. Provision against Federal Excise Duty (note 7.3)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

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

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

3.2.2 Impairment

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

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

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

Impairment loss on debt securities

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

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

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

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

3.2.5 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

Deferred

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

3.7 Distributions to unit holders

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

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

3.8 Issue and redemption of units

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Profit from Market Treasury Bills and Letter of placements are recognized on time proportionate basis using the effective yield method.
- Profit on bank balances is recognised on accrual basis.

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Foreign currency translation

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

		2022	2021
	Note	----- (Rupees) -----	
4 BANK BALANCES			
In saving accounts	4.1	<u>10,343,479,170</u>	<u>4,636,051,254</u>
4.1	These carry profit rates ranging between 8% to 18.3% (2021: 5.50% to 7.90%) per annum and include bank balance of Rs. 1,906.4 million (2021: Rs. 0.069 million) maintained with Bank Alfalah Limited, a related party.		

5 INVESTMENTS

At fair value through profit or loss

Market Treasury Bills	5.1	-	-
Letters of placement	5.2	-	-
Short Term Sukuk	5.3	1,032,471,222	-
Commercial Paper	5.4	<u>276,281,028</u>	<u>-</u>
		1,308,752,250	-

5.1 Market Treasury Bills

Particulars	Date of Issue	Face Value				At June 30, 2022			Market value as a percentage of	
		As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments
					(Rupees)			(%)		
Market treasury bills										
- 3 months	May 6, 2021	-	830,200,000	830,200,000	-	-	-	-	-	-
- 3 months	May 20, 2021	-	500,000,000	500,000,000	-	-	-	-	-	-
- 3 months	June 3, 2021	-	1,835,000,000	1,835,000,000	-	-	-	-	-	-
- 3 months	July 15, 2021	-	3,798,000,000	3,798,000,000	-	-	-	-	-	-
- 3 months	September 23, 2021	-	500,000,000	500,000,000	-	-	-	-	-	-
- 3 months	October 7, 2021	-	1,690,000,000	1,690,000,000	-	-	-	-	-	-
- 3 months	December 2, 2021	-	1,350,000,000	1,350,000,000	-	-	-	-	-	-
- 3 months	December 16, 2021	-	2,920,000,000	2,920,000,000	-	-	-	-	-	-
- 3 months	December 30, 2021	-	2,685,000,000	2,685,000,000	-	-	-	-	-	-
- 3 months	January 13, 2022	-	750,000,000	750,000,000	-	-	-	-	-	-
- 3 months	January 27, 2022	-	4,850,000,000	4,850,000,000	-	-	-	-	-	-
- 3 months	February 24, 2022	-	250,000,000	250,000,000	-	-	-	-	-	-
- 3 months	March 10, 2022	-	3,450,000,000	3,450,000,000	-	-	-	-	-	-
- 3 months	April 7, 2022	-	625,000,000	625,000,000	-	-	-	-	-	-
- 3 months	April 21, 2022	-	4,200,000,000	4,200,000,000	-	-	-	-	-	-
Market treasury bills										
- 6 months	January 28, 2021	-	719,800,000	719,800,000	-	-	-	-	-	-
- 6 months	February 25, 2021	-	225,000,000	225,000,000	-	-	-	-	-	-
- 6 months	April 8, 2021	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
- 6 months	May 6, 2021	-	1,600,000,000	1,600,000,000	-	-	-	-	-	-
- 6 months	May 20, 2021	-	1,200,000,000	1,200,000,000	-	-	-	-	-	-
- 6 months	June 3, 2021	-	2,950,000,000	2,950,000,000	-	-	-	-	-	-
- 6 months	June 17, 2021	-	1,950,000,000	1,950,000,000	-	-	-	-	-	-
- 6 months	July 15, 2021	-	1,385,000,000	1,385,000,000	-	-	-	-	-	-
- 6 months	August 12, 2021	-	5,900,000,000	5,900,000,000	-	-	-	-	-	-
- 6 months	August 26, 2021	-	450,000,000	450,000,000	-	-	-	-	-	-
- 6 months	December 2, 2021	-	500,000,000	500,000,000	-	-	-	-	-	-
- 6 months	December 16, 2021	-	500,000,000	500,000,000	-	-	-	-	-	-
- 6 months	January 27, 2022	-	580,000,000	580,000,000	-	-	-	-	-	-
- 6 months	February 10, 2022	-	4,300,000,000	4,300,000,000	-	-	-	-	-	-
- 6 months	March 10, 2022	-	1,026,000,000	1,026,000,000	-	-	-	-	-	-
- 6 months	March 24, 2022	-	200,000,000	200,000,000	-	-	-	-	-	-
- 6 months	April 28, 2022	-	2,175,000,000	2,175,000,000	-	-	-	-	-	-
Total as at June 30, 2022		-	57,394,000,000	57,394,000,000	-	-	-	-	-	-
Total as at June 30, 2021		2,993,000,000	30,222,500,000	33,215,500,000	-	-	-	-	-	-

5.2 Letters of placement

Particulars	Yield	Date of Maturity	Rating (Long Term/ Short Term)	Face Value				At June 30, 2022		Market value as a percentage of	
				As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Net assets of the Fund	Total investments
				(Rupees)				(%)			
Pak Brunei Investment Company Limited	7.1500%	29-Jul-21	AA+/A-1+	-	600,000,000	600,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	7.0500%	11-Aug-21	AA+/A-1+	-	200,000,000	200,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	7.3800%	19-Nov-21	AA+/A-1+	-	650,000,000	650,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	7.4000%	25-Nov-21	AA+/A-1+	-	500,000,000	500,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	9.0000%	26-Nov-21	AA+/A-1+	-	450,000,000	450,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	8.9000%	29-Nov-21	AA+/A-1+	-	450,000,000	450,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	9.0000%	6-Dec-21	AA+/A-1+	-	400,000,000	400,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	9.2500%	7-Dec-21	AA+/A-1+	-	400,000,000	400,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	9.3500%	8-Dec-21	AA+/A-1+	-	600,000,000	600,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	9.0500%	9-Dec-21	AAA/A1+	-	400,000,000	400,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	9.5000%	9-Dec-21	AA+/A-1+	-	600,000,000	600,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	9.2000%	13-Dec-21	AAA/A1+	-	600,000,000	600,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	10.0000%	13-Jan-22	AA+/A-1+	-	1,200,000,000	1,200,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	10.0000%	21-Jan-22	AA+/A-1+	-	1,200,000,000	1,200,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	10.1400%	26-Jan-22	AAA/A1+	-	760,000,000	760,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	10.0000%	1-Feb-22	AA+/A-1+	-	1,300,000,000	1,300,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	10.0000%	1-Feb-22	AA+/A-1+	-	1,300,000,000	1,300,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	10.1500%	3-Feb-22	AA+/A-1+	-	800,000,000	800,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	9.9000%	4-Feb-22	AA+/A-1+	-	650,000,000	650,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	10.0500%	22-Feb-22	AAA/A1+	-	600,000,000	600,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	10.1500%	7-Mar-22	AA+/A-1+	-	650,000,000	650,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	10.1500%	10-Mar-22	AAA/A1+	-	700,000,000	700,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	10.0000%	10-Mar-22	AA+/A-1+	-	700,000,000	700,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	10.1500%	11-Mar-22	AA+/A-1+	-	700,000,000	700,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	10.0000%	11-Mar-22	AAA/A1+	-	700,000,000	700,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	9.9000%	11-Mar-22	AA+/A-1+	-	700,000,000	700,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	10.1000%	14-Mar-22	AA+/A-1+	-	700,000,000	700,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	10.0000%	14-Mar-22	AAA/A1+	-	700,000,000	700,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	10.0500%	5-Apr-22	AAA/A1+	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	12.6500%	14-Apr-22	AAA/A1+	-	600,000,000	600,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	13.1000%	12-May-22	AA+/A-1+	-	390,000,000	390,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	13.1000%	13-May-22	AA+/A-1+	-	400,000,000	400,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	12.7000%	20-May-22	AA+/A-1+	-	940,000,000	940,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	14.0000%	25-May-22	AA+/A-1+	-	500,000,000	500,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	12.6000%	30-May-22	AAA/A1+	-	600,000,000	600,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	12.6000%	30-May-22	AAA/A1+	-	100,000,000	100,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	12.6000%	30-May-22	AAA/A1+	-	100,000,000	100,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	14.5000%	31-May-22	AA+/A-1+	-	750,000,000	750,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	14.2500%	1-Jun-22	AAA/A1+	-	750,000,000	750,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	12.5500%	6-Jun-22	AA+/A-1+	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	14.1500%	6-Jun-22	AAA/A1+	-	725,000,000	725,000,000	-	-	-	-	-
Total as at June 30, 2022				-	27,065,000,000	27,065,000,000	-	-	-	-	-
Total as at June 30, 2021				-	5,894,000,000	5,894,000,000	-	-	-	-	-

5.3 Short Term Sukuks

Name of the investee company	Profit payments/ principal redemption	Secured/ Unsecured	Maturity	Profit/ Mark-up rate per annum	As at July 01, 2021	Purchased during the year	Sold/ Matured during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss) as at June 30, 2022	Market Value as a percentage of		
												Net Assets of the Fund	Total Investments	Size of Issue
No. of Certificates Rupees (%)														
K-Electric Limited - Short Term Sukuk-2 (STS-2)	-	Unsecured	15-Aug-22	6M Kibor +0.85%	-	250	-	250	260,683,288	260,683,288	-	2.24%	19.92%	5.79%
K-Electric Limited - Short Term Sukuk-5 (STS-5)	-	Unsecured	13-Oct-22	6M Kibor +0.95%	-	49	-	49	50,501,414	50,501,414	-	0.43%	3.86%	1.01%
Lucky Electric Power Company Limited - Sukuk-1	-	Unsecured	14-Oct-22	6M Kibor +1.2%	-	700	-	700	721,286,520	721,286,520	-	6.21%	55.11%	10.30%
Total as at June 30, 2022						999	-	999	1,032,471,222	1,032,471,222	-	9%	79%	17%
Total as at June 30, 2021						-	-	-	-	-	-	-	-	-

5.4 Commercial Papers

Name of the investee company	Rate of return per annum	Issue Date	Maturity date	As at July 01, 2021	Purchased during the year	Sold/ Matured during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market Value as a percentage of		
									Net Assets of the Fund	Total Investments	
					Rupees			(%)			
CHINA POWER HUB GENERATION CO. PVT LTD - COMMERCIAL PAPER	13.97%	12-Apr-22	October 10, 2022	-	-	200	-	200	192,768,407	1.66%	14.73%
LUCKY ELECTRIC POWER CO. LTD - ISLAMIC COMMERCIAL PAPER -III	16.21%	6-May-22	November 2, 2022	-	-	88	-	88	83,512,621	0.72%	6.38%
Total as at June 30, 2022				-	-	288	-	288	276,281,028	2.38%	21.11%
Total as at June 30, 2021				-	-	-	-	-	-	-	-

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

	Note	2022	2021
		(Rupees)	
Market value of investments	5.1, 5.2, 5.3 & 5.4	1,308,752,250	-
Less: Carrying value of investments	5.1, 5.2, 5.3 & 5.4	(1,308,752,250)	-
		-	-

6 ADVANCE TAX AND PREPAYMENT

Advance tax	6.1	58,895	29,368
Prepaid rating fee		64,400	369,767
Prepaid professional fee		-	119,139
		123,295	518,274

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under other receivable as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7	PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2022	2021
			----- (Rupees) -----	
	Payable to Alfalah GHP Investment Management Limited - Management Company	7.1	1,295,525	1,007,879
	Sindh sales tax payable on management remuneration	7.2	1,570,887	1,542,458
	Federal excise duty payable on management remuneration	7.3	9,810,527	9,810,527
	Sales load payable		6,785	-
	Selling & Marketing Expense	7.4	5,051,927	236,256
			<u>17,735,651</u>	<u>12,597,120</u>

- 7.1 During the year, the Management Company has charged remuneration at the rate of upto 0.21% (2021: at the rate of 0.21%) of average annual net assets of the Fund, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the year, an amount of Rs. 1.952 million (2021: Rs. 1.459 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.74 million (2021: Rs. 1.45 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 11.40 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2022 would have been higher by Rs 0.42 per unit (2021: Rs 1.07 per unit).

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

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

8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022	2021
			----- (Rupees) -----	
	Trustee remuneration payable	8.1	556,009	411,650
	Sindh sales tax payable on trustee remuneration	8.2	74,072	55,303
			<u>630,081</u>	<u>466,953</u>

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate of 0.055% per annum of net assets of the Fund (2021: 0.065% per annum of net assets of the Fund).
- 8.2 During the year, an amount of Rs. 0.58 million (2021: Rs. 0.45 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.93 million (2021: Rs. 0.45 million) was paid to the Trustee which acts as a collecting agent.

9 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note	2022	2021
	(Rupees)	
9.1	1,573,352	1,068,632

9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

10 ACCRUED AND OTHER LIABILITIES

Note	2022	2021
	(Rupees)	
Withholding tax payable	23,796,166	17,944,206
Provision for Sindh Workers' Welfare Fund	-	23,344,667
Auditors' remuneration payable	887,895	809,240
Brokerage payable	318,888	255,133
Printing charges payable	122,305	116,012
Other payables	295,446	431,423
Sales Load Payable	3,995,752	522,961
	29,416,452	43,423,642

10.1 Sindh Revenue Board through its letter dated August 12, 2021 has intimated to Mutual Fund Association of Pakistan (MUFAP) that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has been taken up with the SECP by all the Asset Management Companies. In consultation with SECP, Asset Management Companies have reversed the cumulative provision for SWWF recognized in the financial statements of the funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, no provision for SWWF has been recognized in the financial statements of the Fund.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

12 PROFIT / MARK-UP INCOME

2022	2021
(Rupees)	
Bank balances	547,318,586
Market Treasury Bills	219,021,588
Letters of placement	66,608,907
Term Deposit Receipt	7,076,726
Commercial Paper	7,754,583
Short Term Sukuk	33,471,255
881,251,645	395,022,541

13 AUDITORS' REMUNERATION

Audit fee	315,000	315,000
Review and other certifications	211,000	211,000
Out of pocket expenses	60,880	60,880
Sindh sales tax	46,950	46,950
633,830	633,830	

14 TOTAL EXPENSE RATIO

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

15 TAXATION

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

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

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

	Note	2022	2021
		(Rupees)	
16 CASH AND CASH EQUIVALENTS			
Bank balances	4	10,343,479,170	4,636,051,254

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

Unit Holders' Fund									
2022									
As at July 01, 2021	Issued for cash / conversion in transferred in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transferred in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2022
(Units)					(Rupees)				
Associated companies / undertakings									
Alfalah GHP Investment Management Limited	3,335	769,329	29,699	239,297	563,066	1,667,606	392,733,394	14,854,848	281,887,847
AlFalah Insurance Co. Limited	-	429,076	2,070	-	431,145	-	215,000,000	1,035,282	215,844,284
Alfalah GHP Prosperity Planning Fund									
- Alfalah GHP Conservative Allocation Plan	107,441	-	5,905	113,212	134	61,690,422	-	2,953,332	66,935
Key management personnel									
Head of Corporate sales	-	984	45	-	1,029	-	500,000	22,447	515,287
Head of Administration	-	1,254	29	385	898	-	637,000	14,513	449,325
Assistant Vice President - Portfolio	-	2,602	87	-	2,689	-	1,325,000	43,727	1,346,157
Head of Fixed Income	-	2,009	-	-	2,009	-	1,005,163	-	1,005,614
Unit holder holding 10% or more Units									
Asia Petroleum Limited	250,936	3,894,007	142,929	902,052	3,385,819	125,513,556	1,957,000,889	71,490,352	1,695,042,408
Fauji Fertilizer Company Limited	-	21,206,758	353,352	17,553,936	4,006,174	-	10,808,941,311	176,740,085	2,005,610,657
	361,712	26,306,018	534,116	18,808,882	8,392,963	188,871,584	13,377,142,757	267,154,586	4,201,768,514

	2021									
	As at July 01, 2020	Issued for cash / conversion in transferred in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transferred in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2021
	(Units)				(Rupees)					
Associated companies / undertakings										
Alfalah GHP Investment Management Limited	17,090	247,867	152	261,775	3,334	8,544,617	124,914,912	76,170	134,001,397	1,667,606
Alfalah GHP Prosperity Planning Fund	115,349	-	8,032	45	123,336	57,671,916	-	4,015,923	22,678	61,690,422
Unit Holders Holding 10% or more units										
Colgate-Palmolive Pakistan Limited	-	1,169,029	47,766	-	1,216,795	-	600,000,000	23,881,743	-	608,618,713
Fauji Oil Terminal & Distribution Company Limited	-	1,018,967	58,362	-	1,077,329	-	521,024,458	29,179,590	-	538,860,358
Barrett Hodgson Pakistan (Private) Limited	212,739	1,387,978	74,130	195,660	1,479,187	106,364,494	707,750,313	37,063,461	100,000,000	739,862,416
Fauji Cement Company Limited	-	889,342	32,659	-	922,001	-	450,000,000	16,328,977	-	461,168,120
Pakistan Petroleum Limited	-	1,508,640	62,327	17,997	1,552,970	-	765,000,000	31,162,190	9,000,000	776,767,330
Mari Petroleum Company Limited	-	999,110	934	-	1,000,044	-	500,000,000	467,184	-	500,203,808
	345,178	7,220,933	284,362	475,477	7,374,996	172,581,027	3,668,689,683	142,175,238	243,024,074	3,688,838,773

17.2 Other transactions	2022	2021
	----- (Rupees) -----	
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	15,017,748	11,221,005
Sindh sales tax on remuneration of the Management Company	1,952,302	1,458,734
Selling and marketing expense	7,256,881	236,256
Sales load	242,410	-
Bank Alfalah Limited		
Profit on bank balances	163,147,998	36,659
Bank charges	21,276	12,485
Sales load	3,311,158	1,477,198
Market Treasury Bills - purchased	2,118,741,100	6,540,674,610
Market Treasury Bills - sold	840,209,250	2,891,346,730
Alfalsh GHP Sovereign Fund		
Market Treasury Bills - purchased	758,161,750	527,271,750
Market Treasury Bills - sold	692,013,470	695,759,341
Alfalsh GHP Money Market Fund		
Market Treasury Bills - purchased	9,525,915,229	4,270,192,369
Market Treasury Bills - sold	6,856,552,455	1,213,539,635
Alfalsh GHP Income Fund		
Market Treasury Bills - purchased	663,176,375	231,784,525
Market Treasury Bills - sold	1,183,045,350	617,529,800
Alfalsh GHP Value Fund		
Market Treasury Bills - sold	-	84,393,185
Alfalsh GHP Income Multiplier Fund		
Market Treasury Bills - purchased	17,751,398	11,901,672
Market Treasury Bills - sold	49,170,150	59,237,280
Other related parties		
Central Depository Company Limited - Trustee		
Remuneration of the Trustee	4,476,301	3,473,178
Sindh sales tax on remuneration of the Trustee	581,920	451,515
17.3 Other balances		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Management remuneration payable	1,295,524	1,007,829
Sindh sales tax payable on management remuneration	1,570,887	1,542,458
Federal excise duty payable on management remuneration	9,810,527	9,810,527
Sales load payable	4,002,537	-
Selling and marketing payable		
Bank Alfalah Limited		
Bank balance	1,906,396,045	68,987
Profit receivable on bank balances	16,610	-
Sales load payable	-	522,961
Other related parties		
Central Depository Company Limited - Trustee		
Trustee remuneration payable	556,009	411,650
Sindh sales tax payable on trustee remuneration	74,072	55,303

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total

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

Financial assets

Bank balances	10,343,479,170	-	10,343,479,170
Investments	-	1,308,752,250	1,308,752,250
Profit receivable on bank balances	19,933,039	-	19,933,039
	<u>10,363,412,209</u>	<u>1,308,752,250</u>	<u>11,672,164,459</u>

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company	17,735,651	-	17,735,651
Payable to Central Depository Company of Pakistan Limited - Trustee	630,081	-	630,081
Accrued and other liabilities	-	-	-
Dividend payable	494,898	-	494,898
	<u>18,860,630</u>	<u>-</u>	<u>18,860,630</u>

Particulars	2021		
	At amortised cost	At fair value through profit or loss	Total

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

Financial assets

Bank balances	4,636,051,254	-	4,636,051,254
Investments	-	-	-
Profit receivable on bank balances	361,086	-	361,086
	<u>4,636,412,340</u>	<u>-</u>	<u>4,636,412,340</u>

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company	12,597,120	-	12,597,120
Payable to Central Depository Company of Pakistan Limited - Trustee	466,953	-	466,953
Accrued and other liabilities	2,134,769	-	2,134,769
Dividend payable	10,306,993	-	10,306,993
	<u>25,505,835</u>	<u>-</u>	<u>25,505,835</u>

19 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

	Note	2022 -----Rupees-----	2021
Variable rate instrument (financial asset)			
Bank balances	4	10,343,479,170	4,636,051,254
Fixed rate instruments (financial assets)			
Short Term Sukuk		1,032,471,222	-
Commercial Paper		276,281,028	-
		1,308,752,250	-

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 103.42 million (2021: Rs. 46.39 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 12.09 million (2021: Rs Nil) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

Particulars	Effective yield / interest rate	2022				
		Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	8% - 18.3%	10,343,479,170	-	-	-	10,343,479,170
Investments	11.65% - 16.21%	260,683,288	-	-	1,048,068,963	1,308,752,250
Profit receivable on bank balances		-	-	-	19,933,039	19,933,039
Sub total		10,604,162,458	-	-	1,068,002,002	11,672,164,459
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	17,735,651	17,735,651
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	630,081	630,081
Accrued and other liabilities		-	-	-	5,620,286	5,620,286
Dividend Payable		-	-	-	494,898	494,898
Sub total		-	-	-	24,480,916	24,480,916
On-balance sheet gap		10,604,162,458	-	-	1,043,521,086	11,647,683,543
Total interest rate sensitivity gap		10,604,162,458	-	-	1,043,521,086	11,647,683,543
Cumulative interest rate sensitivity gap		10,604,162,458	10,604,162,458	10,604,162,458		

Particulars	Effective yield / interest rate	2021				Not exposed to yield / interest rate risk	Total
		Exposed to yield / interest risk					
		Upto three months	More than three months and up to one year	More than one year			
----- (Rupees) -----							
On-balance sheet financial instruments							
Financial assets							
Bank balances	5.50% - 7.90%	4,636,051,254	-	-	-	4,636,051,254	
Investments		-	-	-	-	-	
Profit receivable on bank balances		-	-	-	361,086	361,086	
Sub total		4,636,051,254	-	-	361,086	4,636,412,340	
Financial liabilities							
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	12,597,120	25,194,240	
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	466,953	466,953	
Accrued and other liabilities		-	-	-	2,134,769	2,134,769	
Dividend Payable		-	-	-	10,306,993	10,306,993	
Sub total		-	-	-	25,505,835	38,102,955	
On-balance sheet gap		4,636,051,254	-	-	(25,144,749)	4,598,309,385	
Total interest rate sensitivity gap		4,636,051,254	-	-	(25,144,749)	4,598,309,385	
Cumulative interest rate sensitivity gap		4,636,051,254	4,636,051,254	4,636,051,254			

19.1.3 Price risk

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

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

19.2 Credit risk

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

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

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
(Rupees)				
Bank balances	10,343,479,170	10,343,479,170	4,636,051,254	4,636,051,254
Investments	1,308,752,250	-	-	-
Profit receivable on bank balances	19,933,039	19,933,039	361,086	361,086
	<u>11,672,164,459</u>	<u>10,363,412,209</u>	<u>4,636,412,340</u>	<u>4,636,412,340</u>

No financial assets were considered to be past due or impaired either at June 30, 2022 and June 30, 2021.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Bank Name	Rating agency	Rating (Short Term / Long Term)	2022	2021
			Percentage of total bank balances	
Bank Alfalah Limited	PACRA	A1+ / AA+	18.43%	0.00%
Allied Bank Limited	PACRA	A1+ / AAA	30.52%	99.99%
Bank Al Habib Limited	PACRA	A1+ / AAA	0.00%	0.00%
Samba Bank Limited	VIS	A-1 / AA	0.00%	0.00%
Habib Bank Limited	VIS	A-1+ / AAA	51.03%	0.01%
Faysal Bank Limited	VIS	A-1+ / AA	0.01%	0.00%
The Bank of Punjab	PACRA	A1+ / AA+	0.00%	0.00%
MCB Bank Limited	PACRA	A1+ / AA+	0.00%	0.00%
			100.00%	100.00%

19.2.3 Concentration of credit risk

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

19.3 Liquidity risk

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

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

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

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

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

2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
(Rupees)					
Financial assets					
Bank balances	10,343,479,170	-	-	-	10,343,479,170
Investments	-	260,683,288	1,048,068,963	-	1,308,752,251
Profit receivable on bank balances	19,933,039	-	-	-	19,933,039
	10,363,412,209	260,683,288	1,048,068,963	-	11,672,164,460
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - Management Company	17,735,651	-	-	-	17,735,651
Payable to Central Depository Company of Pakistan Limited - Trustee	630,081	-	-	-	630,081
Accrued and other liabilities	5,620,286	-	-	-	5,620,286
Dividend payable	494,898	-	-	-	494,898
	24,480,916	-	-	-	24,480,916
Net financial assets	10,338,931,293	260,683,288	1,048,068,963	-	11,647,683,544

2021	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
(Rupees)					
Financial assets					
Bank balances	4,636,051,254	-	-	-	4,636,051,254
Investments	-	-	-	-	-
Profit receivable on bank balances	361,086	-	-	-	361,086
	4,636,412,340	-	-	-	4,636,412,340
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - Management Company	12,597,120	-	-	-	12,597,120
Payable to Central Depository Company of Pakistan Limited - Trustee	466,953	-	-	-	466,953
Accrued and other liabilities	2,134,769	-	-	-	2,134,769
Dividend payable	10,306,993	-	-	-	10,306,993
	25,505,835	-	-	-	25,505,835
Net financial assets	<u>4,610,906,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,610,906,505</u>

19.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2022 and June 30, 2021, the Fund did not hold any financial assets measured at fair value.

19.5 Unit holders' fund risk management

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

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

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

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

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

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

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21 CORRESPONDING FIGURES

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

22 GENERAL

22.1 Rounding off

Figures are rounded off to the nearest rupee.

23 DISTRIBUTIONS MADE

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

Particulars	Date of declaration	Per unit distribution	Capital value	Undistributed income
1st interim distribution for the year ended June 30, 2021	July 23, 2020	2.3011	(101,290)	(26,195,073)
2nd interim distribution for the year ended June 30, 2021	August 04, 2020	0.6156	(76)	(5,828,397)
3rd interim distribution for the year ended June 30, 2021	February 26, 2021	19.4163	(138,902,513)	(142,110,753)
4th interim distribution for the year ended June 30, 2021	June 28, 2021	11.8398	(15,113,434)	(86,638,923)
For the year ended June 30, 2021			(154,117,313)	(260,773,146)

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	223	2,133,490	1,068,568,637	9%
Associated Co./ Directors	3	1,240,508	621,314,463	5%
Insurance Co.	6	2,352,734	1,178,378,001	10%
Retirement & Other Funds	15	917,594	459,580,504	4%
Others	32	16,560,875	8,294,595,715	71%
	279	23,205,201	11,622,437,320	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	393	476,352	238,262,825	5%
Associated Co./ Directors	5	3,335	1,668,333	0%
Insurance Co.	21	399,916	200,030,835	4%
Retirement & Other Funds	36	223,991	112,036,126	2%
Others	91	8,031,218	4,017,069,156	88%
	546	9,134,813	4,569,067,274	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022 %
Summit Capital (Private) Limited	28
Continental Exchange (Pvt.) Limited	14
Magenta Capital Private Limited	12
Pearl Securites Limited	11
Bright Capital Private Limited	10
JS Global Capital Limited	6
Invest One Markets Limited	6
BIPL Securities	5
ICON Securities	2
Optimus Capital Management (Pvt) Limited	2
	30 June 2021 %
Continental Exchange (Pvt.) Limited	20
Bright Capital Private Limited	19
Pearl Securites Limited	15
Invest One Markets Limited	11
BIPL Securities	11
Summit Capital (Private) Limited	7
Vector Capital (Pvt.) Limited	6
Paramount Capital (Pvt.) Limited	4
Arif Habib Limited	4
Magenta Capital Private Limited	2

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

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

Mr. Mustafa Kamal

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

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

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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PERFORMANCE TABLE - AGCF

	30 June 2022 (Rupees in '000)	30 June 2021 (Rupees in '000)	30 June 2020 (Rupees in '000)	30 June 2019 (Rupees in '000)	30 June 2018 (Rupees in '000)
Net Assets	11,622,437	4,569,067	5,678,909	69,276	144,838
NAV per unit	500.8549	500.1818	499.9776	499.0847	520.1968
Selling price per unit	505.0996	504.4208	504.2149	499.0847	520.1968
Redemption price per unit	500.8549	500.1818	499.9776	499.0847	520.1968
Highest selling price per unit	532.1118	523.7958	544.2103	537.1700	520.1968
Highest redemption price per unit	527.6401	519.3939	539.6369	537.1700	520.1968
Lowest selling price per unit	504.5418	504.2367	499.4200	497.2300	497.0300
Lowest redemption price per unit	500.3017	499.9992	499.2624	497.2300	497.0300
1st interim distribution per unit	27.4583	2.3011	40.55	NIL	NIL
1st interim distribution date	27-Jan-22	23-Jul-20	12-Feb-20	NIL	NIL
2nd interim distribution per unit	16.6057	0.6156	NIL	NIL	NIL
2nd interim distribution date	20-May-22	4-Aug-20	NIL	NIL	NIL
3rd interim distribution per unit	5.8853	19.4163	NIL	NIL	NIL
3rd interim distribution date	16-Jun-22	26-Feb-21	NIL	NIL	NIL
Final distribution per unit	2.6806	11.8398	20.07	42.65	23.36
Final distribution date	28-Jun-22	28-Jun-21	30-Jun-20	30-Jun-19	2-Jul-18
Annualized returns %	11.01%	7.01%	12.67%	9.03%	4.71%
Income distribution %	10.52%	6.83%	12.15%	8.58%	4.70%
Weighted avg. portfolio duration (Days)	11.40 Days	0.90 Days	52.2 Days	0.001 Days	0.48 Days

Return since inception is **8.74 %**

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



Alfalah GHP Money Market Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA+ (f) by PACRA

Alfalah GHP Money Market Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Money Market Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review:-

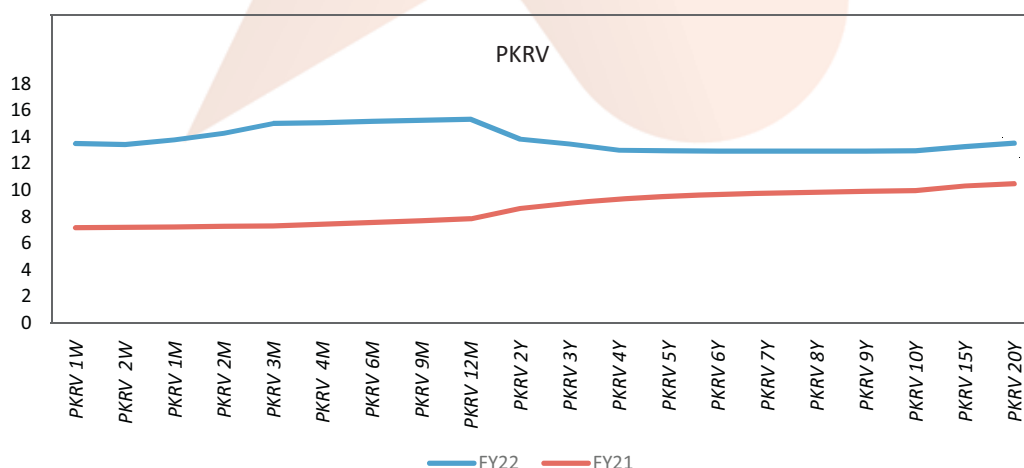
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

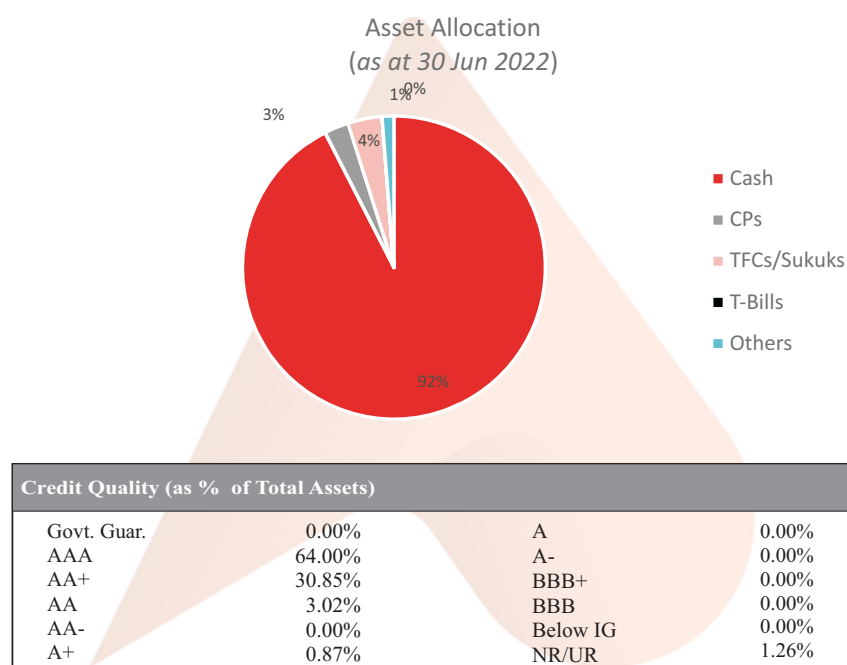
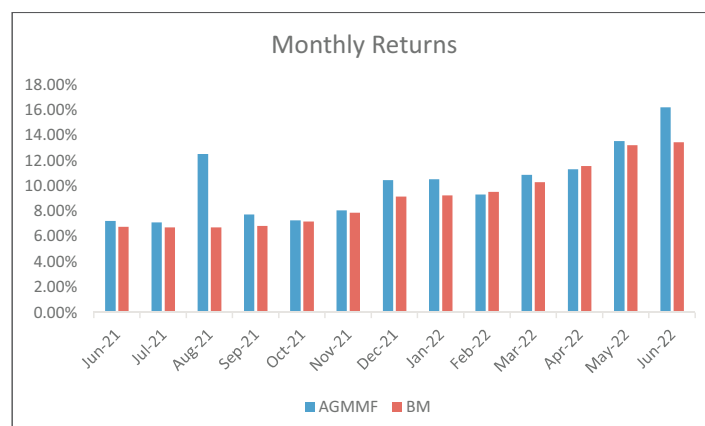
Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



Fund Performance

For the year ended June 30 2022, the fund posted a return of 10.93% against the benchmark of 8.95%.



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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP MONEY MARKET FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Money Market Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Money Market Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2022 amounted to Rs. 1,815.14 million and bank balances aggregated to Rs. 26,625.92 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: ■ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ■ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ■ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 29 September, 2022
UDIN:

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Assets			
Bank balances	4	26,625,924,053	25,335,853,393
Investments	5	1,815,139,519	1,670,372,267
Security deposit with the Central Depository Company of Pakistan Limited		100,000	100,000
Advances, prepayments and profit receivable	6	70,825,855	8,428,374
Total assets		<u>28,511,989,427</u>	<u>27,014,754,034</u>
Liabilities			
Payable to the Management Company	7	27,800,282	19,270,223
Payable to the Trustee	8	1,355,677	1,284,810
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	4,907,705	4,012,324
Accrued and other liabilities	10	12,848,530	110,888,554
Total liabilities		<u>46,912,194</u>	<u>135,455,911</u>
Net assets attributable to the unit holders		<u>28,465,077,233</u>	<u>26,879,298,123</u>
Unit holders' fund (as per the statement attached)		<u>28,465,077,233</u>	<u>26,879,298,123</u>
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		<u>289,361,754</u>	<u>273,612,626</u>
		----- (Rupees) -----	
Net asset value per unit		<u>98.3719</u>	<u>98.2385</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees)	2021 -----
Income			
Profit / mark-up income	12	2,560,426,340	1,488,647,196
Unrealised gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.7	-	-
Loss on sale of investments - net		(26,070,540)	(8,353,319)
Total income		<u>2,534,355,800</u>	<u>1,480,293,877</u>
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	7.1	82,693,052	88,955,284
Sindh sales tax on remuneration of the Management Company	7.2	10,750,097	11,564,187
Selling and marketing expenses	7.4	14,014,705	600,000
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	14,146,715	13,040,045
Sindh sales tax on remuneration of the Trustee	8.2	1,839,073	1,695,205
Annual fees to the Securities and Exchange Commission of Pakistan	9	4,907,705	4,012,324
CDS Charges		1,032,828	666,232
Legal expenses		310,793	12,369
Brokerage expenses		1,378,061	1,038,676
Bank and settlement charges		363,340	243,000
Auditors' remuneration	13	483,860	270,000
Fees and subscription		631,939	520,728
Printing charges		29,937	30,000
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	10.1	(104,303,538)	27,152,917
Total expenses		<u>28,278,567</u>	<u>149,800,967</u>
Net income for the year before taxation		<u>2,506,077,233</u>	<u>1,330,492,910</u>
Taxation	15	-	-
Net income for the year after taxation		<u>2,506,077,233</u>	<u>1,330,492,910</u>
Allocation of net income for the year			
Net income for the year after taxation		2,506,077,233	1,330,492,910
Income already paid on units redeemed		(441,520,806)	(129,578,862)
		<u>2,064,556,427</u>	<u>1,200,914,048</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		2,064,556,427	1,200,914,048
		<u>2,064,556,427</u>	<u>1,200,914,048</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022 ----- (Rupees) -----	2021 -----
Net income for the year after taxation	2,506,077,233	1,330,492,910
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>2,506,077,233</u></u>	<u><u>1,330,492,910</u></u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	26,820,353,588	58,944,535	26,879,298,123	15,429,250,310	33,640,905	15,462,891,215
Issuance of 956,890,475 (2021: 556,648,811) units						
- Capital value (at net asset value per unit at the beginning of the year)	94,003,484,928	-	94,003,484,928	54,628,512,344	-	54,628,512,344
- Element of income	451,071,402	-	451,071,402	155,114,637	-	155,114,637
Total proceeds on issuance of units	94,454,556,330	-	94,454,556,330	54,783,626,981	-	54,783,626,981
Redemption of 941,141,347 (2021: 441,598,559) units						
- Capital value (at net asset value per unit at the beginning of the year)	92,456,314,217	-	92,456,314,217	43,239,549,503	-	43,239,549,503
- Element of loss	43,482,559	441,520,806	485,003,365	10,228,701	129,578,862	139,807,563
Total payments on redemption of units	92,499,796,776	441,520,806	92,941,317,582	43,249,778,204	129,578,862	43,379,357,066
Total comprehensive income for the year	-	2,506,077,233	2,506,077,233	-	1,330,492,910	1,330,492,910
Distributions made (refer note 25)	(398,039,682)	(2,035,497,189)	(2,433,536,871)	(142,745,499)	(1,175,610,418)	(1,318,355,917)
Net assets at the end of the year	28,377,073,460	88,003,773	28,465,077,233	26,820,353,588	58,944,535	26,879,298,123
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		58,944,535			21,381,292	
- Unrealised income		-			12,259,613	
		58,944,535			33,640,905	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		2,064,556,427			1,200,914,048	
		2,064,556,427			1,200,914,048	
Total distributions during the year		(2,035,497,189)			(1,175,610,418)	
Undistributed income carried forward		88,003,773			58,944,535	
Undistributed income carried forward						
- Realised income		88,003,773			58,944,535	
- Unrealised income		-			-	
		88,003,773			58,944,535	
		Rupees			Rupees	
Net asset value per unit at the beginning of the year		98.2385			98.1382	
Net asset value per unit at the end of the year		98.3719			98.2385	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		2,506,077,233	1,330,492,910
Adjustments for:			
Unrealised gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		-	-
(Reversal of provision) / provision against Sindh Workers' Welfare Fund		(104,303,538)	27,152,917
		2,401,773,695	1,357,645,827
(Increase) / decrease in assets			
Investments - net		(144,767,252)	2,935,041,835
Advances, prepayments and profit receivable		(62,397,481)	16,658,087
		(207,164,733)	2,951,699,922
Increase / (decrease) in liabilities			
Payable to the Management Company		8,530,059	(6,992,402)
Payable to the Trustee		70,867	426,445
Annual fee payable to the Securities and Exchange Commission of Pakistan		895,381	179,280
Accrued and other liabilities		6,263,514	(6,430,212)
		15,759,821	(12,816,889)
Net cash generated from operating activities		2,210,368,783	4,296,528,860
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units - net of refund of capital		94,056,516,648	54,640,881,482
Payments made against redemption of units		(92,941,317,582)	(43,379,357,066)
Dividend paid		(2,035,497,189)	(1,175,610,418)
Net cash (used in) / generated from financing activities		(920,298,123)	10,085,913,998
Net increase in cash and cash equivalents during the year		1,290,070,660	14,382,442,858
Cash and cash equivalents at beginning of the year		25,335,853,393	10,953,410,535
Cash and cash equivalents at end of the year	16	26,625,924,053	25,335,853,393

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'money market scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is to generate competitive returns consistent with low risk from a portfolio constituted of short term instruments. The Fund invests in cash deposits, money market placements and government securities. The investment objectives and policy are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022 and has maintained the stability rating of the Fund to AA+ (f) on April 08, 2022.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2021. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

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

2.5 Accounting Convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

3.2.2.1 Debt instruments

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

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

based on the business model of the entity.

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

3.2.3 Impairment

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

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and

- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

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

3.2.3.1 Impairment loss on debt securities

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

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

3.2.4 Regular way contracts

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

3.2.5 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

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

Deferred

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

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

3.7 Issue and redemption of units

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

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

3.8 Distributions to unit holders

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

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

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Foreign currency translation

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

4. BANK BALANCES

Balances with banks in:

Current account

Savings accounts

Note	2022	2021
	(Rupees)	(Rupees)
	6,214,297,444	14,000,098,330
4.1	20,411,626,609	11,335,755,063
	<u>26,625,924,053</u>	<u>25,335,853,393</u>

- 4.1 These accounts carry profit rates ranging between 8.00% to 18.30% (2021: 5.50% to 7.90%) per annum. These include bank balance of Rs. 8,556 million (2021: Rs. 7,273 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 16.6% (2021: 7.70%) per annum.

5. INVESTMENTS

At fair value through profit or loss

Market Treasury Bills

Term deposit receipts

Commercial papers

Short term sukuk certificates

Letters of placement

Certificates of investment

Note	2022	2021
	(Rupees)	(Rupees)
5.1	-	-
5.2	-	-
5.3	765,139,519	1,300,872,267
5.4	1,050,000,000	369,500,000
5.5	-	-
5.6	-	-
	<u>1,815,139,519</u>	<u>1,670,372,267</u>

5.1 Market Treasury Bills

Tenor	Issue Date	Face value				Balance as at June 30, 2022			Market value as a percentage of	
		As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised gain	Net assets of the Fund	Total investments of the Fund
(Rupees) ----- (%) -----										
Market Treasury Bills										
- 3 months	May 6, 2021	-	1,205,000,000	1,205,000,000	-	-	-	-	-	-
- 3 months	May 20, 2021	-	3,090,000,000	3,090,000,000	-	-	-	-	-	-
- 3 months	June 3, 2021	-	7,152,000,000	7,152,000,000	-	-	-	-	-	-
- 3 months	July 15, 2021	-	5,700,000,000	5,700,000,000	-	-	-	-	-	-
- 3 months	September 23, 2021	-	3,500,000,000	3,500,000,000	-	-	-	-	-	-
- 3 months	October 7, 2021	-	6,500,000,000	6,500,000,000	-	-	-	-	-	-
- 3 months	December 2, 2021	-	4,286,000,000	4,286,000,000	-	-	-	-	-	-
- 3 months	December 16, 2021	-	3,575,000,000	3,575,000,000	-	-	-	-	-	-
- 3 months	December 30, 2021	-	11,087,000,000	11,087,000,000	-	-	-	-	-	-
- 3 months	January 13, 2022	-	5,550,000,000	5,550,000,000	-	-	-	-	-	-
- 3 months	January 27, 2022	-	9,645,000,000	9,645,000,000	-	-	-	-	-	-
- 3 months	February 10, 2022	-	17,000,000,000	17,000,000,000	-	-	-	-	-	-
- 3 months	February 24, 2022	-	1,410,000,000	1,410,000,000	-	-	-	-	-	-
- 3 months	March 10, 2022	-	2,650,000,000	2,650,000,000	-	-	-	-	-	-
- 3 months	April 7, 2022	-	4,010,000,000	4,010,000,000	-	-	-	-	-	-
- 3 months	April 21, 2022	-	8,237,000,000	8,237,000,000	-	-	-	-	-	-
Market Treasury Bills										
- 6 months	January 28, 2021	-	500,000,000	500,000,000	-	-	-	-	-	-
- 6 months	February 25, 2021	-	7,300,000,000	7,300,000,000	-	-	-	-	-	-
- 6 months	March 11, 2021	-	472,000,000	472,000,000	-	-	-	-	-	-
- 6 months	March 25, 2021	-	1,210,000,000	1,210,000,000	-	-	-	-	-	-
- 6 months	May 6, 2021	-	10,123,200,000	10,123,200,000	-	-	-	-	-	-
- 6 months	May 20, 2021	-	8,000,000,000	8,000,000,000	-	-	-	-	-	-
- 6 months	June 3, 2021	-	8,734,000,000	8,734,000,000	-	-	-	-	-	-
- 6 months	June 17, 2021	-	8,002,000,000	8,002,000,000	-	-	-	-	-	-
- 6 months	July 15, 2021	-	12,088,000,000	12,088,000,000	-	-	-	-	-	-
- 6 months	July 29, 2021	-	1,200,000,000	1,200,000,000	-	-	-	-	-	-
- 6 months	August 12, 2021	-	4,275,000,000	4,275,000,000	-	-	-	-	-	-
- 6 months	August 26, 2021	-	593,100,000	593,100,000	-	-	-	-	-	-
- 6 months	September 9, 2021	-	1,804,900,000	1,804,900,000	-	-	-	-	-	-
- 6 months	December 2, 2021	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
- 6 months	December 16, 2021	-	1,300,000,000	1,300,000,000	-	-	-	-	-	-
- 6 months	December 30, 2021	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
- 6 months	January 27, 2022	-	630,000,000	630,000,000	-	-	-	-	-	-
- 6 months	February 10, 2022	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
- 6 months	March 10, 2022	-	7,900,000,000	7,900,000,000	-	-	-	-	-	-
- 6 months	March 24, 2022	-	600,000,000	600,000,000	-	-	-	-	-	-
- 6 months	April 7, 2022	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
- 6 months	April 28, 2022	-	6,150,000,000	6,150,000,000	-	-	-	-	-	-
Market Treasury Bills										
-12 months	July 16, 2020	-	635,000,000	635,000,000	-	-	-	-	-	-
Total as at June 30, 2022		-	183,114,200,000	183,114,200,000	-	-	-	-	-	-
Total as at June 30, 2021		6,977,000,000	132,765,830,000	139,742,830,000	-	-	-	-	-	-

5.2 Term deposit receipts - 'at fair value through profit or loss'

Name of the investee company	Rate of return per annum	Issue Date	Maturity Date	Face value				Market value as a percentage of	
				As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Net assets of the Fund	Total investments
				(Rupees)				----- (%) -----	
Bank Alfalah Limited (A1+, PACRA) (a related party)	10.35%	February 25, 2022	March 25, 2022	-	300,000,000	300,000,000	-	-	-
Total as at June 30, 2022				-	300,000,000	300,000,000	-	-	-
Total as at June 30, 2021				-	2,000,000,000	2,000,000,000	-	-	-

5.3 Commercial papers

Name of the investee company	Rate of return per annum	Date of Maturity	Face Value				Balance as at June 30, 2022			Market value as percentage of	
			As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments
			(Rupees)							(%)	
K-Electric Limited ICP - 14 (A-1+, VIS)	7.72% - 7.83%	August 10, 2021	450,000,000	2,250,000,000	2,700,000,000	-	-	-	-	-	-
K-Electric Limited ICP - 15 (A1+, PACRA)	7.65% - 8.03%	September 2, 2021	450,000,000	5,200,000,000	5,650,000,000	-	-	-	-	-	-
K-Electric Limited ICP - 17 (A-1+, VIS)	8.26%	October 6, 2021	350,000,000	-	350,000,000	-	-	-	-	-	-
K-Electric Limited ICP - 18 (A-1+, VIS)	8.18%	October 19, 2021	70,000,000	-	70,000,000	-	-	-	-	-	-
K-Electric Limited ICP - 21 (A-1+, PACRA)	8.21%	March 22, 2022	-	275,000,000	275,000,000	-	-	-	-	-	-
China Power Hub Generation Company Private Limited (A-1+, PACRA)	13.97%	October 10, 2022	-	400,000,000	-	400,000,000	385,536,813	385,536,813	-	1.35%	21.24%
Lucky Electric Power Company Limited - Islamic CP (A-1+, PACRA)	16.21%	November 2, 2022	-	400,000,000	-	400,000,000	379,602,706	379,602,706	-	1.33%	20.91%
Total as at June 30, 2022			1,320,000,000	8,525,000,000	9,045,000,000	800,000,000	765,139,519	765,139,519	-	2.68%	42.15%
Total as at June 30, 2021			670,000,000	5,193,000,000	4,543,000,000	1,320,000,000	1,300,872,267	1,300,872,267	-	4.83%	77.87%

5.4 Short term sukuk certificates

Name of the investee company	Profit rate	Date of Maturity	As at July 01, 2021	Purchased during the year	Matured/Sold during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as percentage of	
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments
----- No. of Certificates -----							----- Rupees -----			----- (%) -----	
The Hub Power Company Limited (A1+, PACRA) (Face value of Rs. 100,000 each)	6M Kibor +1.30%	November 5, 2021	3,695	-	3,695	-	-	-	-	-	-
K-Electric Limited - Short Term Sukuk I (A1+, PACRA) (Face value of Rs. 1,000,000 each)	6M Kibor +0.85%	August 4, 2022	-	250	-	250	250,000,000	250,000,000	-	0.88%	13.77%
K-Electric Limited - Short Term Sukuk V (A1+, PACRA) (Face value of Rs. 1,000,000 each)	6M Kibor +0.70%	October 12, 2022	-	100	-	100	100,000,000	100,000,000	-	0.35%	5.51%
Lucky Electric Power Company Limited - Short Term Sukuk (A1+, PACRA) (Face value of Rs. 1,000,000 each)	6M Kibor +1.20%	October 14, 2022	-	700	-	700	700,000,000	700,000,000	-	2.46%	38.56%
Total as at June 30, 2022							1,050,000,000	1,050,000,000	-	3.69%	57.84%
Total as at June 30, 2021							369,500,000	369,500,000	-		

5.5 Letters of placement

Name of the investee company	Rate of return per annum	Date of Maturity	Rating (Long Term / Short Term)	Face value				Market value as percentage of	
				As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Net assets of the Fund	Total investments
				Rupees				(%)	
Pak Oman Investment Company Limited	7.10%	August 20, 2021	AA+/A-1+	-	2,200,000,000	2,200,000,000	-	-	-
Pak Oman Investment Company Limited	7.40%	November 25, 2021	AA+/A-1+	-	1,500,000,000	1,500,000,000	-	-	-
Pak Oman Investment Company Limited	7.50%	November 22, 2021	AA+/A-1+	-	1,100,000,000	1,100,000,000	-	-	-
Pak Oman Investment Company Limited	9.00%	November 26, 2021	AA+/A-1+	-	1,100,000,000	1,100,000,000	-	-	-
Pak Oman Investment Company Limited	9.00%	November 26, 2021	AA+/A-1+	-	1,500,000,000	1,500,000,000	-	-	-
Pak Oman Investment Company Limited	8.90%	November 29, 2021	AA+/A-1+	-	2,600,000,000	2,600,000,000	-	-	-
Pak Oman Investment Company Limited	9.00%	December 6, 2021	AA+/A-1+	-	2,600,000,000	2,600,000,000	-	-	-
Pak Oman Investment Company Limited	9.25%	December 7, 2021	AA+/A-1+	-	2,600,000,000	2,600,000,000	-	-	-
Pak Oman Investment Company Limited	9.35%	December 8, 2021	AA+/A-1+	-	2,600,000,000	2,600,000,000	-	-	-
Pak Oman Investment Company Limited	9.50%	December 9, 2021	AA+/A-1+	-	2,600,000,000	2,600,000,000	-	-	-
Pak Oman Investment Company Limited	10.50%	December 17, 2021	AA+/A-1+	-	2,000,000,000	2,000,000,000	-	-	-
Pak Oman Investment Company Limited	10.25%	December 20, 2021	AA+/A-1+	-	1,000,000,000	1,000,000,000	-	-	-
Pak Oman Investment Company Limited	10.50%	January 6, 2022	AA+/A-1+	-	2,450,000,000	2,450,000,000	-	-	-
Pak Oman Investment Company Limited	9.80%	January 13, 2022	AA+/A-1+	-	580,000,000	580,000,000	-	-	-
Pak Oman Investment Company Limited	10.00%	January 21, 2022	AA+/A-1+	-	1,500,000,000	1,500,000,000	-	-	-
Pak Oman Investment Company Limited	10.05%	January 28, 2022	AA+/A-1+	-	1,100,000,000	1,100,000,000	-	-	-
Pak Oman Investment Company Limited	10.00%	February 1, 2022	AA+/A-1+	-	1,900,000,000	1,900,000,000	-	-	-
Pak Oman Investment Company Limited	10.15%	March 4, 2022	AA+/A-1+	-	2,000,000,000	2,000,000,000	-	-	-
Pak Oman Investment Company Limited	10.15%	February 3, 2022	AA+/A-1+	-	650,000,000	650,000,000	-	-	-
Pak Oman Investment Company Limited	9.90%	February 4, 2022	AA+/A-1+	-	150,000,000	150,000,000	-	-	-
Pak Oman Investment Company Limited	10.00%	March 7, 2022	AA+/A-1+	-	1,800,000,000	1,800,000,000	-	-	-
Pak Oman Investment Company Limited	10.00%	March 10, 2022	AA+/A-1+	-	1,800,000,000	1,800,000,000	-	-	-
Pak Oman Investment Company Limited	10.15%	March 11, 2022	AA+/A-1+	-	1,800,000,000	1,800,000,000	-	-	-
Pak Oman Investment Company Limited	10.10%	March 14, 2022	AA+/A-1+	-	1,800,000,000	1,800,000,000	-	-	-
Pak Oman Investment Company Limited	13.10%	May 12, 2022	AA+/A-1+	-	640,000,000	640,000,000	-	-	-
Pak Oman Investment Company Limited	13.10%	May 13, 2022	AA+/A-1+	-	750,000,000	750,000,000	-	-	-
Pak Oman Investment Company Limited	13.05%	May 24, 2022	AA+/A-1+	-	2,000,000,000	2,000,000,000	-	-	-
Pak Oman Investment Company Limited	14.00%	May 25, 2022	AA+/A-1+	-	2,000,000,000	2,000,000,000	-	-	-
Pak Oman Investment Company Limited	13.90%	May 26, 2022	AA+/A-1+	-	1,850,000,000	1,850,000,000	-	-	-
Pak Oman Investment Company Limited	14.50%	May 31, 2022	AA+/A-1+	-	1,950,000,000	1,950,000,000	-	-	-
Pak Oman Investment Company Limited	14.50%	June 6, 2022	AA+/A-1+	-	1,500,000,000	1,500,000,000	-	-	-
Pak Brunei Investment Company Limited	7.12%	July 29, 2021	AA+/A-1+	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	7.12%	July 29, 2021	AA+/A-1+	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	7.12%	July 29, 2021	AA+/A-1+	-	500,000,000	500,000,000	-	-	-
Pak Brunei Investment Company Limited	7.15%	July 29, 2021	AA+/A-1+	-	350,000,000	350,000,000	-	-	-
Pak Brunei Investment Company Limited	7.05%	August 12, 2021	AA+/A-1+	-	500,000,000	500,000,000	-	-	-
Pak Brunei Investment Company Limited	7.38%	November 19, 2021	AA+/A-1+	-	1,400,000,000	1,400,000,000	-	-	-
Pak Brunei Investment Company Limited	7.38%	November 19, 2021	AA+/A-1+	-	1,400,000,000	1,400,000,000	-	-	-
Pak Brunei Investment Company Limited	10.20%	January 13, 2022	AA+/A-1+	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	10.20%	January 13, 2022	AA+/A-1+	-	1,400,000,000	1,400,000,000	-	-	-
Pak Brunei Investment Company Limited	10.05%	January 27, 2022	AA+/A-1+	-	1,100,000,000	1,100,000,000	-	-	-
Pak Brunei Investment Company Limited	10.05%	January 27, 2022	AA+/A-1+	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	10.15%	March 7, 2022	AA+/A-1+	-	1,400,000,000	1,400,000,000	-	-	-
Pak Brunei Investment Company Limited	10.15%	March 7, 2022	AA+/A-1+	-	1,500,000,000	1,500,000,000	-	-	-
Pak Brunei Investment Company Limited	9.90%	March 11, 2022	AA+/A-1+	-	1,800,000,000	1,800,000,000	-	-	-
Pak Brunei Investment Company Limited	12.55%	June 6, 2022	AA+/A-1+	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	12.55%	June 6, 2022	AA+/A-1+	-	1,450,000,000	1,450,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	8.95%	December 2, 2021	AAA/A1+	-	1,000,000,000	1,000,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	9.05%	December 9, 2021	AAA/A1+	-	2,600,000,000	2,600,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	9.20%	December 13, 2021	AAA/A1+	-	2,400,000,000	2,400,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	10.15%	January 27, 2022	AAA/A1+	-	1,384,000,000	1,384,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	10.14%	January 26, 2022	AAA/A1+	-	950,000,000	950,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	10.15%	March 10, 2022	AAA/A1+	-	1,900,000,000	1,900,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	10.00%	March 11, 2022	AAA/A1+	-	1,800,000,000	1,800,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	10.00%	March 14, 2022	AAA/A1+	-	1,800,000,000	1,800,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	10.05%	April 5, 2022	AAA/A1+	-	2,000,000,000	2,000,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	12.60%	May 30, 2022	AAA/A1+	-	2,400,000,000	2,400,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	14.25%	June 1, 2022	AAA/A1+	-	1,950,000,000	1,950,000,000	-	-	-
Pakistan Kuwait Investment Company (Private) Limited	14.15%	June 6, 2022	AAA/A1+	-	1,250,000,000	1,250,000,000	-	-	-
Total as at June 30, 2022				-	90,854,000,000	90,854,000,000	-	-	-
Total as at June 30, 2021				-	35,454,000,000	35,454,000,000	-	-	-

5.6 Certificates of investment

Name of the investee company	Rate of return per annum	Maturity	Rating (Long Term / Short Term)	Face value				Market value as percentage of	
				As at July 01, 2021	Purchased during the year	Matured during the period	As at June 30, 2022	Net assets of the Fund	Total investments
				----- (Rupees) -----				----- (%) -----	
Total as at June 30, 2022				-	-	-	-	-	-
Total as at June 30, 2021				-	1,500,000,000	1,500,000,000	-		

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

	Note	2022	2021
		----- (Rupees) -----	
Market value of investments	5.3,5.4	1,815,139,519	1,670,372,267
Less: Carrying value of investments	5.3,5.4	1,815,139,519	1,670,372,267
		<u>-</u>	<u>-</u>

6. ADVANCES, PREPAYMENTS AND PROFIT RECEIVABLE

Profit receivable on:			
Sukuk certificates		36,047,617	5,164,381
Bank balances		33,751,266	2,461,864
Advance Tax	6.1	789,610	400,490
Prepaid professional fee		-	134,532
Prepaid credit rating fee		237,362	267,107
		<u>70,825,855</u>	<u>8,428,374</u>

- 6.1** As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2022, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs. 0.79 million (2021: Rs. 0.4 million)

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2022	2021
		----- (Rupees) -----	
7. PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	7.1	6,831,088	6,177,192
Sindh sales tax payable on management remuneration	7.2	1,457,360	1,372,358
Federal excise duty payable on management remuneration	7.3	11,119,352	11,119,352
Selling and marketing expenses	7.4	8,381,943	600,000
Sales load payable		10,539	1,321
		<u>27,800,282</u>	<u>19,270,223</u>

- 7.1** As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Accordingly, the Management Company has charged its remuneration variably keeping in view the overall return and the total expense ratio limit of the Fund subject to the maximum limit of 0.35% of average annual net assets as disclosed in the offering document. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2** During the year, an amount of Rs. 10.750 million (2021: Rs. 11.564 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 10.665 million (2021: Rs. 11.684 million) has been paid to the Management Company which acts as a collecting agent.

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

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

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

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

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2022 would have been higher by Re. 0.0384 per unit (June 30, 2021: Re. 0.0406 per unit).

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

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

8. PAYABLE TO THE TRUSTEE	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Trustee remuneration payable	8.1	1,062,810	1,136,123
Sindh sales tax payable on trustee remuneration	8.2	139,156	148,687
CDS charges payable		153,711	-
		<u>1,355,677</u>	<u>1,284,810</u>

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

- 8.2 During the year, an amount of Rs. 1.839 million (2021: Rs. 1.695 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.849 million (2021: Rs. 1.646 million) was paid to the Trustee which acts as a collecting agent.

9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Annual fee payable	9.1	<u>4,907,705</u>	<u>4,012,324</u>

- 9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

10. ACCRUED AND OTHER LIABILITIES	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Provision for Sindh Workers' Welfare Fund	10.1	-	104,303,538
Sales load payable		3,962,445	4,844,127
Withholding tax payable		376,590	811,858
Capital gain tax payable		5,391,224	519,691
Brokerage and settlement charges payable		52,952	94,334
Auditors' remuneration payable		349,208	215,761
Printing charges payable		105,773	99,245
Zakat payable		16,669	-
Professional and legal charges payable		41,791	-
Other payable		<u>2,551,878</u>	<u>-</u>
		<u>12,848,530</u>	<u>110,888,554</u>

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

During the year, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

12. PROFIT / MARK-UP INCOME

Profit / mark-up income on:

- Market Treasury Bills
- Letters of placement
- Term deposit receipts
- Commercial papers
- Sukuk certificates
- Certificates of Investment
- Bank balances

	2022	2021
	----- (Rupees) -----	-----
	730,629,492	869,828,287
	250,340,821	68,047,702
	1,446,164	12,739,726
	50,568,099	48,950,874
	44,428,394	5,164,381
	-	26,843,833
	<u>1,483,013,370</u>	<u>457,072,393</u>
	<u>2,560,426,340</u>	<u>1,488,647,196</u>

13. AUDITORS' REMUNERATION

- Audit fee
- Review and other certifications
- Out of pocket expenses
- Sindh sales tax

	132,000	120,000
	286,154	105,000
	29,866	27,000
	<u>35,840</u>	<u>18,000</u>
	<u>483,860</u>	<u>270,000</u>

14. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 0.54% which includes 0.072% representing government levies on the Fund such as sales taxes and annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15. TAXATION

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

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

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

16. CASH AND CASH EQUIVALENTS

- Bank balances

	2022	2021
	----- (Rupees) -----	-----
	<u>26,625,924,053</u>	<u>25,335,853,393</u>

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

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

2021											
	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2021	
(Units)					(Rupees)						
Associated companies / undertakings											
Alfalah GHP Investment Management Limited		5,383,550	2,174,057	73,054	5,865,224	1,765,437	528,331,907	214,047,422	7,169,389	577,422,201	173,433,883
Alfalah GHP Prosperity Planning Fund		505,081	645,554	47,292	599,130	598,797	49,567,740	63,500,000	4,641,184	59,000,000	58,824,919
Bank Alfalah Limited - Employees Provident Fund		-	3,707,812	148,468	-	3,856,280	-	365,529,052	14,570,337	-	378,835,163
Key management personnel											
Chief Operating Officer		2	-	-	-	2	196	-	-	-	196
Chief Financial Officer		8,366	-	-	8,366	-	821,024	-	-	824,688	-
Head of Operations & Registrar Services		2,703	-	11	2,714	-	265,268	-	1,085	267,568	-
Head of Compliance		7,232	-	-	7,232	-	709,735	-	-	710,244	-
Head of Administration		-	1	1	-	2	-	137	7	-	196
Head of Corporate & Institutional Sales		20,174	17,280	816	25,900	12,370	1,979,840	1,699,100	80,125	2,550,000	1,215,210
Vice President - Portfolio Department		9	-	1	-	10	883	-	51	-	982
Head of Investor Relations		1	-	-	-	1	98	-	-	-	98
Unit holder holding 10% or more units											
Fauji Fertilizer Company Limited		18,082,674	155,466,014	2,269,377	129,996,831	45,821,234	1,774,601,078	15,308,000,000	222,712,565	12,794,218,461	4,501,409,296

17.1.1 This reflects the position of related party / connected persons status as at June 30, 2022.

17.2 Other transactions

	2022	2021
	----- (Rupees) -----	
Associated companies / undertakings		
Alfalalah GHP Investment Management Limited - Management Company		
Remuneration of Alfalah GHP Investment Management Limited -	82,693,052	88,955,284
Sindh sales tax on remuneration of the Management Company	10,750,097	11,564,187
Selling and marketing expenses	14,014,705	600,000
Sales load	518,911	238,230
Alfalalah GHP Income Multiplier Fund		
Market Treasury Bills - purchased	-	27,805,322
Market Treasury Bills - sold	112,845,305	107,959,440
Alfalalah GHP Sovereign Fund		
Market Treasury Bills - purchased	888,577,086	2,010,532,802
Market Treasury Bills - sold	1,102,728,040	1,006,244,260
Alfalalah Islamic Rozana Amdani Fund		
Short Term Sukuk - Sold	369,500,000	-
Alfalalah GHP Cash Fund		
Market Treasury Bills - purchased	9,525,915,229	1,213,539,635
Market Treasury Bills - sold	6,856,552,455	4,270,192,369
Alfalalah GHP Income Fund		
Market Treasury Bills - purchased	2,040,411,440	701,230,644
Market Treasury Bills - sold	4,320,651,488	1,445,914,300
Alfalalah GHP Value Fund		
Market Treasury Bills - purchased	-	49,185,400
Market Treasury Bills - sold	-	83,150,135
Bank Alfalah		
Profit on bank balances	563,441,828	83,984,139
Profit on term deposit receipts	1,446,164	12,739,726
Sales load	32,914,740	24,037,543
Bank charges	125,986	243,000
Term deposit receipts - matured	300,000,000	2,000,000,000
Market Treasury Bills - purchased	2,785,973,800	19,781,729,380
Market Treasury Bills - sold	4,386,870,000	1,572,716,400
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan	14,146,715	13,040,045
Sindh sales tax on remuneration of the Trustee	1,839,073	1,695,205
CDS Charges	1,032,828	666,232

17.3 Other balances

Associated companies / undertakings		
Alfalalah GHP Investment Management Limited - Management Company		
Management remuneration payable	6,831,088	6,177,192
Sindh sales tax payable on management remuneration	1,457,360	1,372,358
Federal excise duty payable on management remuneration	11,119,352	11,119,352
Selling and marketing expenses	8,381,943	600,000
Sales load payable	10,539	1,321
Bank Alfalah Limited		
Bank balance	8,555,662,905	7,273,268,713
Profit receivable	2,146	-
Sales load payable	3,962,445	4,844,127
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	1,062,810	1,136,123
Sindh sales tax payable on trustee remuneration	139,156	148,687

18. FINANCIAL INSTRUMENTS BY CATEGORY

2022			
At amortised cost		At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	26,625,924,053	-	26,625,924,053
Investments	-	1,815,139,519	1,815,139,519
Security deposit with the Central Depository Company of Pakistan Limited - Trustee	100,000	-	100,000
Profit receivable	69,798,883	-	69,798,883
	<u>26,695,822,936</u>	<u>1,815,139,519</u>	<u>28,510,962,455</u>

2022			
At amortised cost		At fair value through profit or loss	Total
(Rupees)			
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	27,800,282	-	27,800,282
Payable to Central Depository Company of Pakistan Limited - Trustee	1,355,677	-	1,355,677
Accrued and other liabilities	7,064,047	-	7,064,047
	<u>36,220,006</u>	<u>-</u>	<u>36,220,006</u>

2021			
At amortised cost		At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	25,335,853,393	-	25,335,853,393
Investments	-	1,670,372,267	1,670,372,267
Security deposit with the Central Depository Company of Pakistan Limited - Trustee	100,000	-	100,000
Profit receivable	7,626,245	-	7,626,245
	<u>25,343,579,638</u>	<u>1,670,372,267</u>	<u>27,013,951,905</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	19,270,223	-	19,270,223
Payable to Central Depository Company of Pakistan Limited - Trustee	1,284,810	-	1,284,810
Accrued and other liabilities	5,253,467	-	5,253,467
	<u>25,808,500</u>	<u>-</u>	<u>25,808,500</u>

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2022, is as follows:

	2022	2021
	(Rupees)	
Variable rate instruments (financial assets)		
Bank balances	20,411,626,609	11,335,755,063
Sukuk certificates	1,050,000,000	369,500,000
	<u>21,461,626,609</u>	<u>11,705,255,063</u>
Fixed rate instruments (financial assets)		
Commercial papers	<u>765,139,519</u>	<u>1,300,872,267</u>

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 19.731 million (2021: Rs. 10.006 million) The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at June 30, 2022, the Fund holds commercial papers which are classified as financial assets 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in interest rates announced by K-Electric for commercial papers and with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 5.1 million (2021: Rs. 8.67 million). The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

2022						
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and up to one year	More than one year			
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	8.00% - 18.3%	20,411,626,609	-	-	6,214,297,444	26,625,924,053
Investments	11.59% - 16.21%	250,000,000	1,565,139,519	-	-	1,815,139,519
Profit receivable		-	-	-	69,798,883	69,798,883
Security deposit with the Central Depository Company of Pakistan Limited - Trustee		-	-	-	100,000	100,000
Sub total		<u>20,661,626,609</u>	<u>1,565,139,519</u>	<u>-</u>	<u>6,284,196,327</u>	<u>28,510,962,455</u>
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	27,800,282	27,800,282
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,355,677	1,355,677
Accrued and other liabilities		-	-	-	7,064,047	7,064,047
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>36,220,006</u>	<u>36,220,006</u>
On-balance sheet gap		<u>20,661,626,609</u>	<u>1,565,139,519</u>	<u>-</u>	<u>6,247,976,321</u>	<u>28,474,742,449</u>
Total interest rate sensitivity gap		<u>20,661,626,609</u>	<u>1,565,139,519</u>	<u>-</u>	<u>6,247,976,321</u>	<u>28,474,742,449</u>
Cumulative interest rate sensitivity gap		<u>20,661,626,609</u>	<u>22,226,766,128</u>	<u>22,226,766,128</u>		

----- 2021 -----					
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		

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

On-balance sheet financial instruments

Financial assets

Bank balances	5.5% - 7.9%	11,335,755,063	-	-	14,000,098,330	25,335,853,393
Investments	7.96% - 8.42%	890,071,575	780,300,692	-	-	1,670,372,267
Profit receivable		-	-	-	7,626,245	7,626,245
Security deposit with the Central Depository Company of Pakistan Limited - Trustee		-	-	-	100,000	100,000
Sub total		12,225,826,638	780,300,692	-	14,007,824,575	27,013,951,905

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	19,270,223	19,270,223
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,284,810	1,284,810
Accrued and other liabilities		-	-	-	5,253,467	5,253,467
Sub total		-	-	-	25,808,500	25,808,500

On-balance sheet gap		12,225,826,638	780,300,692	-	13,982,016,075	26,988,143,405

Total interest rate sensitivity gap		12,225,826,638	780,300,692	-	13,982,016,075	26,988,143,405

19.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2022.

19.2 Credit risk

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

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

19.2.1 Exposure to credit risk

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

----- 2022 -----		----- 2021 -----	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk

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

Bank balances	26,625,924,053	26,625,924,053	25,335,853,393	25,335,853,393
Investments	1,815,139,519	1,815,139,519	1,670,372,267	1,670,372,267
Profit receivable	69,798,883	69,798,883	7,626,245	7,626,245
Security deposit	100,000	100,000	100,000	100,000
	28,510,962,455	28,510,962,455	27,013,951,905	27,013,951,905

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired either at June 30, 2022 and June 30, 2021.

19.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2022 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2022	2021
			% of bank balances exposed to credit risk	
Allied Bank Limited	PACRA	A1+ / AAA	29.71%	57.43%
Bank Al Habib Limited	PACRA	A1+ / AAA	0.00%	0.00%
Bank Alfalah Limited	PACRA	A1+ / AA+	32.13%	28.70%
Habib Bank Limited	VIS	A-1+ / AAA	38.13%	0.00%
Habib Metropolitan Bank Limited	PACRA	A1+ / AA+	0.00%	0.00%
MCB Bank Limited	PACRA	A1+ / AAA	0.01%	0.02%
National Bank of Pakistan	PACRA	A1+ / AAA	0.00%	0.00%
Samba Bank Limited	VIS	A-1 / AA	0.00%	5.95%
Zarai Taraqati Bank Limited	VIS	A-1+ / AAA	0.00%	0.00%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	0.00%	0.00%
The Bank of Punjab	PACRA	A1+ / AA+	0.00%	0.00%
Faysal Bank Limited	PACRA	A1+ / AA	0.02%	7.90%
Central Depository Company of Pakistan Limited	N/A	N/A	0.00%	0.00%
			100.00%	100.00%

Ratings of commercial papers and sukuk certificate have been disclosed in related notes to the financial statements.

19.2.3 Concentration of credit risk

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

	2022		2021	
	Rupees	%	Rupees	%
Commercial banks (including TDR and profit receivable)	26,659,675,319	93.51%	25,338,315,257	93.80%
Power generation and distribution - sukuk certificates (including profit receivable)	1,086,047,617	3.81%	374,664,381	1.39%
Power generation and distribution - commercial papers	765,139,519	2.68%	1,300,872,267	4.81%
Central Depository Company of Pakistan Limited	100,000	0.00%	100,000	0.00%
	28,510,962,455	100.00%	27,013,951,905	100.00%

19.3 Liquidity risk

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

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

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

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

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

2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	26,625,924,053	-	-	-	-	26,625,924,053
Investments	-	250,000,000	1,565,139,519	-	-	1,815,139,519
Profit receivable	33,751,266	-	36,047,617	-	-	69,798,883
Security deposit with the Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	100,000	100,000
	26,659,675,319	250,000,000	1,601,187,136	-	100,000	28,510,962,455
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	27,800,282	-	-	-	-	27,800,282
Payable to Central Depository Company of Pakistan Limited - Trustee	1,355,677	-	-	-	-	1,355,677
Accrued and other liabilities	7,064,047	-	-	-	-	7,064,047
	36,220,006	-	-	-	-	36,220,006
Net financial assets	26,623,455,313	250,000,000	1,601,187,136	-	100,000	28,474,742,449

2021						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	25,335,853,393	-	-	-	-	25,335,853,393
Investments	-	890,071,575	780,300,692	-	-	1,670,372,267
Profit receivable	2,461,864	-	5,164,381	-	-	7,626,245
Security deposit with the Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	100,000	100,000
	25,338,315,257	890,071,575	785,465,073	-	100,000	27,013,951,905
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	19,270,223	-	-	-	-	19,270,223
Payable to Central Depository Company of Pakistan Limited - Trustee	1,284,810	-	-	-	-	1,284,810
Accrued and other liabilities	5,253,467	-	-	-	-	5,253,467
	25,808,500	-	-	-	-	25,808,500
Net financial assets	25,312,506,757	890,071,575	785,465,073	-	100,000	26,988,143,405

20. FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

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

2022			
Level 1	Level 2	Level 3	Total
(Rupees)			
At fair value through profit or loss			
Commercial papers*	- 765,139,519	-	765,139,519
Short term sukuk certificates**	- 1,050,000,000	-	1,050,000,000
-	1,815,139,519	-	1,815,139,519
2021			
Level 1	Level 2	Level 3	Total
(Rupees)			
At fair value through profit or loss			
Commercial papers*	- 1,300,872,267	-	1,300,872,267
Short term sukuk certificates**	- 369,500,000	-	369,500,000
-	1,670,372,267	-	1,670,372,267

* The valuation of commercial papers has been done based on amortisation of commercial papers to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

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

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21. UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

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

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

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23. CORRESPONDING FIGURES

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

24. GENERAL

Figures have been rounded off to the nearest rupee.

25. DISTRIBUTIONS MADE

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

Particulars	Date of declaration	Per unit distribution	Capital value	Undistributed income
----- (Rupees) -----				
1st interim distribution for the year ended June 30, 2021	28-Jul-20	0.4724	11,418,658	86,257,838
2nd interim distribution for the year ended June 30, 2021	31-Aug-20	0.5506	5,758,832	112,199,283
3rd interim distribution for the year ended June 30, 2021	25-Sep-20	0.4301	2,575,240	84,250,790
4th interim distribution for the year ended June 30, 2021	28-Oct-20	0.5911	11,805,528	114,873,493
5th interim distribution for the year ended June 30, 2021	27-Nov-20	0.5177	3,211,506	104,098,835
6th interim distribution for the year ended June 30, 2021	28-Dec-20	0.5578	8,449,937	106,091,404
7th interim distribution for the year ended June 30, 2021	27-Jan-21	0.5499	7,670,989	109,941,476
8th interim distribution for the year ended June 30, 2021	24-Feb-21	0.4861	6,067,639	68,876,292
9th interim distribution for the year ended June 30, 2021	26-Mar-21	0.5583	23,735,403	90,820,119
10th interim distribution for the year ended June 30, 2021	29-Apr-21	0.6472	24,153,917	94,990,202
11th interim distribution for the year ended June 30, 2021	27-May-21	0.5086	9,133,798	92,660,112
12th interim distribution for the year ended June 30, 2021	25-Jun-21	0.5560	28,764,052	110,550,574
For the year ended June 30, 2021			142,745,499	1,175,610,418

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	4,385	126,359,206	12,430,200,237	37%
Associated Co./ Directors	2	3,592,367	353,388,157	1%
Insurance Co.	11	6,135,224	603,533,899	0%
Banks/ DFIs	-	-	-	1%
Retirement & Other Funds	62	10,021,903	985,874,057	3%
Others	163	143,253,054	14,092,080,882	59%
	4623	289,361,754	28,465,077,233	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	5,189	100,200,032	9,843,500,800	35%
Associated Co./ Directors	6	1,765,439	173,434,044	1%
Insurance Co.	35	1,200,803	117,965,118	0%
Banks/ DFIs	31	2,424,306	238,160,138	1%
Retirement & Other Funds	104	7,224,735	709,747,099	2%
Others	235	160,797,312	15,796,490,924	56%
	5600	273,612,626	26,879,298,123	95%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022
	%
Bright Capital (Pvt.) Limited	21%
Summit Capital (Private) Limited	16%
Continental Exchange (Pvt.) Limited	15%
Magenta Capital (Pvt) Limited	10%
Pearl Securities Limited	11%
Invest One Markets Limited	7%
JS Global Capital Limited	3%
Icon Management (Private) Limited	2%
Paramount Capital (Pvt.) Limited	1%
BIPL Securities Limited	1%
	30 June 2021
	%
Bright Capital (Pvt.) Limited	39
Pearl Securities Limited	14
Continental Exchange (Pvt.) Limited	11
Paramount Capital (Pvt.) Limited	8
Magenta Capital (Pvt) Limited	7
Invest One Markets Limited	7
Summit Capital (Private) Limited	4
BIPL Securities Limited	3
Icon Management (Private) Limited	2
Arif Habib Limited	2

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

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

Mr. Mustafa Kamal

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

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

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

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

PERFORMANCE TABLE - AGHPMMF

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
	(Rupees in '000)				
Net Assets	28,465,077	26,879,298	15,462,891	17,975,253	5,151,181
NAV per unit	98.3719	98.2385	98.1382	97.9519	102.7407
Selling price per unit	99.4835	99.3486	99.2472	99.0588	103.9017
Redemption price per unit	98.3719	98.2385	98.1382	97.9519	102.7407
Highest selling price per unit	100.7835	99.9017	100.2992	100.1671	103.8842
Highest redemption price per unit	99.6574	98.7854	99.1785	99.0479	102.7407
Lowest selling price per unit	98.2422	99.2625	99.0781	98.6027	98.5988
Lowest redemption price per unit	98.2422	98.1534	97.9711	97.5009	97.4971
1st interim distribution per unit	0.5381	0.4724	0.8419	1.4682	-
1st interim distribution date	28-Jul-21	28-Jul-20	26-Jul-19	28-Sep-18	-
2nd interim distribution per unit	0.9770	0.5506	1.1416	0-Jan-00	N/A
2nd interim distribution date	25-Aug-21	31-Aug-20	29-Aug-19	26-Oct-18	N/A
3rd interim distribution per unit	0.7052	0.4301	0.9671	0-Jan-00	N/A
3rd interim distribution date	28-Sep-21	25-Sep-20	26-Sep-19	29-Nov-18	N/A
4th interim distribution per unit	0.5872	0.5911	1.0285	0-Jan-00	N/A
4th interim distribution date	28-Oct-21	28-Oct-20	25-Oct-19	27-Dec-18	N/A
5th interim distribution per unit	0.6146	0.5177	1.0306	0-Jan-00	N/A
5th interim distribution date	26-Nov-21	27-Nov-20	28-Nov-19	29-Jan-19	N/A
6th interim distribution per unit	0.8445	0.5578	1.0043	0-Jan-00	N/A
6th interim distribution date	27-Dec-21	28-Dec-20	26-Dec-19	27-Feb-19	N/A
7th interim distribution per unit	0.8799	0.5499	1.2027	0-Jan-00	N/A
7th interim distribution date	26-Jan-22	27-Jan-21	30-Jan-20	29-Mar-19	N/A
8th interim distribution per unit	0.7248	0.4861	0.9137	0-Jan-00	N/A
8th interim distribution date	24-Feb-22	24-Feb-21	27-Feb-20	29-Apr-19	N/A
9th interim distribution per unit	0.6919	0.5583	1.0632	0-Jan-00	N/A
9th interim distribution date	21-Mar-22	26-Mar-21	27-Mar-20	31-May-19	N/A
10th interim distribution per unit	1.1616	0.6472	1.2266	1.2000	5.3241
10th interim distribution date	27-Apr-22	29-Apr-21	29-Apr-20	30-Jun-19	2-Jul-18
11th interim distribution per unit	0.9612	0.5086	0.5758	N/A	N/A
11th interim distribution date	25-May-22	27-May-21	29-May-20	N/A	N/A
12th interim distribution per unit	1.4189	0.5560	0.5381	N/A	N/A
12th interim distribution date	27-Jun-22	25-Jun-21	24-Jun-20	N/A	N/A
Annualized returns %	10.93%	6.86%	12.64%	9.15%	5.46%
Income distribution %	10.29%	6.55%	11.78%	7.86%	5.47%
Weighted avg. portfolio duration (Days)	04 Days	06 Days	40 Days	06 Day	01 Day

Return since inception is **8.83%**

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



Alfalah Ghp Sovereign Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA-(f) by PACRA

Alfalah GHP Sovereign Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review:-

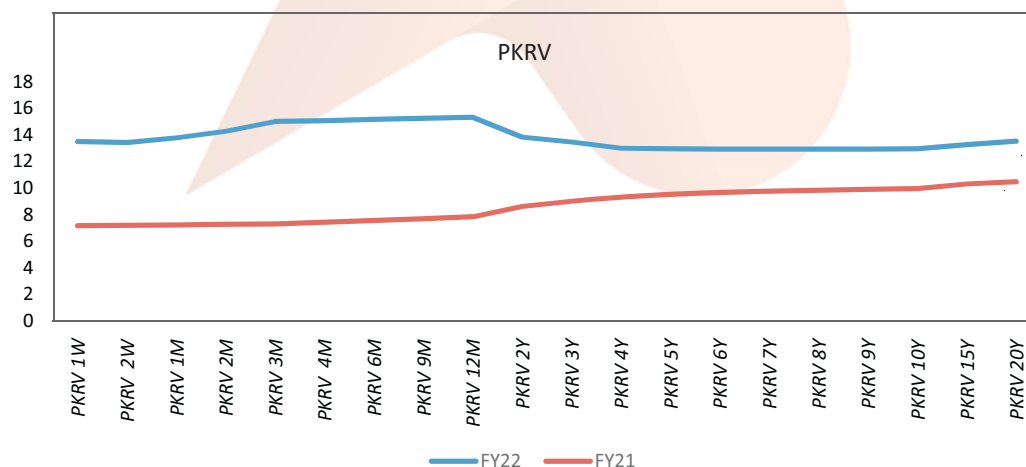
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

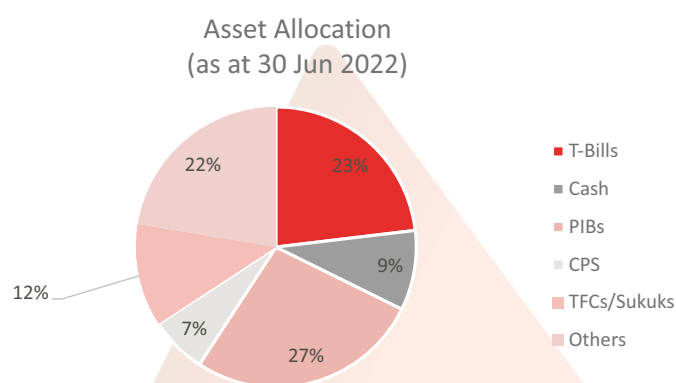
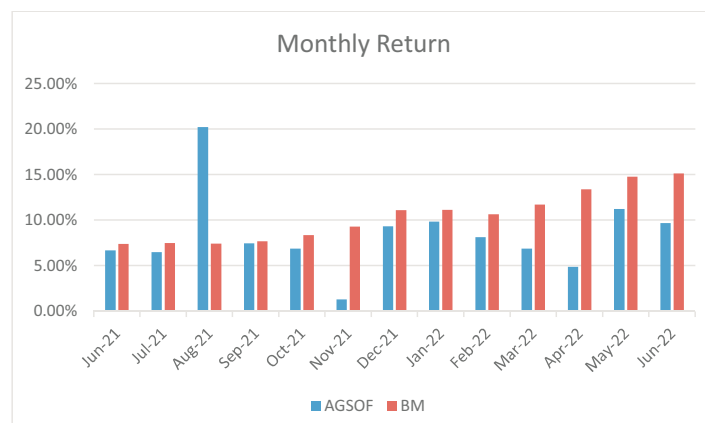
Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



Fund Performance

For the year ended June 30 2022, the fund posted a return of 8.91% against the benchmark of 10.68%.



Credit Quality (as % of Total Assets)			
Govt. Secs / Guar	49.98%	A	0.00%
AAA	0.25%	A-	0.00%
AA+	14.27%	BBB+	0.00%
AA	4.84%	BBB	0.00%
AA-	8.31%	Below IG	0.00%
A+	0.00%	NR/UR/MTS	22.35%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP SOVEREIGN FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Sovereign Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 20, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Sovereign Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Sovereign Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2022 amounted to Rs. 629.889 million and bank balances aggregated to Rs. 58.044 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: - Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; - Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and - Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 29 September, 2022
UDIN:

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
Assets			
Bank balances	4	58,044,132	609,644,401
Investments	5	629,888,755	553,299,638
Advances, prepayments and profit receivable	6	8,281,531	13,970,349
Receivable against sale of investments		11,536,208	-
Total assets		<u>707,750,626</u>	<u>1,176,914,388</u>
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	7	24,747,746	25,221,609
Payable to Central Depository Company of Pakistan Limited - Trustee	8	44,537	70,211
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	182,663	286,330
Accrued and other liabilities	10	9,526,439	22,832,957
Total liabilities		<u>34,501,385</u>	<u>48,411,107</u>
Net assets attributable to the unit holders		<u>673,249,241</u>	<u>1,128,503,281</u>
Unit holders' fund (as per statement attached)		<u>673,249,241</u>	<u>1,128,503,281</u>
Contingencies and commitments	11	----- (Number of units) -----	
Number of units in issue		<u>6,305,908</u>	<u>10,571,807</u>
		----- (Rupees) -----	
Net asset value per unit		<u>106.7648</u>	<u>106.7465</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		----- (Rupees) -----	
Income			
Profit / mark up income	12	91,254,381	112,990,155
Loss on sale of investments - net		(1,905,846)	(3,604,677)
Unrealised (loss) / gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	(5,118,102)	3,146,148
Total income		<u>84,230,433</u>	<u>112,531,626</u>
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	7.1	8,687,918	11,327,245
Sindh Sales Tax on remuneration of the Management Company	7.2	1,129,426	1,472,542
Allocated expenses	7.4	913,433	1,431,775
Selling and marketing expenses	7.5	5,858,210	5,727,150
Remuneration of Central Depository Company of Pakistan - Trustee	8.1	531,225	930,691
Sindh Sales Tax on remuneration of the Trustee	8.2	69,057	120,990
Annual fee to the Securities and Exchange Commission of Pakistan		182,688	286,330
Brokerage expense		168,465	221,211
Bank charges and settlement charges		434,381	492,009
Annual fee of Marginal Trading System		250,025	250,024
Auditors' remuneration	13	483,860	340,746
Annual listing fee		33,100	27,499
Annual rating fee		574,735	442,941
Printing charges		29,995	29,930
(Reversal of provision) / provision against Sindh Workers' Welfare Fund	10.1	(11,633,704)	1,788,611
Total expenses		<u>7,712,814</u>	<u>24,889,694</u>
Net income for the year before taxation		<u>76,517,619</u>	<u>87,641,932</u>
Taxation	15	-	-
Net income for the year after taxation		<u><u>76,517,619</u></u>	<u><u>87,641,932</u></u>
Allocation of net income for the year			
Net income for the year after taxation		76,517,619	87,641,932
Income already paid on units redeemed		(24,538,999)	(36,532,567)
		<u>51,978,620</u>	<u>51,109,365</u>
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		51,978,620	51,109,365
		<u>51,978,620</u>	<u>51,109,365</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022 ----- (Rupees) -----	2021 -----
Net income for the year after taxation	76,517,619	87,641,932
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>76,517,619</u>	<u>87,641,932</u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the year	1,059,387,133	69,116,148	1,128,503,281	1,360,328,723	68,385,023	1,428,713,746
Issuance of 2,926,873 (2021: 21,340,960) units						
- Capital value (at net asset value per unit at the beginning of the year)	312,433,449	-	312,433,449	2,276,465,812	-	2,276,465,812
- Element of income	7,084,020	-	7,084,020	36,520,799	-	36,520,799
Total proceeds on issuance of units	319,517,469	-	319,517,469	2,312,986,611	-	2,312,986,611
Redemption of 7,192,772 (2021: 24,162,772) units						
- Capital value (at net asset value per unit at the beginning of the year)	767,803,236	-	767,803,236	2,577,471,885	-	2,577,471,885
- Element of loss	1,461,572	24,538,999	26,000,571	30,855,672	36,532,567	67,388,239
Total payments on redemption of units	769,264,808	24,538,999	793,803,807	2,608,327,557	36,532,567	2,644,860,124
Total comprehensive income for the year	-	76,517,619	76,517,619	-	87,641,932	87,641,932
Final distribution for the year ended June 30, 2021 on June 25, 2021 @ Rs. 6.6680 per unit	-	-	-	(5,600,644)	(50,378,240)	(55,978,884)
Final distribution for the year ended June 30, 2022 on June 25, 2022@ Rs. 9.4865 per unit	(5,550,528)	(51,934,793)	(57,485,321)			
Net assets at end of the year	604,089,266	69,159,975	673,249,241	1,059,387,133	69,116,148	1,128,503,281
Undistributed income brought forward		(Rupees)			(Rupees)	
- Realised income		65,970,000			50,552,045	
- Unrealised income		3,146,148			17,832,978	
		69,116,148			68,385,023	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		51,978,620			51,109,365	
Final distribution for the year ended June 30, 2021 on June 25, 2021 @ Rs. 6.6680 per unit		51,978,620			51,109,365	
Final distribution for the year ended June 30, 2022 on June 25, 2022@ Rs. 9.4865 per unit		(51,934,793)				
Undistributed income carried forward		69,159,975			69,116,148	
Undistributed income carried forward						
- Realised income		74,278,077			65,970,000	
- Unrealised (loss) / income		(5,118,102)			3,146,148	
		69,159,975			69,116,148	
Net asset value per unit at the beginning of the year		106.7465			106.6712	
Net asset value per unit at the end of the year		106.7648			106.7465	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		76,517,619	87,641,932
Adjustments for:			
Unrealised loss / (gain) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		5,118,102	(3,146,148)
(Reversal of provision) / provision against Sindh Workers' Welfare Fund		(11,633,704)	1,788,611
		<u>70,002,017</u>	<u>86,284,395</u>
(Increase) / decrease in assets			
Investments		(81,707,219)	574,435,609
Advances, prepayments and profit receivable		5,688,818	(5,489,242)
Receivable against sale of investments		(11,536,208)	47,483,000
		<u>(87,554,609)</u>	<u>616,429,367</u>
Increase / (decrease) in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		(473,863)	352,996
Payable to Central Depository Company of Pakistan Limited - Trustee		(25,674)	(33,913)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(103,667)	98,571
Accrued and other liabilities		(1,672,814)	(11,433,499)
		<u>(2,276,018)</u>	<u>(11,015,845)</u>
Net cash (used in) / generated from operating activities		<u>(19,828,610)</u>	<u>691,697,917</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		313,966,941	2,307,385,967
Amount paid against redemption of units		(793,803,807)	(2,644,860,124)
Dividend paid		(51,934,793)	(60,304,808)
Net cash used in financing activities		<u>(531,771,659)</u>	<u>(397,778,965)</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(551,600,269)</u>	<u>293,918,952</u>
Cash and cash equivalents at the beginning of the year		609,644,401	315,725,449
Cash and cash equivalents at end of the year	4	<u><u>58,044,132</u></u>	<u><u>609,644,401</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Sovereign 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 as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 6, 2014.
- 1.2 During the year ended June 30, 2021, The Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2022" (the Sindh Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.4 The Fund is categorised as "Income Scheme" pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.5 According to the trust deed, the objective of the Fund is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt Instruments. The investment objectives and policy are explained in the Fund's offering document.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on April 8, 2022 (2021: AM2+ dated March 3, 2021) and has maintained the stability rating of the Fund at AA-(f) on April 8, 2022 (2021: AA-(f) dated April 8, 2021).
- 1.7 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan (CDC) as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

a) Debt instruments

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

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

based on the business model of the entity.

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

b) Equity instruments

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

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

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

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

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

3.2.3 Impairment

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

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

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

3.2.4 Impairment loss on debt securities

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

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

3.2.5 Regular way contracts

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

3.2.6 Derecognition

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

3.2.7 Derivatives

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

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

Deferred

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

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

3.7 Net asset value per unit

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

3.8 Issue and redemption of units

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

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

3.9 Distributions to unit holders

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

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

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

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

3.11 Revenue recognition

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

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Margin Trading System

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

3.15 Foreign currency translation

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

	Note	2022 ----- (Rupees) -----	2021
4. BANK BALANCES			
In savings accounts	4.1	<u>58,044,132</u>	<u>609,644,401</u>
4.1	These accounts carry profit rates ranging from 3.10% to 16.60% (June 30, 2021: 4.00% to 7.90%) per annum. These include bank balance of Rs. 55.450 million (June 30, 2021: Rs. 409.19 million) maintained with Bank Alfalah Limited (a related party) carrying profit at the rate of 16.60% (June 30, 2021: 7.70%) per annum.		
5. INVESTMENTS			
At fair value through profit or loss			
Market Treasury Bills	5.1	302,211,270	-
Pakistan Investment Bonds	5.2	192,776,678	300,350,000
Term Finance Certificates	5.3	46,557,722	46,778,188
Sukuk certificates	5.4	38,526,750	206,171,450
Islamic Commercial Papers	5.5	49,816,335	-
		<u>629,888,755</u>	<u>553,299,638</u>

5.1 Market Treasury Bills - at fair value through profit or loss

Particulars	Face value				Balance as at June 30, 2022			Market value as a percentage of	
	As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised loss	net assets	total investment
	(Rupees)							%	
Market Treasury Bills									
Treasury Bills - 3 Months	-	3,450,000,000	3,450,000,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 6 Months	-	1,820,000,000	1,649,000,000	171,000,000	165,822,968	165,428,820	(394,148)	24.57%	26.26%
Treasury bills - 12 months	-	800,000,000	650,000,000	150,000,000	140,320,850	136,782,450	(3,538,400)	20.32%	21.72%
Total as at June 30, 2022				<u>321,000,000</u>	<u>306,143,818</u>	<u>302,211,270</u>	<u>(3,932,548)</u>		
Total as at June 30, 2021				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

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

Particulars	Note	Issue date	Face value				Balance as at June 30, 2022			Market value as a percentage of	
			As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised loss		
										net assets	total investment
(Rupees)									%		
Pakistan Investment Bonds											
- 02 years	5.2.1	August 26, 2021	-	75,000,000	-	75,000,000	74,690,634	74,482,500	(208,134)	11.06%	11.82%
Pakistan Investment Bonds											
- 03 years		June 18, 2020	200,000,000	-	200,000,000	-	-	-	-	0.00%	0.00%
- 03 years		August 5, 2021	-	125,000,000	125,000,000	-	-	-	-	-	-
- 03 years	5.2.2	August 20, 2020	-	125,000,000	105,000,000	20,000,000	19,169,364	18,354,178	(815,186)	2.73%	2.91%
Pakistan Investment Bonds											
- 05 years	5.2.3	June 18, 2020	100,000,000	-	-	100,000,000	100,304,680	99,940,000	(364,680)	14.84%	15.87%
Total as at June 30, 2022			300,000,000	325,000,000	430,000,000	195,000,000	194,164,678	192,776,678	(1,388,000)		
Total as at June 30, 2021							301,125,113	300,350,000	(775,113)		

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

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

5.2.3 These carry purchase yield of 8.117% per annum. These have maturity upto June 18, 2025.

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

Name of the investee company	Profit payments / principal redemptions	Profit rate	Issue date	Maturity date	As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of		Investment as percentage of issue size
									Carrying value	Market value	Unrealised gain / (loss)	net assets	total investment	
					----- (Number of certificates) -----				----- (Rupees) -----			----- % -----		
The Bank of Punjab (AA, PACRA) (Face value: Rs. 99,780)	Semi-annually	6M Kibor +1%	December 23, 2016	December 23, 2026	340	-	-	340	34,264,588	34,060,901	(203,687)	5.06%	5.41%	1.36%
Samba Bank Limited (AA-, PACRA) (Face value: Rs. 99,960)	Semi-annually	6M Kibor +1.35%	March 1, 2021	March 1, 2031	125	-	-	125	12,447,500	12,496,821	49,321	1.86%	1.98%	0.25%
Total as at June 30, 2022									46,712,088	46,557,722	(154,366)			
Total as at June 30, 2021									43,973,897	46,778,188	2,804,291			

5.4 Sukuk certificates - at fair value through profit or loss

Name of the investee company	Profit payments / principal redemptions	Profit rate	Issue date	Maturity date	As at July 01, 2021	Purchased during the year	Matured / sold during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of		Investment as a percentage of issue size
									Carrying value	Market value	Unrealised gain	net assets	total investment	
					----- (Number of certificates) -----				----- Rupees -----			----- % -----		
Power generation & distribution														
The Hub Power Company Limited (AA+, PACRA) (Face value: Rs. 75,000)	Quarterly	3M Kibor + 1.9%	August 22, 2019	August 22, 2023	100	-	-	100	7,699,450	7,890,750	191,300	1.17%	1.25%	0.14%
Pakistan Energy Sukuk - II (Face value: Rs. 5,000)	Semi-annually	6M Kibor - 0.1%	May 21, 2020	May 22, 2030	27,600	-	27,600	-	-	-	-	-	-	-
K-Electric Limited (AA+, VIS) (Face value: Rs. 5,000)	Quarterly	3M Kibor + 1.7%	August 03, 2020	August 03, 2027	11,200	-	5,200	6,000	30,470,488	30,636,000	165,512	4.55%	4.86%	0.12%
Total as at June 30, 2022									38,169,938	38,526,750	356,812			
Total as at June 30, 2021									205,054,480	206,171,450	1,116,970			

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

Name of the investee company	Profit rate	Maturity date	Face value				Balance as at June 30, 2022			Market value as a percentage of	
			As at July 1,2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying Value	Market Value	Unrealised gain / (loss)	net assets of the Fund	total investments of the Fund
(Rupees)							(%)				
Lucky Electric Power Company Limited - ICP-2 (A1, PACRA)	13.04%	July 11, 2022	-	50,000,000	-	50,000,000	49,816,335	49,816,335	-	7.40%	7.91%
Total as at June 30, 2022							49,816,335	49,816,335			
Total as at June 30, 2021							-	-			

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

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

	Note	2022	2021
		----- (Rupees) -----	
Market value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	629,888,755	553,299,638
Less: Carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	(635,006,857)	(550,153,490)
		<u>(5,118,102)</u>	<u>3,146,148</u>

6. ADVANCES, PREPAYMENTS AND PROFIT RECEIVABLE

Advances and deposits:

- Advance against MTS - National Clearing Company of Pakistan Limited		2,750,000	2,750,000
- Advance against TFC exposure - National Clearing Company of Pakistan Limited		573,419	2,937,357
- Deposit with Central Depository Company of Pakistan Limited		100,000	100,000

Prepayments:

- PACRA rating fee		-	87,726
- Annual listing fee		-	5,600

Profit receivable on:

- Bank balances	6.1	884,859	1,374,806
- Pakistan Investment Bonds		2,267,066	1,162,546
- Sukuk certificates		821,732	4,970,248
- Term Finance Certificates		669,434	417,163

Advance tax	6.2	215,021	164,903
		<u>8,281,531</u>	<u>13,970,349</u>

6.1 This includes accrued markup of Nil (2021: Rs 0.436 million) receivable from Bank Alfalah Limited (a related party).

6.2 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2021, withholding tax on profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholding agent. The tax withheld on profit on bank deposits amounts to Rs. 0.215 million (2021: Rs. 0.165 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as other receivables as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2022	2021
		----- (Rupees) -----	
Management remuneration payable	7.1	767,586	708,363
Sindh Sales Tax payable on management remuneration	7.2	2,665,458	2,651,470
Payable against allocated expenses	7.4	196,678	615,703
Payable against selling and marketing expenses	7.5	2,334,023	2,462,804
Federal exercise duty payable on management remuneration	7.3	18,099,657	18,099,657
Sales load payable		629,344	628,612
Preliminary expenses and floatation costs payable		5,000	5,000
Other payable		50,000	50,000
		24,747,746	25,221,609

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

7.2 During the year, an amount of Rs. 1.129 million (2021: Rs. 1.473 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.115 million (2021: Rs. 1.418 million) has been paid to the Management Company which acts as a collecting agent.

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

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

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

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

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2021 would have been higher by Rs. 2.87 per unit (June 30, 2021: Rs. 1.71 per unit).

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

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

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

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

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

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022	2021
		----- (Rupees) -----	
Trustee remuneration payable	8.1	39,413	62,132
Sindh Sales Tax payable on trustee remuneration	8.2	5,124	8,079
		44,537	70,211

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

8.2 During the year, an amount of Rs. 0.069 million (2021: Rs. 0.121 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.072 million (2021: Rs. 0.125 million) was paid to the Trustee which acts as a collecting agent.

	Note	2022	2021
		(Rupees)	
9 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	9.1	182,663	286,330

9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

	Note	2022	2021
		(Rupees)	
10 ACCRUED AND OTHER LIABILITIES			
Provision against Sindh Workers' Welfare Fund	10.1	-	11,633,704
Withholding tax payable		328,758	189,837
Capital gain tax payable		136,057	2,095,139
Auditors' remuneration payable		541,303	483,470
Brokerage and settlement charges payable		64,283	109,638
NCCPL charges payable		553,524	444,053
Sales load payable		7,825,201	7,743,811
Printing charges payable		77,313	133,305
		<u>9,526,439</u>	<u>22,832,957</u>

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

During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the funds, for the period from May 21, 2015 to August 13, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

	2022	2021
	(Rupees)	
12 PROFIT / MARK UP INCOME		
Profit / mark up income on:		
- Market Treasury Bills	35,570,484	51,197,109
- Pakistan Investment Bonds	31,283,314	36,683,236
- Government of Pakistan Ijara sukuks	-	274,962
- Term Finance Certificates	13,361,540	18,095,266
- Margin Trading System (MTS)	-	732,379
- Commercial Paper	2,837,835	-
- Bank balances	8,201,208	6,007,203
	<u>91,254,381</u>	<u>112,990,155</u>

	2022	2021
	(Rupees)	
13. AUDITORS' REMUNERATION		
Annual audit fee	132,000	120,000
Review and other certifications	286,154	165,000
Out of pocket expenses	29,865	30,506
Sindh Sales Tax	35,841	25,240
	<u>483,860</u>	<u>340,746</u>

14. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.12% which included 0.1500% representing Government levies on the Fund such as provision for sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "income scheme".

15. TAXATION

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

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

Since the Management Company intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2022 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these financial statements.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

16.1 Unit holders' fund

Note	2022										
	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	
	Units					(Rupees)					
Associated companies / undertakings											
CDC - Trustee Alfalah GHP Conservative Plan	16.1.1	231,797	53,099	21,987	20,135	286,747	24,743,518	6,000,000	2,347,051	2,150,000	30,614,533
CDC - Trustee Alfalah GHP Moderate Plan	16.1.1	301,009	141,596	33,377	26,566	449,416	32,131,657	16,000,000	3,562,898	3,000,000	47,981,820
CDC - Trustee Alfalah GHP Active Allocation Plan	16.1.1	-	132,747	11,194	-	143,940	-	15,000,000	1,194,871	-	15,367,733
Alfalah GHP Investment Management Limited	16.1.1	-	316	25	-	341	-	34,537	2,672	-	36,410
Key management personnel											
Head of Corporate Sales	16.1.1	2,023	4	-	2,023	4	215,948	451	36	222,987	422
Unit holder holding 10 % or more units											
SYED AAMER ALI SHAH	16.1.1	-	640,895	50,642	-	691,537	-	70,000,000	5,405,880	-	73,831,808
AMINA SHAH	16.1.1	-	648,319	51,229	-	699,548	-	70,810,933	5,468,506	-	74,687,131

2021									
As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022

	Units					(Rupees)				
Associated companies / undertakings										
CDC - Trustee Alfalah GHP Conservative Plan	255,460	-	13,637	37,300	231,797	27,250,225	-	1,454,691	4,000,000	24,743,518
CDC - Trustee Alfalah GHP Moderate Plan	448,439		17,710	165,140	301,009	47,835,526		1,889,042	18,000,000	32,131,657
CDC - Trustee Alfalah GHP Active Allocation Plan	4,728	-	-	4,728	-	504,341	-	-	553,494	-
Alfalah GHP Investment Management Limited	4,182	93,133		97,315	-	446,099	10,000,000		10,734,058	-
Key management personnel										
Ms. Mehwish Aslam - Head of Corporate & Institutional Sales	1,920	-	103	-	2,023	204,809	-	10,886	-	215,948
Unit holder holding 10 % or more units										
Barrett Hodgson Pakistan Pvt Ltd.	1,413,372	925,778	-	2,339,150	-	150,766,087	100,000,000	-	256,931,480	-
Naheed Kamal Azfar	1,822,038	3,797,193	8,273	5,626,859	645	194,358,980	412,290,576	900,982	611,002,419	68,851
The Sultan Foundation	-	5,832,425	-	4,084,160	1,748,265	-	636,762,810	-	454,105,078	186,621,170

16.1.1 This reflects the position of related party / connected persons status as at June 30, 2022.

16.2 Other transactions

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	8,687,918	11,327,245
Sindh Sales Tax on remuneration of the Management Company	1,129,426	1,472,542
Allocated expenses	913,433	1,431,775
Selling and marketing expenses	5,858,210	5,727,150
Sales load	6,968	19,828

Bank Alfalah Limited

Profit on bank balances	6,609,397	4,352,980
Sales load	93,004	2,711,342
Bank charges	-	28,111

Alfalah GHP Money Market Fund

Market Treasury Bills - purchased	1,102,728,040	1,006,244,260
Market Treasury Bills - sold	888,577,086	2,010,532,802

Alfalah GHP Income Multiplier Fund

Market Treasury Bills - purchased	-	26,963,300
Market Treasury Bills - sold	4,833,155	34,622,840

Alfalah GHP Cash Fund

Market Treasury Bills - purchased	692,013,470	695,759,341
Market Treasury Bills - sold	758,161,750	527,271,750

Alfalah GHP Income Fund

Market Treasury Bills - purchased	122,185,736	165,239,923
Market Treasury Bills - sold	255,207,040	118,876,600

Alfalah GHP Islamic income Fund

GOP Ijarah - Sukuk - sold	51,185,000	89,075,000

Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	531,225	930,691
Sindh Sales Tax on remuneration of the Trustee	69,057	120,990
Security deposit	100,000	74,587

16.3 Other balances

Associated companies / undertakings

	2022	2021
	(Rupees)	
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	767,586	708,363
Sindh Sales Tax payable on management remuneration	2,665,458	2,651,470
Federal exercise duty payable on management remuneration	18,099,657	18,099,657
Sales load payable	629,344	628,612
Preliminary expenses and floatation costs payable	5,000	5,000
Payable against allocated expenses	196,678	615,703
Payable against selling and marketing expenses	2,334,023	2,462,804
Other payable	50,000	50,000
Bank Alfalah Limited		
Bank balances	55,449,633	409,190,030
Profit receivable on bank balances	-	435,985
Sales load	7,825,201	7,743,811
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	39,413	62,132
Sindh Sales Tax payable on Trustee remuneration	5,124	8,079
Security deposit	100,000	100,000

18. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	58,044,132	-	58,044,132
Investments	-	629,888,755	629,888,755
Advances and profit receivable	8,066,510	-	8,066,510
Receivable against sale of investments	11,536,208	-	11,536,208
	77,646,850	629,888,755	707,535,605
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	24,747,746	-	24,747,746
Payable to Central Depository Company of Pakistan Limited - Trustee	44,537	-	44,537
Accrued and other liabilities	9,061,624	-	9,061,624
	34,206,097	-	33,853,907

Particulars	2021		
	At amortised cost	At fair value through profit or loss	Total
Financial assets			
Bank balances	609,644,401	-	609,644,401
Investments	-	553,299,638	553,299,638
Advances and profit receivable	13,712,120	-	13,712,120
	<u>623,356,521</u>	<u>553,299,638</u>	<u>1,176,656,159</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	25,221,609	-	25,221,609
Payable to Central Depository Company of Pakistan Limited - Trustee	70,211	-	70,211
Accrued and other liabilities	8,914,277	-	8,914,277
	<u>34,206,097</u>	<u>-</u>	<u>34,206,097</u>

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2022, is as follows:

	2022	2021
	(Rupees)	
Variable rate instruments (financial assets)		
Bank balances	58,044,132	609,644,401
Term Finance Certificates	46,557,722	46,778,188
Sukuk certificates	38,526,750	206,171,450
	<u>143,128,604</u>	<u>862,594,039</u>
Fixed rate instruments (financial assets)		
Market Treasury Bills	302,211,270	-
Pakistan Investment Bonds	192,776,678	300,350,000
Islamic commercial paper	49,816,335	-
	<u>544,804,283</u>	<u>300,350,000</u>

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 1.43 million (2021: Rs 8.63 million) The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund holds Market Treasury Bills, Pakistan Investment Bonds and Islamic commercial papers which are classified as financial assets 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in interest rates announced by Financial Markets Association of Pakistan for Pakistan Investment Bonds and with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 5.45 million (2021: Rs. 3 million). The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

2022					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees)					
On-balance sheet financial instruments					
Financial assets					
Bank balances	3.10% - 16.60%	58,044,132	-	-	58,044,132
Investments:					
- Term Finance Certificates	11.03% - 15.44%	-	-	46,557,722	46,557,722
- Sukuk certificates	14.65% - 14.66%	-	-	38,526,750	38,526,750
- Pakistan Investment Bonds	8.56% - 11.05%	-	-	192,776,678	192,776,678
- Market Treasury Bills	10.88% - 14.68%	165,428,820	136,782,450	-	302,211,270
- Islamic Commercial Papers	13.04%	49,816,335	-	-	49,816,335
Advances and profit receivable		-	-	8,281,531	8,281,531
Receivable against sale of investments		-	-	11,536,208	11,536,208
		273,289,287	136,782,450	277,861,150	707,750,626
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - the Management Company		-	-	24,747,746	24,747,746
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	44,537	44,537
Accrued and other liabilities		-	-	9,061,624	9,061,624
		-	-	33,853,907	33,853,907
On-balance sheet gap		273,289,287	136,782,450	277,861,150	(14,036,168)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		273,289,287	136,782,450	277,861,150	(14,036,168)

2021					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees)					

On-balance sheet financial instruments

Financial assets

Bank balances	4.00% - 7.9%	609,644,401	-	-	-	609,644,401
Investments:						
- Term Finance Certificates	8.69% - 9.00%	-	46,778,188	-	-	46,778,188
- Sukuk certificates	7.59% - 9.36%	67,067,450	139,104,000	-	-	206,171,450
- Pakistan Investment Bonds	8.11% - 8.12%	-	300,350,000	-	-	300,350,000
Advances and profit receivable		-	-	-	13,712,120	13,712,120
		676,711,851	486,232,188	-	13,712,120	1,176,656,159

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	25,221,609	25,221,609
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	70,211	70,211
Accrued and other liabilities		-	-	-	8,914,277	8,914,277
		-	-	-	34,206,097	34,206,097
On-balance sheet gap (a)		676,711,851	486,232,188	-	(20,493,977)	1,142,450,062

Off-balance sheet financial instruments

Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		676,711,851	486,232,188	-	(20,493,977)	1,142,450,062

19.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2022.

19.2 Credit risk

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

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

19.2.1 Exposure to credit risk

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

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees)				
Bank balances	58,044,132	58,044,132	609,644,401	609,644,401
Investments	629,888,755	134,900,807	553,299,638	113,845,638
Advances and profit receivable	8,281,531	5,799,444	13,712,120	13,712,120
Receivable against sale of Investments	11,536,208	11,536,208	-	-
	<u>707,750,626</u>	<u>210,280,591</u>	<u>1,176,656,159</u>	<u>737,202,159</u>

The difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. 494.988 million (2021: Rs. 439.454 million) are not exposed to credit risk.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired either at June 30, 2022 and June 30, 2021.

19.2.2 Credit quality of financial assets

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

Bank balances

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Name of bank	Rating Agency	Rating (Short Term / Long Term)	2022	2021
			----- (%) -----	
Bank Alfalah Limited	PACRA	A1+ / AA+	95.53%	67.12%
MCB Bank Limited	PACRA	A1+ / AAA	2.55%	0.08%
Faysal bank Limited	PACRA	A1+ / AA	1.12%	0.00%
Allied Bank Limited	PACRA	A1+ / AAA	0.14%	31.28%
Zarai Taraqati Bank Limited	VIS	A-1+ / AAA	0.02%	0.00%
Habib Bank Limited	VIS	A-1+ / AAA	0.03%	1.22%
National Bank of Pakistan	PACRA	A-1+ / AAA	0.33%	0.03%
Samba Bank Limited	VIS	A-1 / AA	0.02%	0.01%
Soneri Bank Limited	PACRA	A1+ / AA-	0.00%	0.00%
JS Bank Limited	PACRA	A1+ / AA-	0.09%	0.01%
Bank of Punjab Limited	PACRA	A-1+ / AA+	0.17%	0.00%
Central Depository Company of Pakistan Limited	N/A	N/A	0.00%	0.25%
			<u>100%</u>	<u>100%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

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

19.2.3 Concentration of credit risk

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

19.3 Liquidity risk

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

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

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

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

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

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

2021						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	609,644,401	-	-	-	-	609,644,401
Investments	-	-	-	310,549,450	242,750,188	553,299,638
Advances, prepayments and profit receivable	1,374,806	-	12,337,314	-	-	13,712,120
	611,019,207	-	12,337,314	310,549,450	242,750,188	1,176,656,159
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - the Management Company	25,221,609	-	-	-	-	25,221,609
Payable to Central Depository Company of Pakistan Limited - the Trustee	70,211	-	-	-	-	70,211
Accrued expenses and other liabilities	8,914,277	-	-	-	483,470	9,397,747
	34,206,097	-	-	-	483,470	34,689,567
Net financial assets	576,813,110	-	12,337,314	310,549,450	242,750,188	1,141,966,592

20. FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

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

2022				
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets 'at fair value through profit or loss'				
Investments				
Term Finance Certificates	-	46,557,722	-	46,557,722
Pakistan Investment Bonds	-	192,776,678	-	192,776,678
Sukuk certificates	-	38,526,750	-	38,526,750
Market Treasury Bills	-	302,211,270	-	302,211,270
Islamic Commercial Papers	-	49,816,335	-	49,816,335
	-	629,888,755	-	629,888,755
2021				
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets 'at fair value through profit or loss'				
Investments				
Term Finance Certificates	-	46,778,188	-	46,778,188
Pakistan Investment Bonds	-	300,350,000	-	300,350,000
Sukuk certificates	-	206,171,450	-	206,171,450
	-	553,299,638	-	553,299,638

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21. UNIT HOLDER'S FUND RISK MANAGEMENT

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

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

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and

- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

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

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

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

22. SUPPLEMENTARY NON - FINANCIAL INFORMATION

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

23. GENERAL

23.1 Rounding off

Figures have been rounded off to the nearest rupee.

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	544	2,878,964	307,372,159	46%
Retirement & Other Funds	37	2,286,983	244,169,410	36%
Others	11	1,139,960	121,707,672	18%
	592	6,305,908	673,249,241	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	2287	4,244,716	453,108,427	40%
Retirement & Other Funds	48	1,387,318	148,091,299	13%
Others	87	4,939,774	527,303,555	47%
	2422	10,571,807	1,128,503,281	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022 %
IGI Finex Securities	0.67%
Icon Securities	3.79%
Invest One Mkt	23.01%
Magenta Capital	1.11%
Arif Habib Ltd	3.14%
Pearl Securities Limited	0.96%
Next Capital Limited	49.85%
C&M Management (Pvt) Limited	8.38%
Bright Capital	9.08%
	30 June 2021 %
Bright Capital Private Limited	30.52%
Continental Exchange (Pvt) Limited	25.50%
Next Capital (Pvt) Limited	17.52%
Pearl Securities Limited	8.25%
JS Global Capital Limited	6.96%
Invest One Markets Limited	2.79%
BIPL Securities Limited	2.56%
Paramount Capital (Pvt) Limited	2.47%
Summit Capital (Pvt) Limited	2.47%
ICON Management Limited	0.64%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

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

Mr. Mustafa Kamal

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

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

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

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

PERFORMANCE TABLE - AGSOF

	30 June 2022	30 June 2021	30 June 2020 (Rupees in '000)	30 June 2019	30 June 2018
Net Assets	673,249	1,431,753	1,429	943,649	837,519
NAV per unit	106.7648	106.7465	106.6712	106.3270	111.0050
Selling price per unit	107.9712	107.9527	107.8766	107.5285	112.2594
Redemption price per unit	106.7648	106.7465	106.6712	106.3270	111.0050
Highest selling price per unit	117.5464	114.6199	124.5069	112.7015	112.2403
Highest redemption price per unit	116.2330	113.3392	123.1157	111.4422	110.9862
Lowest selling price per unit	107.9712	107.6914	107.5285	106.6400	107.0203
Lowest redemption price per unit	106.7648	106.6898	106.3270	105.8583	105.8245
1st interim distribution per unit	Nil	Nil	Nil	5.12	Nil
Interim distribution date	N/A	N/A	N/A	43,553.00	N/A
Final distribution per unit	9.4865	6.6680	16.7887	2.3296	5.25
Final distribution date	24-Jun-22	25-Jun-21	30-Jun-20	30-Jun-19	43,283.00
Annualized returns	9.09%	6.33%	16.16%	7.68%	
Income distribution	8.89%	6.25%	15.79%	6.71%	4.96%
Weighted avg. portfolio duration	1.44 Yrs	2.47 Yrs	2.05 Yrs	1.24 Yrs	1.39 Yrs

Return since inception is **9.09%**

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



Alfalah Ghp Income Fund

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Income Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review

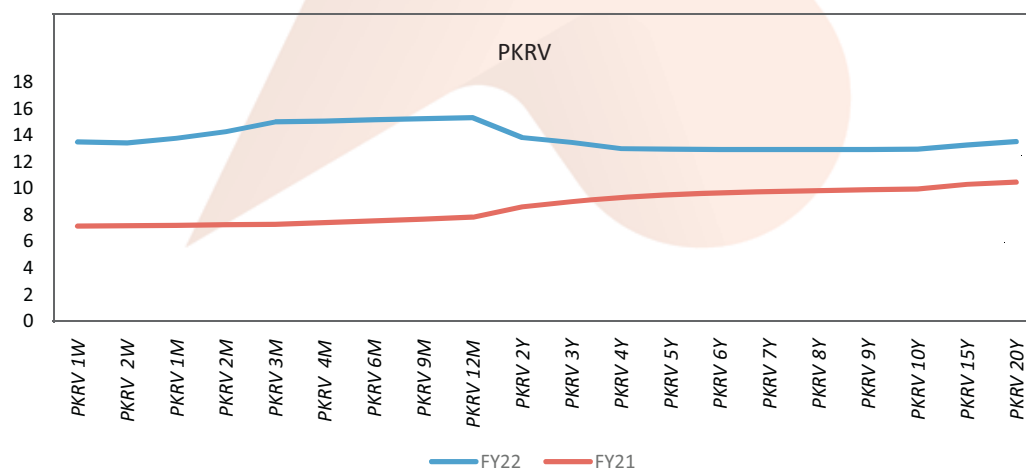
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

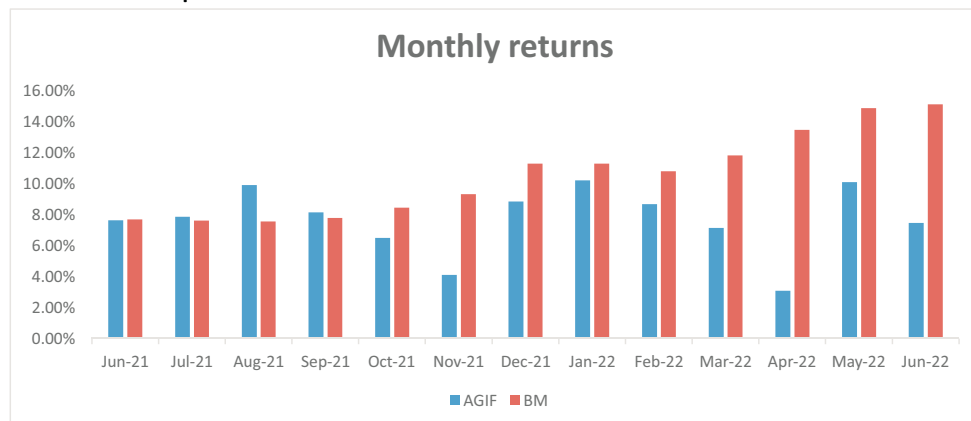
The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



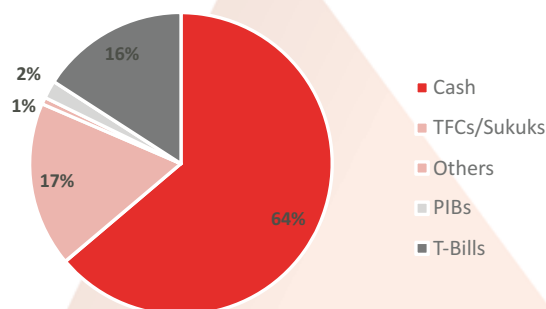
Fund Performance

For the year ended June 30 2022, the fund posted a return of 7.97% against the benchmark of 10.8%.

Performance comparison with Benchmark



Asset Allocation (as at 30 Jun 2022)



Credit Quality (as % of Total Assets)			
Govt. Sec / Guar.	17.78%	A	0.00%
AAA	0.11%	A-	0.00%
AA+	67.54%	BBB+	0.00%
AA	8.17%	BBB	0.00%
AA-	3.14%	Below IG	0.00%
A+	2.52%	MTS/NR/UR***	0.74%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Income Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Income Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2022**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key Audit Matter	How the matter was addressed in our audit
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 99.43% of the total assets of the Fund as at the year end. In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

-: 3 :-

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

-: 4 :-

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

Date: 29 September 2022

Karachi

UDIN:

ALFALAH GHP INCOME FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

	Note	2022	2021
		----- (Rupees) -----	
Assets			
Bank balances	4	927,631,875	702,014,887
Investments	5	509,732,773	976,037,790
Advances, deposits and prepayments	6	3,357,947	140,222,852
Mark-up / profit receivable		4,947,737	6,066,987
Total assets		<u>1,445,670,332</u>	<u>1,824,342,516</u>
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	7	12,903,368	13,677,022
Payable to Central Depository Company of Pakistan Limited - Trustee	8	70,750	154,503
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	338,837	267,008
Accrued expenses and other liabilities	10	9,061,493	13,888,287
Total liabilities		<u>22,374,448</u>	<u>27,986,820</u>
Net assets attributable to the unit holders		<u>1,423,295,884</u>	<u>1,796,355,696</u>
Unit holders' fund (as per the statement attached)		<u>1,423,295,884</u>	<u>1,796,355,696</u>
Contingencies and commitments	11	----- (Number of units) -----	
Number of units in issue		<u>12,575,341</u>	<u>15,857,186</u>
		----- (Rupees) -----	
Net asset value per unit		<u>113.1815</u>	<u>113.2834</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees)	
Income			
Profit / mark up income	12	141,277,350	91,505,713
Dividend income		11,841,250	3,077,800
Income from spread transactions - net		7,803,474	13,050,323
(Loss) on sale of investments - net		(8,693,692)	(1,979,172)
Unrealised (loss) / gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5	(5,504,041)	7,867,756
Total income		146,724,341	113,522,420
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	7.1	15,194,869	10,911,040
Sindh sales tax on remuneration of the Management Company	7.2	1,975,333	1,418,435
Allocated expenses	7.4	1,694,243	1,335,119
Selling and marketing expenses	7.5	869,624	881,618
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	1,270,769	1,001,359
Sindh sales tax on remuneration of the Trustee	8.2	165,200	130,177
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	338,862	267,008
Brokerage expense		2,769,126	3,720,637
Settlement and bank charges		52,867	16,555
Auditors' remuneration	13	324,054	277,909
Annual listing fee		27,500	49,601
Annual rating fee		379,234	284,778
Clearing charges		902,117	745,042
Printing charges		30,082	30,107
Total expenses		25,993,880	21,069,385
Operating income for the year		120,730,461	92,453,035
Reversal / (charge) for Sindh Workers' Welfare Fund	10.1	5,456,777	(1,849,061)
Net income for the year before taxation		126,187,238	90,603,974
Taxation	14	-	-
Net income for the year after taxation		126,187,238	90,603,974
Allocation of net income for the year			
Net income for the year after taxation		126,187,238	90,603,974
Income already paid on units redeemed		(93,161,951)	(46,769,384)
		33,025,287	43,834,590
Accounting income available for distribution			
-Relating to capital gains		-	1,901,365
-Excluding capital gains		33,025,287	41,933,225
		33,025,287	43,834,590

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees) -----	
Net income for the year after taxation	126,187,238	90,603,974
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>126,187,238</u>	<u>90,603,974</u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	Rupees			Rupees		
Net assets at the beginning of the year	1,715,092,128	81,263,568	1,796,355,696	1,116,987,343	76,306,430	1,193,293,773
Issuance of 39,649,510 units (2021: 41,724,340 units)						
- Capital value (at net asset value per unit at the beginning of the year)	4,491,631,301	-	4,491,631,301	4,703,009,052	-	4,703,009,052
- Element of income	66,216,265	-	66,216,265	86,102,131	-	86,102,131
Total proceeds on issuance of units	4,557,847,566	-	4,557,847,566	4,789,111,183	-	4,789,111,183
Redemption of 42,931,355 units (2021: 36,453,866 units)						
- Capital value (at net asset value per unit at the beginning of the year)	4,863,409,861	-	4,863,409,861	4,108,941,251	-	4,108,941,251
- Element of income	57,850,087	93,161,951	151,012,038	14,455,293	46,769,384	61,224,677
Total payments on redemption of units	(4,921,259,948)	(93,161,951)	(5,014,421,899)	(4,123,396,544)	(46,769,384)	(4,170,165,928)
Total comprehensive income for the year	-	126,187,238	126,187,238	-	90,603,974	90,603,974
Interim distribution for the year ended June 30, 2021 @ Rs. 7.2642 per unit on June 24, 2021	-	-	-	(67,609,854)	(38,877,452)	(106,487,306)
Interim distribution for the year ended June 30, 2022 @ Rs. 9.1418 per unit on June 24, 2022	(7,147,378)	(35,525,339)	(42,672,717)	(7,147,378)	(35,525,339)	(42,672,717)
	(7,147,378)	(35,525,339)	(42,672,717)	(67,609,854)	(38,877,452)	(106,487,306)
Net assets at the end of the year	1,344,532,368	78,763,516	1,423,295,884	1,715,092,128	81,263,568	1,796,355,696
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		73,395,812			73,486,422	
- Unrealised income		7,867,756			2,820,008	
		81,263,568			76,306,430	
Accounting income available for distribution						
- Relating to capital gains		-			1,901,365	
- Excluding capital gains		33,025,287			41,933,225	
		33,025,287			43,834,590	
Distribution during the year		(35,525,339)			(38,877,452)	
Undistributed income carried forward		78,763,516			81,263,568	
Undistributed income carried forward						
- Realised income		84,267,557			73,395,812	
- Unrealised (loss) / income		(5,504,041)			7,867,756	
		78,763,516			81,263,568	
Net asset value per unit at the beginning of the year		113.2834			112.7162	
Net asset value per unit at the end of the year		113.1815			113.2834	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		126,187,238	90,603,974
Adjustments for:			
Reversal / (charge) for Sindh Workers' Welfare Fund	10.1	(5,456,777)	1,849,061
Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5	5,504,041	(7,867,756)
		126,234,502	84,585,279
(Increase) / decrease in assets			
Investments - net		460,800,976	41,111,332
Advances, deposits and prepayments		136,864,905	(135,046,021)
Mark-up / profit receivable		1,119,250	(1,734,114)
		598,785,131	(95,668,803)
Decrease / (increase) in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		(773,654)	1,146,844
Payable to Central Depository Company of Pakistan Limited - Trustee		(83,753)	(5,714)
Annual fee payable to the Securities and Exchange Commission of Pakistan		71,829	180,067
Accrued expenses and other liabilities		629,983	7,410,857
		(155,595)	8,732,054
Net cash flow generated from / (used) in operating activities		724,864,038	(2,351,470)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(35,525,339)	(38,877,452)
Amounts received against issuance of units (net of refund of capital)		4,550,700,188	4,721,501,329
Payments made against redemption of units		(5,014,421,899)	(4,170,165,928)
Net cash (used in) / generated from financing activities		(499,247,050)	512,457,949
Net increase in cash and cash equivalents during the year		225,616,988	510,106,479
Cash and cash equivalents at the beginning of the year		702,014,887	191,908,408
Cash and cash equivalents at the end of the year	16	927,631,875	702,014,887

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Income Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984. On October 15, 2013, the management rights of the Fund were transferred from the former Management Company to Alfalah GHP Investment Management Limited (the Management Company) by sanctioning of order by the Securities and Exchange Commission of Pakistan (SECP) sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/AMCW/AD-ZI/AGIF/241/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Fund (formerly IGI Income Fund).
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as an 'Income Scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the Trust Deed, the Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, Government securities, sukuk and term finance certificates, certificates of investment, certificates of musharaka, commercial papers, term deposit receipts, spread transactions and reverse repurchase agreements.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022 and A+(f) to the Fund in its credit rating report dated April 8, 2022.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act. The above mentioned Trust Deed has been registered under the Sindh Trust Act on 17 September 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2021. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund (note 11.1)
- iii. Provision against Federal Excise Duty (note 8.3)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

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

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

3.2.1.2 Equity instruments

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

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

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

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

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

3.2.1.3 Impairment

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

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

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

3.2.1.4 Impairment loss on debt securities

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

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

3.2.1.5 Regular way contracts

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

3.2.1.6 Initial recognition and measurement

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

3.2.1.7 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

Deferred

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

3.7 Distributions to unit holders

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

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

3.8 Issue and redemption of units

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Dividend income is recognised when the Fund's right to receive the same is established.
- Markup income on bank balances, letter of placement and other income is recognised on an accrual basis.
- Income on government securities (including Market Treasury Bills and Pakistan Investment Bonds) is recognised on an accrual basis using the effective yield rate method.
- Income on debt securities (including term finance certificates and sukuks) is recognised on an accrual basis using the effective yield method.
- Profit on margin trading system is recognised on an accrual basis.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Margin Trading System

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

3.15 Foreign currency translation

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

	Note	2022	2021
		(Rupees)	
4 BANK BALANCES			
Savings accounts	4.1	927,631,875	702,014,887
4.1	These carry profit rates ranging between 5.50% to 16.60% (2021: 5.50% to 7.90%) per annum and include bank balance of Rs. 915.44 million (2021: Rs. 435.53 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 16.60% (2021: 7.90%) per annum.		
5 INVESTMENTS	Note	2022	2021
		(Rupees)	
At fair value through profit or loss			
Sukuk certificates	5.1	92,325,375	213,373,998
Term finance certificates	5.2	161,668,550	98,096,109
Government securities	5.3	255,738,848	-
Listed equity securities	5.4	-	663,402,145
Future stock contracts	5.5	-	1,165,538
		509,732,773	976,037,790

5.1 Sukuk certificates

Name of the investee company	Profit payments / principal redemptions	Profit rate	Maturity date	As at July 01, 2021	Purchase d during the year	Sold / matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of		Investment as percentage of issue size
								Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investment of the Fund	
----- (Number of certificates) ----- (Rupees) -----													
POWER GENERATION & DISTRIBUTION													
K - Electric Limited (AA+, VIS) (Face value Rs. 5,000)	Quarterly	3 Months KIBOR + 1.70%	August 3, 2027	14,000	-	3,000	11,000	55,852,500	56,166,000	313,500	3.95%	11.02%	0.22%
Pakistan Energy Sukuk II (AAA) (Face value Rs. 5,000)	Semi-annually	6 Months KIBOR - 0.10%	May 20, 2030	9,000	-	9,000	-	-	-	-	0.00%	0.00%	0.00%
ENGINEERING													
Mughal Iron & Steel Industries Limited (A+, PACRA) (Face value Rs. 937,500)	Quarterly	3 Months KIBOR + 1.30%	March 02, 2026	38	-	-	38	35,758,000	36,159,375	401,375	2.54%	7.09%	1.21%
MISCELLANEOUS													
International Brands Limited (AA, VIS)	Quarterly / Monthly	3 Months KIBOR + 0.50%	May 5, 2022	337	-	337	-	-	-	-	0.00%	0.00%	0.00%
Total as at June 30, 2022								91,610,500	92,325,375	714,875	6.49%	18.11%	1.43%
Total as at June 30, 2021								212,638,159	213,373,998	735,839	11.89%	21.86%	2.96%

5.2 Term finance certificates

Name of the investee company	Profit payments / principal redemptions	Profit rate	Maturity date	As at July 01, 2021	Purchase d during the year	Sold / matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of		Investment as percentage of issue size
								Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investment of the Fund	

COMMERCIAL BANKS

The Bank of Punjab Limited (AA, PACRA) (Face value Rs. 99,780)	Semi-annually	6 Months KIBOR + 1%	December 23, 2026	973	190	-	1,163	117,394,705	116,508,317	(886,388)	8.19%	22.86%	4.66%
Samba Bank Limited (AA-, PACRA) (Face value Rs. 99,960)	Semi-annually	6 Months KIBOR + 1.35%	March 01, 2031	450	-	-	450	44,982,000	45,160,233	178,233	3.17%	8.86%	0.90%
Bank Al Habib Limited (AAA, PACRA) (Face value Rs. 5,000)	Semi-annually	6 Months Kibor + 1.00%	December 06, 2028	50,000	-	50,000	-	-	-	-	0.00%	0.00%	0.00%

Total as at June 30, 2022

162,376,705	161,668,550	(708,155)	11.36%	31.72%	5.56%

Total as at June 30, 2021

94,733,298	98,096,109	3,362,811	5.47%	10.05%	11.01%

5.3 Government securities

5.3.1 Market Treasury Bills

Particulars	Issue Date	Face Value				Balance as at June 30, 2022			Market value as a percentage of	
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investment of the Fund
		(Rupees)							%	
Market Treasury Bills - 3 months	15-Jul-21	-	677,000,000	677,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 3 months	3-Jun-21	-	150,000,000	150,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 3 months	7-Oct-21	-	2,460,000,000	2,460,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 3 months	30-Dec-21	-	1,100,000,000	1,100,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 3 months	27-Jan-21	-	1,550,000,000	1,550,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 3 months	10-Feb-22	-	1,320,000,000	1,320,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 3 months	13-Jan-22	-	690,000,000	690,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 3 months	7-Apr-22	-	250,000,000	250,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 3 months	24-Feb-22	-	325,000,000	325,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	25-Feb-21	-	800,000,000	800,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	15-Jul-21	-	500,000,000	500,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	6-May-21	-	200,000,000	200,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	3-Jun-21	-	500,000,000	500,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	16-Dec-21	-	200,000,000	200,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	27-Jan-21	-	680,000,000	680,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	12-Aug-21	-	80,000,000	80,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	10-Feb-22	-	110,000,000	110,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	24-Mar-22	-	150,000,000	56,000,000	94,000,000	91,486,827	90,937,480	(549,347)	6.39%	17.84%
Market Treasury Bills - 6 months	7-Apr-22	-	175,000,000	175,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	10-Mar-22	-	165,000,000	165,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 12 months	10-Feb-22	-	150,000,000		150,000,000	141,008,842	137,270,100	(3,738,742)	9.64%	26.93%
Market Treasury Bills - 12 months	10-Mar-22	-	150,000,000	150,000,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2022		-	12,382,000,000	12,138,000,000	244,000,000	232,495,669	228,207,580	(4,288,089)	16.03%	44.77%
Total as at June 30, 2021		975,000,000	7,576,000,000	8,551,000,000	-	-	-	-	0.00%	0.00%

5.3.2 Pakistan Investment Bonds

Particulars	Issue Date	Face Value				Balance as at June 30, 2022			Market value as a percentage of	
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investment of the Fund
		(Rupees)							%	
Pakistan Investment Bond - 03 Years	20-Aug-20	-	275,000,000	245,000,000	30,000,000	28,753,940	27,531,268	(1,222,671)	1.93%	5.40%
Pakistan Investment Bond - 03 Years	5-Aug-21	-	175,000,000	175,000,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2022		-	450,000,000	420,000,000	30,000,000	28,753,940	27,531,268	(1,222,671)	1.93%	5.40%
Total as at June 30, 2021		-	600,000,000	600,000,000	-	-	-	-	0.00%	0.00%

5.4 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2021	Purchased during the period	Sold during the period	As at June 30, 2022	Carrying value	Market value	Unrealised gain / (loss)	Market value as a percentage of		Holding as a % of paid up capital of the investee company
								Net assets of Fund	Total investments of Fund	
----- (Number of shares) -----					----- (Rupees) -----		----- % -----			
COMMERCIAL BANKS										
Askari Bank Limited	500	5,000	5,500	-	-	-	-	0.00%	0.00%	0.00%
Bank Al Habib Limited	1,500	-	1,500	-	-	-	-	0.00%	0.00%	0.00%
Bank Al-Falah Limited	-	1,000	1,000	-	-	-	-	0.00%	0.00%	0.00%
Bank of Punjab	83,500	29,500	113,000	-	-	-	-	0.00%	0.00%	0.00%
Bankislami Pakistan Limited	2,000	12,000	14,000	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank	1,000	-	1,000	-	-	-	-	0.00%	0.00%	0.00%
Habib Bank Limited	-	1,500	1,500	-	-	-	-	0.00%	0.00%	0.00%
JS Bank Limited	-	9,000	9,000	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited	500	-	500	-	-	-	-	0.00%	0.00%	0.00%
National Bank of Pakistan	-	2,000	2,000	-	-	-	-	0.00%	0.00%	0.00%
Silk Bank Limited	28,000	17,500	45,500	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	2,000	500	2,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
NON LIFE INSURANCE										
Adamjee Insurance	500	-	500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
TEXTILE COMPOSITE										
Gul Ahmed Textile	1,500	6,000	7,500	-	-	-	-	0.00%	0.00%	0.00%
Interloop Limited	-	2,000	2,000	-	-	-	-	0.00%	0.00%	0.00%
Nishat Chunian Limited	116,000	533,500	649,500	-	-	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	8,500	32,500	41,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
PERSONAL GOODS										
Azgard Nine Limited	1,800,500	234,500	2,035,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
CEMENTS										
Cherat Cement Company Limited	-	1,500	1,500	-	-	-	-	0.00%	0.00%	0.00%
D. G. Khan Cement	-	113,500	113,500	-	-	-	-	0.00%	0.00%	0.00%
Dewan Cement	11,500	3,500	15,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement	41,000	77,000	118,000	-	-	-	-	0.00%	0.00%	0.00%
Flying cement company limited	-	29,000	29,000	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement	1,000	500	1,500	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	148,000	29,500	177,500	-	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement	84,500	18,000	102,500	-	-	-	-	0.00%	0.00%	0.00%
Power Cement Limited	13,500	31,000	44,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
REFINERY										
Attock Refinery Limited	52,000	28,000	80,000	-	-	-	-	0.00%	0.00%	0.00%
Cnergyco PK Limited	3,148,000	233,000	3,381,000	-	-	-	-	0.00%	0.00%	0.00%
National Refinery Limited	17,000	50,000	67,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
POWER GENERATION & DISTRIBUTION										
Hub Power Company	172,000	11,000	183,000	-	-	-	-	0.00%	0.00%	0.00%
K-Electric Limited (Face Value of Rs 3.5)	70,500	74,000	144,500	-	-	-	-	0.00%	0.00%	0.00%
Kot Addu Power	-	276,000	276,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
OIL & GAS MARKETING COMPANIES										
Pakistan State Oil	-	93,000	93,000	-	-	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipelines Limited	297,000	1,523,000	1,820,000	-	-	-	-	0.00%	0.00%	0.00%
Sui Southern Gas Company	4,000	1,500	5,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	

Name of the investee company	As at July 01, 2021	Purchased during the period	Sold during the period	As at June 30, 2022	Carrying value	Market value	Unrealised gain / (loss)	Market value as a percentage of		Holding as a % of paid up capital of the investee company
								Net assets of Fund	Total invest- ments of Fund	
					As at June 30, 2022					
					(Number of shares)			(Rupees)		%
OIL & GAS EXPLORATION COMPANIES										
Oil & Gas Development Company Limited	18,000	318,000	336,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	15,500	133,000	148,500	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Refinery Limited	157,500	9,000	166,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
ENGINEERING										
Agha Steel Ind. Limited	3,000	4,500	7,500	-	-	-	-	0.00%	0.00%	0.00%
Aisha Steel Limited	253,500	210,500	464,000	-	-	-	-	0.00%	0.00%	0.00%
Amreli Steel Limited	32,500	20,500	53,000	-	-	-	-	0.00%	0.00%	0.00%
International Industries	500	1,000	1,500	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	7,500	17,000	24,500	-	-	-	-	0.00%	0.00%	0.00%
Mughal Iron & Steel Industries	500	4,500	5,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
AUTOMOBILE ASSEMBLER										
Ghandhara Industries Limited	30,500	8,500	39,000	-	-	-	-	0.00%	0.00%	0.00%
Ghandhara Nissan Limited	78,000	9,500	87,500	-	-	-	-	0.00%	0.00%	0.00%
Pak Suzuki Motor Company	2,000	3,000	5,000	-	-	-	-	0.00%	0.00%	0.00%
Sazgar Engineering Works Limited	6,500	1,000	7,500	-	-	-	-	0.00%	0.00%	0.00%
Telecard Ltd	607,000	208,500	815,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
CABLE & ELECTRICAL GOODS										
Pak Electron	184,000	19,500	203,500	-	-	-	-	0.00%	0.00%	0.00%
Pak International Airline Corp Ltd	-	2,500	2,500	-	-	-	-	0.00%	0.00%	0.00%
Waves Singer Pakistan Limited	82,000	17,000	99,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
TRANSPORT										
Pakistan Intl. Bulk Terminal Ltd	165,500	42,000	207,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
TECHNOLOGY & COMMUNICATION										
Avanceon Limited	197,000	31,500	228,500	-	-	-	-	0.00%	0.00%	0.00%
Hum Network Television (Face Value of Rs 1)	5,662,000	309,000	5,971,000	-	-	-	-	0.00%	0.00%	0.00%
Netsol Technologies	175,500	56,000	231,500	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Telecommunication Company Limited	510,000	2,000	512,000	-	-	-	-	0.00%	0.00%	0.00%
TPL CORP Limited.	326,500	152,500	479,000	-	-	-	-	0.00%	0.00%	0.00%
TRG Pakistan	1,010,500	6,000	1,016,500	-	-	-	-	0.00%	0.00%	0.00%
Worldcall Telecom Limited	8,194,000	3,107,500	11,301,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
FERTILIZER										
Engro Corporation	-	2,000	2,000	-	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizer Limited	13,000	-	13,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	779,000	6,000	785,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
PHARMACEUTICALS										
AGP Limited	-	97,000	97,000	-	-	-	-	0.00%	0.00%	0.00%
The Searle Company	5,500	500	6,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
CHEMICALS										
Descon Oxychem Limited	25,500	44,500	70,000	-	-	-	-	0.00%	0.00%	0.00%
Engro Polymer & Chemicals Limited	51,500	4,000	55,500	-	-	-	-	0.00%	0.00%	0.00%
Ghani Global Holdings	26,500	73,500	100,000	-	-	-	-	0.00%	0.00%	0.00%
Lotte Chemical Pakistan Ltd	13,500	1,000	14,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
VANASPATI & ALLIED										
Unity Foods Limited	727,000	127,000	854,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
FOOD & PERSONAL CARE PRUDUCTS										
Al Shaheer Corporation Limited	386,000	54,000	440,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Foods Limited	16,500	18,000	34,500	-	-	-	-	0.00%	0.00%	0.00%
The Organic Meat Company Limited	28,500	-	28,500	-	-	-	-	0.00%	0.00%	0.00%
Treet Corporation Limited	215,000	693,000	908,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
GLASS & CERAMICS										
Balochistan Glass Limited	2,000	5,000	7,000	-	-	-	-	0.00%	0.00%	0.00%
Ghani Global Glass Limited.	205,500	74,500	280,000	-	-	-	-	0.00%	0.00%	0.00%
Shabbir Tiles and Ceramics Limited (Face Value of Rs. 5)	-	5,000	5,000	-	-	-	-	0.00%	0.00%	0.00%
Tariq Glass Limited	-	5,500	5,500	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
MISCELLANEOUS										
Image Pakistan Limited	-	13,500	13,500	-	-	-	-	0.00%	0.00%	0.00%
Loads limited	-	2,500	2,500	-	-	-	-	0.00%	0.00%	0.00%
Pace (Pakistan) Limited	89,500	329,000	418,500	-	-	-	-	0.00%	0.00%	0.00%
Siddiqsons Tin Plate Limited	76,500	7,500	84,000	-	-	-	-	0.00%	0.00%	0.00%
TPL Properties Limited	-	48,000	48,000	-	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	
As at June 30, 2022					-	-	-	0.00%	0.00%	
As at June 30, 2021					660,798,577	663,402,145	2,603,568	36.93%	67.97%	

6. ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with:

- National Clearing Company of Pakistan Limited (NCCPL)
- Central Depository Company of Pakistan Limited (CDC)

Exposure deposit with the NCCPL against spread transactions

Security Margin with the NCCPL

Prepaid Margin trading system fee

Advance tax

Note

2022

2021

(Rupees)

	2,750,000	2,750,000
	100,000	100,000
	2,850,000	2,850,000
	-	135,067,657
	-	1,819,324
	228,563	206,487
6.1	279,384	279,384
	3,357,947	140,222,852

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown under other receivables as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable

Sindh sales tax payable on management remuneration

Federal excise duty payable on management remuneration

Payable against allocated expenses

Selling and marketing expenses payable

Sales load payable

Note

2022

2021

(Rupees)

7.1	763,171	1,099,299
7.2	1,453,207	1,496,894
7.3	9,778,882	9,778,882
7.4	469,872	671,751
7.5	389,731	581,612
	48,505	48,584
	12,903,368	13,677,022

- 7.1** As per regulation 61 of the the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 10% of the gross earnings of the Fund, calculated on a daily basis, provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Fund.

- 7.2** During the year, an amount of Rs. 1.98 million (2021: Rs. 1.42 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2.02 million (2021: Rs. 1.38 million) has been paid to the Management Company which acts as a collecting agent.

- 7.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 9.78 million (2021: Rs 9.78 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2022 would have been higher by Rs. 0.78 per unit (2021: Rs. 0.62 per unit).

- 7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company has charged allocated expenses to the fund based on its discretion subject to not being higher than actual expense incurred.
- 7.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

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

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022	2021
		(Rupees)	
Trustee remuneration payable	8.1	45,129	107,219
Sindh sales tax payable on trustee remuneration	8.2	5,865	13,939
Central Depository System Transaction Fee		19,756	33,345
		<u>70,750</u>	<u>154,503</u>

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration is payable to the trustee at the rate of 0.075% (2021: 0.075%) per annum of the net assets of the Fund.
- 8.2 During the year, an amount of Rs. 0.17 million (2021: Rs. 0.13 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.17 million (2021: Rs. 0.13 million) was paid to the Trustee which acts as a collecting agent.

9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2022	2021
		(Rupees)	
Annual fee payable	9.1	<u>338,837</u>	<u>267,008</u>

- 9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

The SECP vide SRO no. 685 (1) / 2019 dated June 28, 2019 revised the rate of annual fee to 0.02% (2021: 0.02%) of net assets, applicable on all categories of CISs. Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% of net assets during the year.

10. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2022	2021
		(Rupees)	
Provision for Sindh Workers' Welfare Fund	10.1	-	5,456,777
Withholding tax payable		5,361,605	5,887,150
Auditors' remuneration		188,815	217,628
Sales load payable		809,115	720,506
Capital gain tax payable		1,008,937	523,106
Brokerage and settlement charges		673,157	893,734
Others		1,019,864	189,386
		<u>9,061,493</u>	<u>13,888,287</u>

- 10.1 Sindh Revenue Board through its letter dated August 12, 2021 has intimated to Mutual Fund Association of Pakistan (MUFAP) that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has been taken up with the SECP by all the Asset Management Companies. In consultation with SECP, Asset Management Companies have reversed the cumulative provision for SWWF recognized in the financial statements of the funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, no provision for SWWF has been recognized in the financial statements of the Fund.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There were no contingencies as at June 30, 2022 and June 30, 2021.

11.2 Commitments

Future sale transactions of equity securities entered into by the Fund in respect of which the sale transactions have not been settled as at year end

2022	2021
(Rupees)	
-	672,033,527

12. PROFIT / MARK UP INCOME

Profit / mark up income on:

- Bank balances	34,079,319	9,233,215
- Term finance certificates and sukuk certificates	28,761,168	21,574,275
- Market Treasury Bills	61,965,069	42,876,142
- Pakistan Investment Bonds	7,798,560	-
- GoP Ijara Sukuk	-	-
- Letters of placement	7,487,300	19,890
- Margin trading system	-	1,379,280
- Others	1,185,934	995,672
	141,277,350	91,505,713

13. AUDITORS' REMUNERATION

Audit fee

Review and other certifications

Out of pocket expenses

Sindh sales tax

120,000	120,000
160,000	110,000
20,050	27,323
300,050	257,323
24,004	20,586
324,054	277,909

14. TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of the section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income tax Ordinance, 2001. Since the management has paid the required minimum percentage of income earned by the the Fund during the year ended 30 June 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 1.53% (2021: 1.72%) which includes 0.165% (2021: 0.26%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

16. CASH AND CASH EQUIVALENTS

Bank balances

2022	2021
(Rupees)	
927,631,875	702,014,887

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

2022										
As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed /conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022	
Units					(Rupees)					
Associated companies / undertakings										
Alfalsh GHP Prosperity Planning Fund	91,798	1,115,102	73,584	178,343	1,102,141	10,399,190	129,000,000	8,335,862	21,300,000	124,741,972
Alfalsh GHP Investment Management Limited	3,163,030	3,342,888	872	4,732,166	1,774,624	358,318,793	390,005,463	66,935	570,000,000	200,854,606
Key management personnel (Employees)										
Head of Retail Sales	1,915	-	114	257	1,772	216,906	-	12,885	31,000	200,558
Chief Operating Officer	-	418	-	417	1	-	50,000	14	50,000	113
Unit holder holding 10% or more units										
Amin Issa Tai	-	4,754,124	-	-	4,754,124	-	539,218,465	-	-	538,078,886
Salma Amin Tai	-	1,224,271	-	-	1,224,271	-	138,858,333	-	-	138,564,828
As at June 30, 2022	3,256,743	10,436,803	74,570	4,911,183	8,856,933	368,934,889	1,197,132,261	8,415,696	591,381,000	1,002,440,963

2021										
As at July 01, 2020	Issued for cash/ conversion in / transfer in	Dividend reinvestment	Redeemed/ conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash/ conversion in / transfer in	Dividend reinvestment	Redeemed/ conversion out / transfer out	Net asset value as at June 30, 2021	
Units					(Rupees)					
Associated companies / undertakings										
Alfalsh GHP Prosperity Planning Fund	86,258	-	5,540	-	91,798	9,722,674	-	626,596	-	10,399,190
Alfalsh GHP Investment Management Limited	1,631,257	1,487,638	172,489	128,354	3,163,030	183,869,090	175,000,000	19,508,282	15,000,000	358,318,793
Key management personnel (Employees)										
Head of Retail Sales	1,816	-	99	-	1,915	204,693	-	11,211	-	216,938
Unit holder holding 10% or more units										
Pak China Investment Company Limited	-	1,662,949	106,612	-	1,769,561	-	200,000,000	12,057,616	-	200,461,887
IGI Life Insurance Limited	-	10,452,623	108,293	8,765,937	1,794,979	-	1,243,581,580	12,247,798	1,043,923,597	203,341,324
As at June 30, 2021	1,719,331	13,603,210	393,033	8,894,291	6,821,283	193,796,457	1,618,581,580	44,451,503	1,058,923,597	772,738,132

17.2 Other transactions

Other transactions	2022	2021
	----- (Rupees) -----	
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	15,194,869	10,911,040
Sindh sales tax on remuneration of the Management Company	1,975,333	1,418,435
Sales load	359,224	373,308
Allocated expenses	1,694,243	1,335,119
Selling and marketing expenses	869,624	881,618

	2022	2021
	----- (Rupees) -----	
Alfalalah GHP Sovereign Fund		
Market Treasury Bills - purchased	255,207,040	118,876,600
Market Treasury Bills - sold	122,185,736	165,239,923
Alfalalah GHP Income Multiplier Fund		
Market Treasury Bills - purchased	-	31,702,708
Market Treasury Bills - sold	55,553,421	40,927,770
Term Finance Certificate - Purchased	19,345,116	-
Alfalalah GHP Value Fund		
Term finance certificates - purchased	-	34,944,000
Pakistan Investment Bonds - purchased	-	-
Market Treasury Bills - sold	14,938,455	74,215,979
Alfalalah GHP Money Market Fund		
Market Treasury Bills - purchased	4,320,651,488	1,445,914,300
Market Treasury Bills - sold	2,040,411,440	701,230,644
Alfalalah GHP Cash Fund		
Market Treasury Bills - purchased	1,183,045,350	617,529,800
Market Treasury Bills - sold	663,176,375	231,784,525
Alfalalah GHP Stock Fund		
Market Treasury Bills - purchased	-	49,191,700
Alfalalah GHP Islamic Income Fund		
Sukuk certificates- sold	-	30,876,500
GOP Ijara Sukuk - Sell	25,592,500	-
Bank Alfalah Limited		
Profit on Bank Balances	25,900,577	-
Market Treasury Bills - sold	-	160,697,581
Market Treasury Bills - purchased	-	1,392,179,306
Pakistan Investment Bonds - purchased	-	100,373,600
Bank charges	39,091	3,930
Sales Load	940,849	-
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,270,769	1,001,359
Sindh sales tax on remuneration of the Trustee	165,200	130,177
CDS charges	179,676	60,167

17.3 Other balances	2022	2021
	(Rupees)	
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Management remuneration payable	763,171	1,099,299
Sindh sales tax payable on management remuneration	1,453,207	1,496,894
Federal excise duty payable on management remuneration	9,778,882	9,778,882
Sales load payable	48,505	48,584
Payable against allocated expenses	469,872	671,751
Selling and marketing expenses payable	389,731	581,612
Bank Alfalah Limited		
Bank balance	924,239,757	435,528,685
Profit receivable	-	132,980
Sales load payable	809,115	720,506
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	45,129	107,219
Sindh sales tax payable on trustee remuneration	5,865	13,939
CDS transaction Fee	19,756	3,345
Security deposit	100,000	100,000

18 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2022		
	At amortised Cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	927,631,875	-	927,631,875
Investments	-	509,732,773	509,732,773
Advances and deposits	2,850,000	-	2,850,000
Mark-up / profit receivable	4,947,737	-	4,947,737
	935,429,612	509,732,773	1,445,162,385
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	12,903,368	-	12,903,368
Payable to Central Depository Company of Pakistan Limited - Trustee	70,750	-	70,750
Accrued expenses and other liabilities	1,671,087	-	1,671,087
	14,645,205	-	14,645,205

Particulars	2021		
	At amortised Cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	702,014,887	-	702,014,887
Investments	-	976,037,790	976,037,790
Advances and deposits	139,736,981	-	139,736,981
Mark-up / profit receivable	6,066,987	-	6,066,987
	847,818,855	976,037,790	1,823,856,645
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	13,677,022	-	13,677,022
Payable to Central Depository Company of Pakistan Limited - Trustee	154,503	-	154,503
Accrued expenses and other liabilities	2,021,254	-	2,021,254
	15,852,779	-	15,852,779

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2022, is as follows:

	2022	2021
	Rupees	
Variable rate instruments (financial assets)		
Bank balances	927,631,875	702,014,887
Sukuk certificates	92,325,375	213,373,998
Term finance certificates	161,668,550	98,096,109
	<u>1,181,625,800</u>	<u>1,013,484,994</u>
Fixed rate instruments (financial assets)		
Market treasury bills	228,207,580	-
Pakistan Investment Bonds	27,531,268	-
	<u>255,738,848</u>	<u>-</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 11.82 million (2021: Rs. 10.14 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 2.56 million (2021: Rs Nil) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

Particulars	2022					Total
	Effective yield / interest rate	Exposed to yield / interest risk				
		Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50% - 16.60%	927,631,875	-	-	-	927,631,875
Investments	7% - 16.35%			253,993,925	255,738,848	509,732,773
Advances and deposits		-	-	-	2,850,000	2,850,000
Mark-up / profit receivable		-	-	-	4,947,737	4,947,737
Sub total		927,631,875	-	-	7,797,737	1,445,162,385
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	12,903,368	12,903,368
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	70,750	70,750
Accrued expenses and other liabilities		-	-	-	1,671,087	1,671,087
Sub total		-	-	-	14,645,205	14,645,205
On-balance sheet gap		927,631,875	-	-	(6,847,468)	1,430,517,180
Total interest rate sensitivity gap		927,631,875	-	-	(6,847,468)	1,430,517,180
Cumulative interest rate sensitivity gap		927,631,875	927,631,875	927,631,875		

Particulars	2021					Total
	Effective yield / interest rate	Exposed to yield / interest risk				
		Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5% - 7.9%	702,014,887	-	-	-	702,014,887
Investments	7.13% - 9.36%	123,013,998	188,456,109	-	664,567,683	976,037,790
Advances and deposits		-	-	-	139,736,981	139,736,981
Mark-up / profit receivable		-	-	-	6,066,897	6,066,897
Sub total		825,028,885	188,456,109	-	810,371,561	1,823,856,555
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	13,677,022	13,677,022
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	154,503	154,503
Accrued expenses and other liabilities		-	-	-	2,021,254	2,021,254
Sub total		-	-	-	15,852,779	15,852,779
On-balance sheet gap		825,028,885	188,456,109	-	794,518,782	1,808,003,776
Off-balance sheet gap		-	-	-	672,033,527	672,033,527
Off-balance sheet gap (b)		-	-	-	672,033,527	672,033,527
Total interest rate sensitivity gap (a+b)		825,028,885	188,456,109	-		
Cumulative interest rate sensitivity gap		825,028,885	1,013,484,994	1,013,484,994		

19.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks.

In case of 1% increase / decrease in KSE 100 index on June 30, 2022, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. Nil (2021: Rs. 6.63) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

19.2 Credit risk

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

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

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	927,631,875	927,631,875	702,014,887	702,014,887
Investments	509,732,773	253,993,925	976,037,790	266,110,107
Advances and deposits	2,850,000	2,850,000	139,736,981	139,736,981
Mark-up / profit receivable	4,947,737	4,947,737	6,066,987	6,066,987
	<u>1,445,162,385</u>	<u>1,189,423,537</u>	<u>1,823,856,645</u>	<u>1,113,928,962</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in shares of listed companies and government securities of Rs. 255.74 million (2021: Rs 709.93 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2022 and June 30, 2021.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2022 with banks (including profit receivable) having following credit ratings:

Name of Bank	Rating Agency	Rating	2022	2021
			Percentage of total bank balances	
Bank Alfalah Limited	PACRA	A1+ / AA+	99.634%	62.040%
JS Bank Limited	PACRA	A1+ / AA-	0.000%	0.015%
Allied Bank Limited	PACRA	A1+ / AAA	0.207%	37.404%
Soneri Bank Limited	PACRA	A1+ / AA-	0.003%	0.005%
National Bank of Pakistan	PACRA	A1+ / AAA	0.012%	0.017%
BankIslami Pakistan Limited	PACRA	A1 / A+	0.013%	0.500%
Habib Bank Limited	VIS	A-1+ / AAA	0.007%	0.002%
MCB Bank Limited	PACRA	A1+ / AAA	0.002%	0.003%
Habib Metropolitan Bank Limited	PACRA	A1+ / AA+	0.001%	0.001%
Telenor Microfinance Bank Limited	PACRA	A1 / A+	0.001%	0.001%
Zarai Taraqati Bank Limited	VIS	A-1+ / AAA	0.003%	0.004%
Samba Bank Limited	VIS	A-1 / AA	0.001%	0.008%
CDC IPS Account	N/A	N/A	0.000%	0.000%
Bank of Punjab	PACRA	A1+ / AA+	0.013%	0.000%
Khushali Microfinance Bank	VIS	A+ / A-1	0.001%	0.000%
Faysal Bank Limited	PACRA	AA	0.099%	0.000%
Mobilink Microfinance Bank	PACRA	A / A1	0.001%	0.000%
			<u>100.00%</u>	<u>100.00%</u>

19.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2022 with entities having following credit ratings:

Name of Entity	Rating agency	Rating	2022	2021
			Percentage of total balance	
Pakistan Energy Sukuk	N/A	Not rated	-	14.56%
The Bank of Punjab	PACRA	A1+ / AA+	46.22%	31.49%
International Brands Limited	VIS	A-2 / A	-	4.43%
K-Electric Limited	VIS	A-1+ / AA	21.99%	22.82%
Samba Bank Limited	VIS	A-1 / AA	17.71%	14.45%
Mughal Iron & Steel Industries Limited	VIS	A-2 / A	14.08%	12.25%
			100%	100%

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

19.2.4 Concentration of credit risk

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

19.3 Liquidity risk

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

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

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

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

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

	2022					Total
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	
	Rupees					
Financial assets						
Bank balances	927,631,875	-	-	-	-	927,631,875
Investments	-	90,937,480	137,270,100	281,525,193	-	509,732,773
Advances and deposits	2,850,000	-	-	-	-	2,850,000
Mark-up / profit receivable	4,947,737	-	-	-	-	4,947,737
	935,429,612	90,937,480	137,270,100	281,525,193	-	1,445,162,385
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	12,903,368	-	-	-	-	12,903,368
Payable to Central Depository Company of Pakistan Limited - Trustee	70,750	-	-	-	-	70,750
Accrued expenses and other liabilities	1,671,087	-	-	-	-	1,671,087
	14,645,205	-	-	-	-	14,645,205
Net financial assets	920,784,407	90,937,480	137,270,100	281,525,193	-	1,430,517,180

	2021				
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity
	Rupees				
Financial assets					
Bank balances	702,014,887	-	-	-	702,014,887
Investments	1,165,538	-	13,795,998	297,674,109	976,037,790
Advances and deposits	136,886,981	-	-	-	139,736,981
Mark-up / profit receivable	6,066,987	-	-	-	6,066,987
	846,134,393	-	13,795,998	297,674,109	1,823,856,645
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - Management Company	13,677,022	-	-	-	13,677,022
Payable to Central Depository Company of Pakistan Limited - Trustee	154,503	-	-	-	154,503
Accrued expenses and other liabilities	2,021,254	-	-	-	2,021,254
	15,852,779	-	-	-	15,852,779
Net financial assets	830,281,614	-	13,795,998	297,674,109	1,808,003,866

19.4 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2022 and June 30, 2021, the Fund held the following financial instruments measured at fair values:

	2022			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets at fair value through profit or loss Investments				
Sukuk certificates	-	92,325,375	-	92,325,375
Term finance certificates	-	161,668,550	-	161,668,550
Government securities	-	255,738,848	-	255,738,848
	-	509,732,773	-	509,732,773
	2021			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets at fair value through profit or loss Investments				
Sukuk certificates	-	213,373,998	-	213,373,998
Term finance certificates	-	98,096,109	-	98,096,109
Listed equity securities	663,402,145	-	-	663,402,145
Future stock contracts	1,165,538	-	-	1,165,538
	664,567,683	311,470,107	-	976,037,790

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit holders' fund management

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

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

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

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

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

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

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21 CORRESPONDING FIGURES

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

22 GENERAL

22.1 Figures have been rounded off to the nearest rupee.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on August 25, 2022.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	946	9,049,525	1,024,231,575	72%
Associated Co./ Directors	2	1,774,623	200,853,109	14%
Banks/Dfis	2	18,134	2,052,368	0%
Insurance Co.	1	39	4,425	0%
Retirement & Other Funds	15	354,935	40,171,798	3%
Others	23	1,378,085	155,982,608	11%
	989	12,575,342	1,423,295,884	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1920	5,015,597	568,183,923	32%
Associated Co./ Directors	6	3,163,030	358,318,830	20%
Banks/Dfis	65	1,786,340	202,362,635	11%
Insurance Co.	31	1,815,911	205,712,565	11%
Retirement & Other Funds	83	2,024,683	229,363,012	13%
Others	103	2,051,625	232,415,041	13%
	2208	15,857,187	1,796,356,006	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022
	%
Pearl Securities Limited	54.13%
Invest One Markets Limited	24.86%
ADAM Securities Limited	11.11%
Magenta Capital Private Limited	4.75%
Optimus Capital Management (Pvt) Limited	1.54%
Dawood Equities Limited	1.35%
BIPL Securities	0.78%
ICON Securities	0.77%
Paramount Capital (Pvt.) Limited	0.71%
MULTILINE SECURITIES LIMITED	0.39%
	30 June 2021
	%
Topline Securities (Pvt) Limited	63.84
VECTOR SECURITIES (PRIVATE) LIMITED	8.01
MULTILINE SECURITIES LIMITED	7.66
ADAM Securities Limited	7.44
BMA Capital Management Limited	4.32
Next Capital Limited	3.14
Cedar Capital (Private) Limited	2.27
Bright Capital Private Limited	1.44
Continental Exchange (Pvt.) Limited	0.82
Summit Capital (Private) Limited	0.34

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

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

Mr. Mustafa Kamal

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

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

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

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

PERFORMANCE TABLE - AGHPIF

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
	(Rupees in '000)				
Net Assets	1,423,296	1,796,356	1,193,294	276,440	545,115
NAV per unit	113.1815	113.2834	112.7162	112.4856	117.3377
Selling price per unit	114.4605	114.5635	113.9899	113.7567	118.6636
Redemption price per unit	113.1815	113.2834	112.7162	112.4856	117.3377
Highest selling price per unit	124.8292	121.7033	130.3594	121.8312	118.6455
Highest redemption price per unit	120.7362	120.3434	128.9028	120.4699	117.3198
Lowest selling price per unit	114.4605	114.0724	113.8146	113.0394	113.5624
Lowest redemption price per unit	113.1815	112.7978	112.5429	111.7763	112.2935
Total interim distribution per unit	Nil	Nil	Nil	Nil	Nil
Interim distribution date	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	9.14	7.26	16.42	8.11	5.37
Final distribution date	24-Jun-22	25-Jun-21	24-Jun-20	30-Jun-19	2-Jul-18
Annualized returns %	7.97%	6.96%	14.83%	7.70%	4.79%
Income distribution %	8.07%	6.44%	14.59%	7.24%	4.79%
Weighted avg. portfolio duration (Days)	377 Days	405 Days	505 Days	501 Days	211 Days

Return since inception is 8.98%

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



Alfalah GHP Income Multiplier Fund

FUND INFORMATION

Management Company:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Phase VIII, Karachi
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Income Multiplier Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Aggressive Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review

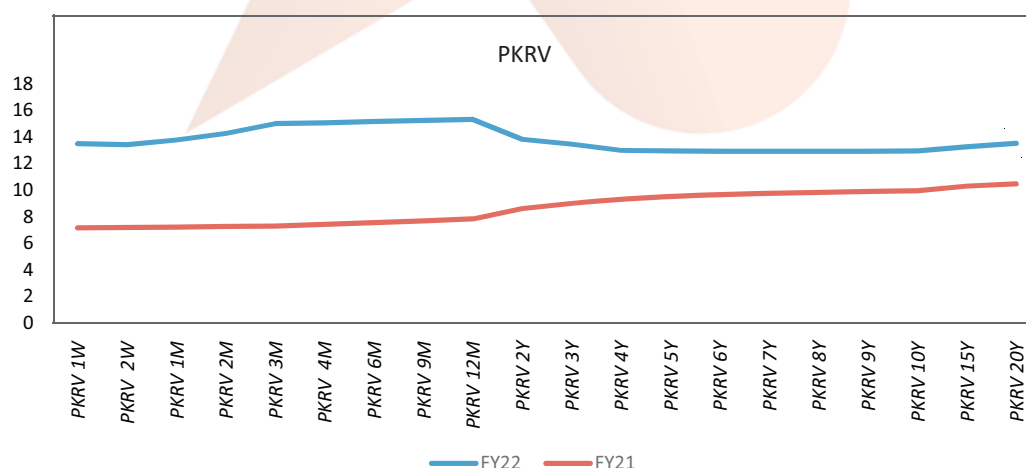
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

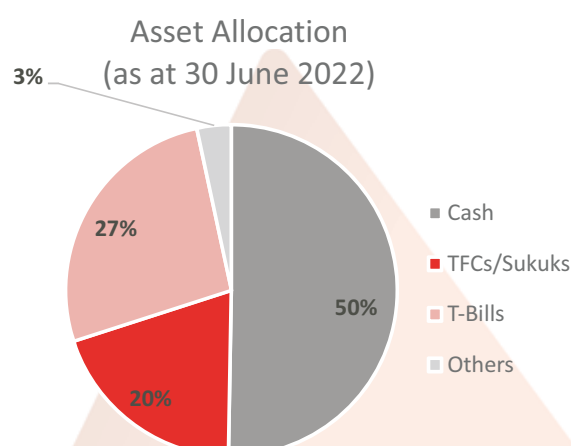
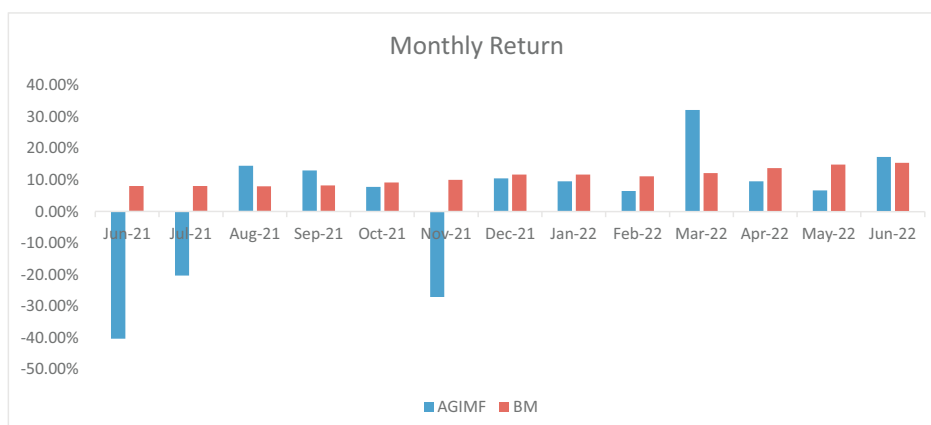
Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



Fund performance review and strategies employed

For the year ended June 30 2022, the fund posted a return of 6.84% against the benchmark of 11.23%.



Credit Quality (as % of Total Assets)			
Gov. Sec / Guar.	26.6%	A	0.0%
AAA	0.1%	A-	0.0%
AA+	54.4%	BBB+	0.0%
AA	0.0%	BBB	0.0%
AA-	7.9%	Below IG	0.0%
A+	7.6%	MTS/NR/UR	3.3%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcPakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME MULTIPLIER FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 20, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Income Multiplier Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Income Multiplier Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2022**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key Audit Matter	How the matter was addressed in our audit
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 96.65% of the total assets of the Fund as at the year end. In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

-: 3 :-

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

-: 4 :-

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

Date: 29 September 2022

Karachi

UDIN:

ALFALAH GHP INCOME MULTIPLIER FUND

STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Assets			
Bank balances	4	63,978,256	79,888,476
Investments	5	58,934,457	119,871,506
Security deposits	6	2,850,000	2,850,000
Mark-up and other receivables	7	1,406,764	4,057,352
Total assets		127,169,477	206,667,334
Liabilities			
Payable to the Alfalah GHP Investment Management Limited - Management Company	8	15,007,142	15,375,695
Payable to Central Depository Company of Pakistan Limited - Trustee	9	8,587	14,198
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	21,873	46,530
Accrued expenses and other liabilities	11	3,672,162	9,887,093
Total liabilities		18,709,764	25,323,516
Net assets attributable to unit holders		108,459,713	181,343,818
Unit holders' fund (as per the statement attached)		108,459,713	181,343,818
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		2,010,739	3,416,202
		----- (Rupees) -----	
Net asset value per unit		53.9402	53.0835

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
Income			
Profit / mark-up income	13	12,122,596	18,304,322
Gain on sale of investments - net		177,075	292,803
Unrealised (loss) / gain on revaluation of investments classified as ' at fair value through profit or loss'- net		265,795	1,000,214
Other income		1,853,504	32,062
Total income		14,418,970	19,629,401
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	8.1	699,809	2,909,662
Sindh sales tax on remuneration of the Management Company	8.2	90,976	378,256
Allocated expenses	8.4	109,488	232,795
Selling and marketing expenses	8.5	100,000	350,000
Remuneration of Central Depository of Pakistan Limited - Trustee	9.1	82,118	174,536
Sindh sales tax on remuneration of the Trustee	9.2	10,675	22,690
Annual fee to the Securities and Exchange Commission of Pakistan		21,898	46,555
Brokerage expense		15,593	25,983
Bank and settlement charges		14,725	306,062
Fees and subscriptions		1,136,968	641,577
Auditor's remuneration	14	362,822	278,892
Legal expenses		-	146,090
Printing charges		30,015	29,083
Total expenses		2,675,087	5,542,181
Operational (loss) / income for the year		11,743,883	14,087,220
Reversal / (charge) against Sindh Worker's Welfare Fund	11.1	5,791,470	-
Impairment charge on sukus		(11,876,525)	(14,119,126)
Net income / (loss) for the year before taxation		5,658,828	(31,906)
Taxation	16	-	-
Net income / (loss) for the year after taxation		5,658,828	(31,906)
Allocation of net income for the year			
Net income for the year after taxation		5,658,828	-
Income already paid on units redeemed		(6,800)	-
		5,652,028	-
Accounting income available for distribution			
- Relating to capital gains		(6,091)	-
- Excluding capital gains		5,658,119	-
		5,652,028	-

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022 ----- (Rupees) -----	2021 -----
Net income / (loss) for the year before taxation	5,658,828	(31,906)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>5,658,828</u>	<u>(31,906)</u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	46,274,716	135,069,102	181,343,818	82,837,146	135,101,008	217,938,154
Issuance of 354,882 units (2021: 3,663,247 units)						
- Capital value (at net asset value per unit at the beginning of the year)	18,838,379	-	18,838,379	195,053,616	-	195,053,616
- Element of loss	(5,180,930)	-	(5,180,930)	6,633,567	-	6,633,567
	13,657,449	-	13,657,449	201,687,183	-	201,687,183
Redemption of 1,760,346 units (2021: 4,340,080 units)						
- Capital value (at net asset value per unit at the beginning of the year)	93,445,327	-	93,445,327	231,092,334	-	231,092,334
- Element of loss	(6,585,154)	6,800	(6,578,354)	7,157,279	-	7,157,279
	(86,860,173)	(6,800)	(86,866,973)	(238,249,613)	-	(238,249,613)
Total comprehensive (loss) / income for the year	-	5,658,828	5,658,828	-	(31,906)	(31,906)
Final distribution for the year ended June 30, 2022 @ Rs. 2.7655 per unit on June 24, 2022	(1,164)	(5,332,245)	(5,333,409)	-	-	-
Net assets at the end of the year	(26,929,172)	135,388,885	108,459,713	46,274,716	135,069,102	181,343,818
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income	134,068,888			134,198,208		
- Unrealised income	1,000,214			902,800		
	135,069,102			135,101,008		
Accounting income available for distribution						
- Relating to capital gains	(6,091)			-		
- Excluding capital gains	5,658,119			-		
	5,652,028			-		
Total comprehensive income / (loss) for the year	5,658,828			(31,906)		
Final distribution for the year ended June 30, 2022 @ Rs. 2.7655 per unit on June 24, 2022	(5,332,245)			-		
Undistributed income carried forward	141,047,713			135,069,102		
Undistributed income carried forward						
- Realised income	140,781,918			134,068,888		
- Unrealised gain	265,795			1,000,214		
	141,047,713			135,069,102		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year	53.0835			53.2461		
Net asset value per unit at the end of the year	53.9402			53.0835		

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		5,658,828	(31,906)
Adjustments for:			
Unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss' -net		(265,795)	(1,000,214)
Reversal / (charge) against Sindh Worker's Welfare Fund	11.1	(5,791,470)	-
		(398,437)	(1,032,120)
Decrease in assets			
Investments		61,202,844	35,541,847
Mark-up and other receivables		2,650,588	685,289
		63,853,432	36,227,136
(Decrease) / increase in liabilities			
Payable to the Alfalah GHP Investment Management Limited - Management Company		(368,553)	(98,337)
Payable to Central Depository Company of Pakistan Limited - Trustee		(5,611)	(3,270)
Annual fee payable to the Securities and Exchange Commission of Pakistan		(24,657)	(12,459)
Accrued expenses and other liabilities		(423,461)	(485,026)
		(822,282)	(599,092)
Net cash generated from operating activities		62,632,713	34,595,924
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units (net of refund of capital)		13,657,449	201,687,183
Amount paid against redemption of units		(86,866,973)	(238,249,613)
Dividend paid		(5,333,409)	-
Net cash used in financing activities		(78,542,933)	(36,562,430)
Net decrease in cash and cash equivalents during the year		(15,910,220)	(1,966,506)
Cash and cash equivalents at beginning of the year		79,888,476	81,854,982
Cash and cash equivalents at end of the year	15	63,978,256	79,888,476

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Income Multiplier Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on March 08, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on February 14, 2007. The SECP approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/NBFC-II/AGIMF/573/2010 dated October 13, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Multiplier Fund.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as an 'Aggressive income scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in debt and money market securities. The Fund invests in debt instruments, money market securities and interest bearing accounts. The investment objectives and policy are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated March 3, 2022 to the Management Company and a stability rating of A+(f) (stable outlook) dated April 8, 2022 to the Fund.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act and on September 17, 2021. The above mentioned Trust Deed has been registered under the Sindh Trust Act. The above mentioned Trust Deed has been registered under the Sindh Trust Act on 17 September 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- Classification and valuation of financial assets (notes 3.3.1 and 5)
- Provision against Federal Excise Duty (note 8.3)
- Provision for Sindh Worker's Welfare Fund (note 11.1)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.1.2 Equity instruments

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

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

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

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

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

3.3.2 Impairment

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

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

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

3.3.2.1 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

Deferred

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement at the date at which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Income on sukuk certificates, term finance certificates and government securities are recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the income is recorded on receipt basis.
- Unrealised gains / (losses) arising on revaluation of investments classified as at fair value through profit or loss are included in the income statement in the period in which they arise.

3.13 Expenses

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

3.14 (Loss) / earnings per unit

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

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

3.15 Margin Trading System

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

3.16 Foreign currency translation

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

	Note	2022	2021
		----- (Rupees) -----	
4 BANK BALANCES			
Saving accounts	4.1	63,978,256	79,888,476

- 4.1 These carry profit rates ranging from 5.50% to 16.60% (2021: 5.50% to 7.85%) per annum and include Rs 63.58 million (2021: Rs 3.78 million) placed with Bank Alfalah Limited (a related party), carrying profit at the rate of 16.60% (2021: 7.70%) per annum.

	Note	2022	2021
		----- (Rupees) -----	
5 INVESTMENTS - AT FAIRVALUE THROUGH PROFIT AND LOSS			
Term finance certificates	5.1	10,035,607	29,155,458
Sukuk certificates	5.2	15,039,150	70,888,085
Commercial paper		-	19,827,963
Government Securities	5.3	33,859,700	-
		58,934,457	119,871,506

5.1 Term finance certificates

Name of the investee company	Profit payments / principal redemptions	Secured / Unsecured	Maturity	Profit / mark-up rate per annum	As at July 01, 2021	Purchased during the year	Sold / matured / recovered during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Impaired as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain (loss) as at June 30, 2022	Market value as a percentage of					
													Net assets of the Fund	Total investments	Size of issue			
													----- (Number of certificates) -----			----- (Rupees) -----		
PERFORMING																		
COMMERCIAL BANKS																		
The Bank of Punjab - (December 23, 2016) - (AA, PACRA) - (Face value Rs. 99,820)	Semi Annually	Unsecured	23-Dec-26	6 MK + 1.00%	190	-	100	90	-	-	-	-	0.00%	0.00%	0.00%			
Samba Bank Limited (March 01, 2021) - (AA, PACRA) - (Face value Rs. 100,000)	Semi Annually	Unsecured	1-Mar-31	6 MK + 1.35%	100	-	-	100	9,999,600	-	10,035,607	36,007	9.25%	17.03%	0.20%			
NON-PERFORMING																		
COMMERCIAL BANKS																		
Trust Investment Bank Limited (Note 5.1.1)	-	Unsecured	4-Jul-13	6 MK + 1.85%	8,000	-	8,000	-	-	-	-	-	-	-	-			
FERTILIZERS																		
AgriTech Limited (Note 5.1.2)	-	Secured	29-Nov-14	6 MK + 1.75%	17,950	-	-	17,950	89,666,353	(89,666,353)	-	-	-	-	-			
AgriTech Limited-FV (note 5.1.3)	-	Secured	14-Jun-15	6 MK + 1.75%	4,094	-	-	4,094	20,470,000	(20,470,000)	-	-	-	-	-			
As at June 30, 2022									120,135,953	(110,136,353)	10,035,607	36,007	9.25%	17.03%				
As at June 30, 2021									138,745,599	(110,136,353)	29,155,458	546,212	16.00%	24.32%				

- 5.1.1 These term finance certificates defaulted on their payment of principal and mark-up due on July 04, 2012. Consequently, the security was classified as non-performing by MUFAP on October 18, 2012. Accordingly, accrual of mark-up on these TFCs had been suspended and mark-up due amounting Rs 1.437 million had been reversed and full provision has been made in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

- 5.1.2 In prior years, a restructuring agreement was signed between AgriTech Limited and the Investment Agent of the term finance certificates, whereby, certain terms included in the original trust deed dated November 15, 2007 were amended, including the repayment period which was extended from November 29, 2014 to November 29, 2017. Consequently, the security was classified as non-performing by MUFAP on June 14, 2010 and accrual of income on these TFCs was suspended. Accordingly, the security had been fully provided in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

- 5.1.3 This represents additional certificates of AgriTech Limited received by the Fund through restructuring agreement reached between lenders and AgriTech Limited. Under such agreement, outstanding mark up due on May 29, 2011 and July 13, 2011 against 1st and 2nd issue respectively amounting to Rs 20.47 million was settled in the form of certificates valuing Rs 20.47 million. This investment has been fully provided since these have been received in lieu of suspended overdue mark-up to be recognised to income upon realisation.

5.2 Sukuk certificates

Name of the investee company	Profit payments / principal redemptions	Secured / Unsecured	Maturity	Profit / mark-up rate per annum	As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Impaired as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain (loss) as at June 30, 2022	Market value as a percentage of:		
													Net assets of the Fund	Total investments	Size of issue
(Number of certificates)						(Rupees)									
PERFORMING															
POWER GENERATION & DISTRIBUTION															
Pakistan Energy Sukuk - (May 21, 2020) ** - (AAA) - (Face value Rs. 5,000)	Semi-annually / bullet payment at maturity	Secured	20-May-30	6M KIBOR + 0.10%	5,000	-	5,000	-	-	-	-	-	0.00%	0.01%	0.00%
The Hub Power Company Limited - (August 22, 2019) - (AA+) - (PACRA) - (Face value Rs. 100,000)	Quarterly	Unsecured	22-Aug-23	3M KIBOR + 1.9%	70	-	-	70	5,389,612	-	5,523,525	133,913	5.09%	9.37%	0.14%
COMMERCIAL BANKS															
Meezan Bank Limited - Sukuk - (September 22, 2016) - (AA+ VIS) - (Face value Rs. 1,000,000)	Semi-annually / bullet payment at maturity	Secured	22-Sep-26	6M KIBOR + 0.50%	5	-	5	-	-	-	-	-	0.00%	0.00%	0.00%
ENGINEERING															
Mughal Iron & Steel Industries Limited (March 02, 2021) - (A+) - (PACRA) - (Face value Rs. 1,000,000)	Quarterly	Secured	2-Mar-26	3M KIBOR + 1.30%	10	-	-	10	9,410,000	-	9,515,625	105,625	8.77%	16.16%	0.32%
MISCELLANEOUS															
International Brands Limited - (November 15, 2017) * - (AA VIS) - (Face value Rs. 41,022)	Quarterly / Monthly	Secured	15-Nov-21	3M KIBOR + 0.50%	280	-	280	-	-	-	-	-	0.00%	0.00%	0.00%
NON-PERFORMING															
OIL & GAS MARKETING COMPANIES															
Hascol Petroleum Limited (January 7, 2016) - (D VIS) - (Face value Rs. 1,250)	Quarterly	Secured	7-Jan-22	3M KIBOR + 1.5%	21,114	-	-	21,114	25,995,851	(25,995,851)	-	-	0.00%	0.00%	0.00%
As at June 30, 2022									40,795,463	(25,995,851)	15,099,150	239,538	13.86%	25.54%	
As at June 30, 2021									70,454,063	11,376,525	70,688,085	434,065	52.77%	49.60%	

5.2.1 On April 1, 2021, sukuk certificates of Hascol Petroleum Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Accordingly, an amount of Rs. 11.87 million has been provided against the investment as at June 30, 2022.

* There was a restructuring in the terms of International Brands Limited.

** These investments have been carried at cost as they were not valued by MUFAP as at June 30, 2022.

5.3 Market Treasury bills

Particulars	Issue Date	As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value as at June 30, 2022*	Market value as at June 30, 2022	Unrealised gain / (loss) as at June 30, 2022	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market value
			(Face value)		(Rupees)					%
3 months	30-Dec-21	-	75,000,000	75,000,000	-	-	-	-	-	-
3 months	15-Jul-21	-	27,000,000	27,000,000	-	-	-	-	-	-
3 months	3-Jun-21	-	20,000,000	20,000,000	-	-	-	-	-	-
3 months	13-Jan-22	-	80,000,000	80,000,000	-	-	-	-	-	-
3 months	24-Feb-22	-	40,000,000	40,000,000	-	-	-	-	-	-
3 months	7-Apr-22	-	50,000,000	50,000,000	-	-	-	-	-	-
3 months	24-Mar-22	-	35,000,000	-	35,000,000	33,869,451	33,859,700	(9,751)	31%	57%
6 months	7-Oct-21	-	59,000,000	59,000,000	-	-	-	-	-	-
As at 30 June 2022		-	386,000,000	351,000,000	35,000,000	33,869,451	33,859,700	(9,751)	31%	57%
As at 30 June 2021		85,000,000	412,000,000	497,000,000	-	-	-	-	-	-

5.4 Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - net

	Note	2022	2021
		(Rupees)	
Market value of investment as at June 30 2022	5.1, 5.2 & 5.3	58,934,458	119,871,506
Less: Carrying value of investment as at June 30 2022	5.1, 5.2 & 5.3	(58,668,663)	(118,871,292)
		265,795	1,000,214

6	SECURITY DEPOSITS	Note	2022	2021
			----- (Rupees) -----	
	Central Depository Company of Pakistan Limited - Trustee		100,000	100,000
	National Clearing Company of Pakistan Limited		2,750,000	2,750,000
			<u>2,850,000</u>	<u>2,850,000</u>

7 MARK-UP AND OTHER RECEIVABLES

Mark-up receivable on:

- Term finance certificates		531,298	423,491
- Sukuk certificates		95,241	800,490
- Bank balances		628,240	257,958
Prepayments		-	121,141
Advance tax	7.1	151,985	150,962
Security margin with National Clearing Company of Pakistan Limited		-	2,303,310
		<u>1,406,764</u>	<u>4,057,352</u>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under other receivable as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	Payable to the Alfalah GHP Investment Management Limited - Management Company	Note	2022	2021
			----- (Rupees) -----	
	Management remuneration payable	8.1	51,991	241,471
	Sindh sales tax payable on management remuneration	8.2	1,718,980	1,699,217
	Federal excise duty payable on management remuneration	8.3	11,439,981	11,439,981
	Payable against allocated expenses	8.4	181,286	233,388
	Payable against selling and marketing expenses	8.5	100,000	246,734
	Sales load payable		1,514,904	1,514,904
			<u>15,007,142</u>	<u>15,375,695</u>

- 8.1 The Management Company has charged remuneration at the rate of 1.25% (2021: 1.25%) of the average annual net assets of the Fund during the year. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2 During the year, an amount of Rs. 0.91 million (2021: Rs. 0.48 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.11 million (2021: Rs. 0.39 million) has been paid to the Management Company which acts as a collecting agent.

- 8.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED is not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 11.40 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2022 would have been higher by Rs 5.69 per unit (2021: Rs 3.35 per unit).

- 8.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense.
- 8.5** The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan. Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense

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

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022	2021
			----- (Rupees) -----	
	Trustee remuneration payable	9.1	7,601	12,566
	Sindh sales tax payable on trustee remuneration	9.2	986	1,632
			<u>8,587</u>	<u>14,198</u>

- 9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at a rate of 0.075% (2021: 0.075%) of the daily net asset value of the Fund.
- 9.2** During the year, an amount of Rs 0.011 million (2021: Rs. 0.029 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.011 million (2021: Rs. 0.023 million) was paid to the Trustee which acts as a collecting agent.

10	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2022	2021
			----- (Rupees) -----	
	Annual fee payable to the Securities Exchange and Commission of Pakistan	10.1	<u>21,873</u>	<u>46,530</u>

- 10.1** Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

	Note	2022	2021
		----- (Rupees) -----	
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	11.1	-	5,792,122
Withholding tax payable		39,439	65,728
Annual rating fee payable		-	91,880
Auditors' remuneration payable		324,054	172,269
Settlement charges payable		52,668	54,685
Printing charges payable		6,896	5,490
Legal and professional charges		-	934
NCCPL Payable		122,269	577,721
Sales load payable		3,126,836	3,126,264
		<u>3,672,162</u>	<u>9,887,093</u>
11.1 Sindh Revenue Board through its letter dated August 12, 2021 has intimated to Mutual Fund Association of Pakistan (MUFAP) that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has been taken up with the SECP by all the Asset Management Companies. In consultation with SECP, Asset Management Companies have reversed the cumulative provision for SWWF recognized in the financial statements of the funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, no provision for SWWF has been recognized in the financial statements of the Fund.			
12 CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.			
13 PROFIT / MARK-UP INCOME		2022	2021
		----- (Rupees) -----	
Profit / mark-up income on:			
- Sukuk certificates and term finance certificates		4,189,589	9,089,603
- Market Treasury Bills		4,675,906	5,290,286
- Commercial paper		167,844	591,636
- Pakistan Investment Bonds		-	1,606,515
- Bank balances		3,089,257	1,726,282
		<u>12,122,596</u>	<u>18,304,322</u>
14 AUDITORS' REMUNERATION			
Audit fee		122,886	122,886
Review and other certifications		104,681	104,681
Out of pocket expenses		108,379	30,666
Sindh sales tax		26,876	20,659
		<u>362,822</u>	<u>278,892</u>
15 CASH AND CASH EQUIVALENTS			
Bank Balances		<u>63,978,256</u>	<u>79,888,476</u>
16 TAXATION			

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

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

Since the Management Company has paid the required minimum percentage of income earned by the fund during the year 30 June 2022 to the unit holders in the manner explained above, no provision for taxation has been made in these financial statements during the year.

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 2.44% (June 30, 2021: 2.38%) which includes 0.11% (June 30, 2021: 0.19%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, Federal excise Duties, Annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

18.1 Unit Holder's Fund

2022										
As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022	
Units					(Rupees)					
Associated Companies / Undertakings										
Alfalah GHP Investment Management Limited	145	1,349	65	-	1,559	7,697	71,343	3,513	-	84,114
Alfalah GHP Prosperity Planning Fund										
- Conservative allocation plan	532,494	-	11,512	269,110	274,896	28,266,645	-	619,131	14,000,000	14,827,968
- Moderate allocation plan	1,018,401	-	22,668	499,776	541,293	54,060,289	-	1,219,119	26,000,000	29,197,479
- Active allocation plan	402,760	-	9,202	192,222	219,740	21,379,910	-	494,908	10,000,000	11,852,826
Key management personnel (Employees)										
Chief Financial Officer	13	-	1	-	14	690	-	30	-	731
	1,953,813	1,349	43,448	961,108	1,037,503	103,715,231	71,343	2,336,701	50,000,000	55,963,118

2021										
As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2020	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2021	
Units					(Rupees)					
Associated Companies / Undertakings										
Alfalah GHP Investment Management Limited	145	1,805,501	-	1,805,501	145	7,721	100,000,000	-	99,478,628	7,697
- Conservative allocation plan	641,243	-	-	108,749	532,494	34,143,689	-	-	6,000,000	28,266,645
- Moderate allocation plan	1,478,940	-	-	460,539	1,018,401	78,747,787	-	-	25,500,000	54,060,289
- Active allocation plan	629,265	-	-	226,505	402,760	33,505,907	-	-	12,500,000	21,379,910
Key management personnel (Employees)										
Chief Financial Officer	13	-	-	-	13	692	-	-	-	690
	2,749,606	1,805,501	-	2,601,293	1,953,814	146,405,796	100,000,000	-	143,478,628	103,715,231

	2022	2021
	----- (Rupees) -----	
18.2 Other transactions		
Associated companies / undertakings		
Alfalalah GHP Investment Management Limited - Management Company		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	699,809	2,909,662
Sindh sales tax on remuneration of the Management Company	90,976	378,256
Allocated expenses	109,488	232,795
Selling and marketing expenses	100,000	350,000
Sales load	131,152	-
Bank Alfalah Limited		
Mark-up on bank balances	2,614,857	801,152
Bank charges	5,925	1,276
Sales load	-	3,126,264
Alfalalah GHP Money Market Fund		
Market Treasury Bills - purchased	112,845,305	107,959,440
Market Treasury Bills - sold	-	27,805,322
Alfalalah GHP Sovereign Fund		
Market Treasury Bills - purchased	4,833,155	34,622,840
Market Treasury Bills - sold	-	26,963,300
Alfalalah GHP Cash Fund		
Market Treasury Bills - purchased	49,170,150	59,237,280
Market Treasury Bills - sold	17,751,398	11,901,672
Alfalalah GHP Income Fund		
Market Treasury Bills - purchased	55,553,421	40,927,770
Market Treasury Bills - sold	-	31,702,708
Term Finance Certificate - Sold	19,328,266	-
Alfalalah GHP Islamic Income Fund		
Sukuk certificates - purchased	-	23,990,374
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository of Pakistan Limited - Trustee	82,118	174,536
Sindh sales tax on remuneration of the Trustee	10,675	22,690
18.3 Other balances		
Associated companies / undertakings		
Alfalalah GHP Investment Management Limited - Management Company		
Management remuneration payable	51,991	241,471
Sindh sales tax payable on management remuneration	1,718,980	1,699,217
Federal excise duty payable on management remuneration	11,439,981	11,439,981
Payable against allocated expenses	181,286	233,388
Payable against selling and marketing expenses	100,000	246,734
Sales load payable	1,514,904	1,514,904

	2022	2021
	----- (Rupees) -----	
Bank Alfalah Limited		
Bank balance	63,552,533	3,781,872
Mark-up receivable on bank balance	628,026	15,925
Sales load payable	3,126,836	3,126,264
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	7,601	12,566
Sindh sales tax payable on trustee remuneration	986	1,632
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	63,978,256	-	63,978,256
Investments	-	58,934,457	58,934,457
Security deposits	2,850,000	-	2,850,000
Mark-up and other receivables	1,254,779	-	1,254,779
	<u>68,083,035</u>	<u>58,934,457</u>	<u>127,017,492</u>
Financial liabilities			
Payable to the Alfalah GHP Investment Management Limited - Management Company	15,007,142	-	15,007,142
Payable to Central Depository Company of Pakistan Limited - Trustee	8,587	-	8,587
Accrued expenses and other liabilities	3,510,454	-	3,510,454
	<u>18,526,183</u>	<u>-</u>	<u>18,526,183</u>
Particulars	2021		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	79,888,476	-	79,888,476
Investments	-	119,871,506	119,871,506
Security deposits	2,850,000	-	2,850,000
Mark-up and other receivables	3,785,249	-	3,785,249
	<u>86,523,725</u>	<u>119,871,506</u>	<u>206,395,231</u>
Financial liabilities			
Payable to the Alfalah GHP Investment Management Limited - Management Company	15,375,695	-	15,375,695
Payable to Central Depository Company of Pakistan Limited - Trustee	14,198	-	14,198
Accrued expenses and other liabilities	4,029,243	-	4,029,243
	<u>19,419,136</u>	<u>-</u>	<u>19,419,136</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

20.1 Market risk

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

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

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

20.1.1 Currency risk

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

20.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2021, is as follows:

	2022	2021
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	63,978,256	79,888,476
Term finance certificates	10,035,607	29,155,458
Sukuk certificates	15,039,150	70,888,085
	<u>89,053,013</u>	<u>179,932,019</u>
Fixed rate instrument		
Market Treasury Bills	33,859,700	-
Commercial Papers	-	19,827,963
	<u>33,859,700</u>	<u>19,827,963</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 0.89 million (2021: Rs.1.8 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.34 million (2021: Rs. 0.19 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

20.1.2 Yield / Interest rate risk (Continued)

Particulars	As at June 30, 2022					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50% -7.85%	63,978,256	-	-	-	63,978,256
Investments	7.85% - 12.45%	-	-	-	-	-
Security deposits		-	-	-	2,850,000	2,850,000
Mark-up and other receivables		-	-	-	1,254,779	1,254,779
Sub total		63,978,256	-	-	4,104,779	68,083,035
Financial liabilities						
Payable to the Alfalah GHP Investment Management Limited - Management Company		-	-	-	15,007,142	15,007,142
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	8,587	8,587
Accrued expenses and other liabilities		-	-	-	3,510,454	3,510,454
Sub total		-	-	-	18,526,183	18,526,183
On-balance sheet gap		63,978,256	-	-	(14,421,404)	49,556,852
Total interest rate sensitivity gap		63,978,256	-	-	(14,421,404)	49,556,852
Cumulative interest rate sensitivity gap		63,978,256	63,978,256	63,978,256		

Particulars	As at June 30, 2021					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50%-8.00%	79,888,476	-	-	-	79,888,476
Investments	6.70%-14.45%	-	81,660,999	125,054,839	-	206,715,838
Security deposits		-	-	-	2,850,000	2,850,000
Mark-up and other receivables		-	-	-	3,785,249	3,785,249
Sub total		79,888,476	81,660,999	125,054,839	6,635,249	293,239,563
Financial liabilities						
Payable to the Alfalah GHP						
Investment Management						
Limited - Management Company		-	-	-	15,375,695	15,375,695
Payable to Central Depository						
Company of Pakistan Limited						
- Trustee		-	-	-	14,198	14,198
Accrued expenses and other liabilities		-	-	-	4,029,243	4,029,243
Sub Total		-	-	-	19,419,136	19,419,136
On-balance sheet gap		79,888,476	81,660,999	125,054,839	(12,783,887)	273,820,427
Total interest rate sensitivity gap		79,888,476	81,660,999	125,054,839	(12,783,887)	273,820,427
Cumulative interest rate sensitivity gap		79,888,476	161,549,475	286,604,314		

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

20.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2022.

20.2 Credit risk

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

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

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
(Rupees)				
Bank balances	63,978,256	63,978,256	79,888,476	79,888,476
Investments	58,934,457	15,039,150	119,871,506	94,671,506
Security deposits	2,850,000	2,850,000	2,850,000	2,850,000
Mark-up and other receivables	1,254,779	1,254,779	3,785,249	3,785,249
	127,017,492	83,122,185	206,395,231	181,195,231

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in government securities amounting to Rs 15.04 million (2021: Rs 25.20 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2022 and June 30, 2021, except as specified in note 5.6 to these financial statements.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating agency	Rating (Long term/ Short term)	2022	2021
			Percentage of total bank balances	
BankIslami Pakistan Limited	PACRA	A+ / A1	0.18%	0.42%
Habib Bank Limited	VIS	AAA / A1+	0.02%	0.31%
National Bank of Pakistan	PACRA	AAA / A1	0.03%	0.02%
Bank Alfalah Limited	PACRA	AA+ / A1	99.37%	4.73%
Faysal Bank Limited	PACRA	AA	0.00%	0.00%
Allied Bank Limited	PACRA	AAA / A1	0.03%	94.15%
Bank AL Habib Limited	PACRA	AAA / A1	0.03%	0.01%

Name of Bank	Rating agency	Rating (Long term/ Short term)	2022	2021
			Percentage of total bank balances	
JS Bank Limited	PACRA	AA- / A1	0.01%	0.01%
NRSP Microfinance Bank Limited	PACRA	A / A1	0.03%	0.03%
Telenor Microfinance Bank Limited	PACRA	A+ / A1	0.02%	0.01%
Zarai Taraqiati Bank Limited	VIS	AAA	0.03%	0.01%
Samba Bank Limited	VIS	AA / A1	0.01%	0.07%
Central Depository Company	N/A	N/A	0.00%	0.00%
Soneri Bank	PACRA	AA- / A1+	0.01%	0.14%
Silk Bank	VIS	A- / A2	0.01%	0.09%
Mobilink Microfinance	PACRA	A / A1	0.02%	0.00%
Khushali Bank	VIS	A+ / A-1	0.01%	0.00%
Bank of Punjab	PACRA	AA+ / A1+	0.17%	0.00%
			100.0%	100.00%

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

20.2.3 Concentration of credit risk

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

20.3 Liquidity risk

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

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

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

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

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

20.3 Liquidity risk (Continued)

2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Rupees						
Financial assets						
Bank balances	63,978,256	-	-	-	-	63,978,256
Investments	-	-	-	-	-	-
Security deposits	2,850,000	-	-	-	-	2,850,000
Mark-up and other receivables	1,254,779	-	-	-	-	1,254,779
	68,083,035	-	-	-	-	68,083,035
Financial liabilities						
Payable to the Alfalah GHP Investment Management Limited - Management Company	15,007,142	-	-	-	-	15,007,142
Payable to Central Depository Company of Pakistan Limited - Trustee	8,587	-	-	-	-	8,587
Accrued expenses and other liabilities	3,510,454	-	-	-	-	3,510,454
	18,526,183	-	-	-	-	18,526,183
Net assets	49,556,852	-	-	-	-	49,556,852

2021	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Rupees						
Financial assets						
Bank balances	79,888,476	-	-	-	-	79,888,476
Investments	-	19,827,963	23,335,365	17,174,612	59,533,566	119,871,506
Security deposits	2,850,000	-	-	-	-	2,850,000
Mark-up and other receivables	3,785,249	-	-	-	-	3,785,249
	86,523,725	19,827,963	23,335,365	17,174,612	59,533,566	206,395,231
Financial liabilities						
Payable to the Alfalah GHP Investment Management Limited - Management Company	15,375,695	-	-	-	-	15,375,695
Payable to Central Depository Company of Pakistan Limited - Trustee	14,198	-	-	-	-	14,198
Accrued expenses and other liabilities	4,029,243	-	-	-	-	4,029,243
	19,419,136	-	-	-	-	19,419,136
Net assets	67,104,589	19,827,963	23,335,365	17,174,612	59,533,566	186,976,095

20.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

As at June 30, 2022 and June 30, 2021, the Fund held the following financial instruments measured at fair values:

----- As at June 30, 2022 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets at 'fair value through profit or loss'				
Term finance certificates	-	10,035,607	-	10,035,607
Sukuk certificates	-	15,039,150	-	15,039,150
Government Securities	-	33,859,700	-	33,859,700
	-	58,934,457	-	58,934,457
----- As at June 30, 2021 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets at 'fair value through profit or loss'				
Term finance certificates	-	29,155,458	-	29,155,458
Sukuk certificates	-	70,888,085	-	70,888,085
Commercial Papers	-	19,827,963	-	19,827,963
	-	119,871,506	-	119,871,506

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20.5 Unit Holders' Fund risk management

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

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

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

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

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

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

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22 CORRESPONDING FIGURES

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

23 GENERAL

23.1 Rounding off

Figures have been rounded off to the nearest rupee.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	284	744,800	40,174,655	37%
Associated Co./ Directors	2	1,560	84,135	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	11	153,461	8,277,737	8%
Others	25	1,110,918	59,923,186	55%
	322	2,010,739	108,459,713	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1077	894,861	47,502,230	18%
Associated Co./ Directors	9	146	7,725	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	71	482,032	25,587,959	12%
Others	101	2,039,163	108,245,904	69%
	1258	3,416,202	181,343,818	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022 %
BIPL Securites Limited	2.36%
Paramount Capital Pvt Limited	2.36%
Optimus Capital Management (Pvt) Limited	2.36%
Continental Exchange (Pvt.) Limited	2.36%
Next Capital Limited	90.58%

	30 June 2021 %
Bright Capital Private Limited	54.51%
Continental Exchange (Pvt.) Limited	37.81%
Pearl Security (Pvt) Limited	4.59%
BMA Capital (Pvt) Limited	1.15%
JS Global Capital Limited	1.15%
ICON Securites (Pvt) Limited	0.69%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

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

Mr. Mustafa Kamal

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

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

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

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

PERFORMANCE TABLE - AGIMF

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Net Assets (Rupees in '000)	108,460	181,343	217,938	364,994	655,599
NAV per unit	53.9402	53.0835	53.2461	53.2667	55.8625
Selling price per unit	55.7688	54.8830	55.0511	55.0724	57.7562
Redemption price per unit	53.9402	53.0835	53.2461	53.2667	55.8625
Highest selling price per unit	58.4665	57.7842	63.5022	58.3182	57.8210
Highest redemption price per unit	56.5495	55.8895	61.4201	56.4060	55.9251
Lowest selling price per unit	53.7301	54.6905	55.0424	54.8429	55.0669
Lowest redemption price per unit	51.9684	52.8973	53.2376	53.0447	53.2613
Total interim distribution per unit	N/A	N/A	N/A	3.3186	N/A
Interim distribution date	N/A	N/A	N/A	30-Jun-19	N/A
Final distribution per unit	2.7655	N/A	8.1534	N/A	2.61
Final distribution date	24-Jun-22	N/A	27-Jun-20	N/A	43,283.00
Annualized returns	6.84%	-0.31%	15.26%	6.26%	4.90%
Income distribution	5.21%	N/A	6.23%	6.23%	4.91%
Weighted avg. portfolio duration	1.20 Yrs	1.99 Yrs	1.99 Yrs	2.755 Yrs	4.08 Yrs

Return since inception is **6.21%**

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



Alfalah GHP Islamic Income Fund

FUND INFORMATION

Management Company:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Phase VIII, Karachi
Shariah Advisor:	BankIslami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalsh GHP Islamic Income Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant (Islamic) Income Scheme

Investment Objective

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

Accomplishment of Objective

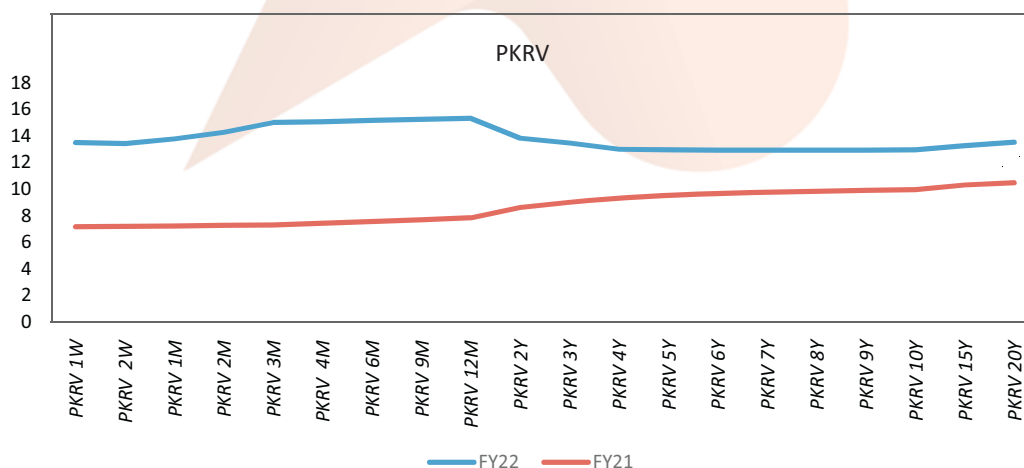
The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration shariah compliant fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review

Pakistan's GDP is expected to post a growth of 3.9% during FY21 against the negative 0.4% during FY20. The global COVID Pandemic set its foot prints in the country in last quarter FY20 and hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP kept the interest rates at lower levels and the policy rate was kept at 7% throughout the year.

Market participants gradually shifted their bets from longer term to shorter terms instruments. During the year, the central bank was able to fetch PKR 15.23 trillion T-bills with majority of the participation witnessed in 3 month and 6 months tenor. Through PIBs, the central bank was able to fetch PKR 1.06 trillion in the reviewed period. Majority of the participation witnessed in 3 years followed by 5 years and 10 years.

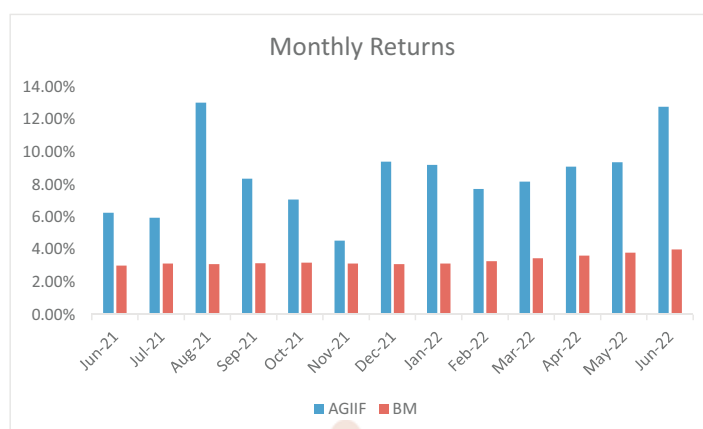
The macroeconomic variables have already begin to show improvement. Going forward, we expect the economic activity to pace up further.



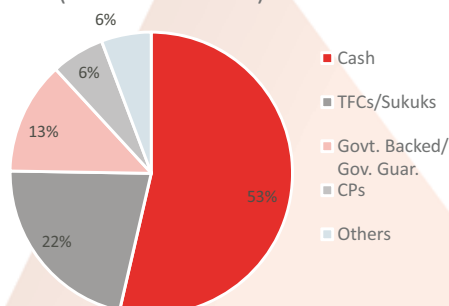
Fund Performance

For the year ended June 30 2022, the fund posted a return of 9.09% against the benchmark of 3.34%.

Performance comparison with Benchmark



Asset Allocation
(as at 30 Jun 2022)



Credit Quality (as % of Total Assets)			
Govt. Guar.	12.92%	A	0.94%
AAA	40.45%	A-	0.08%
AA+	15.19%	BBB+	0.00%
AA	1.11%	BBB	0.00%
AA-	12.22%	Below IG	0.00%
A+	11.03%	NR/UR	6.04%

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

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

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

There were no unit splits during the period.

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

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2022





Alfalah Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC INCOME FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Income Fund ('AGIIF') (formerly IGI Islamic Income Fund) managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplemental Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have reviewed and given approval for investment in following avenues during the period from July 01, 2021 to June 30, 2022.

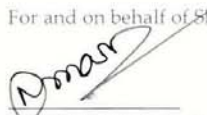
Investment Avenue
GoP (Government of Pakistan) Ijarah Sukuk
Approved Shariah Compliant Sukuk
Approved Islamic Commercial Papers
Approved Bai Muajjal Transactions
Term Deposit Receipts with Approved Islamic Banks

We hereby certify that all the above-mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2022, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.


Mufti Shaikh Noman
 Shariah Advisor


Mufti Javed Ahmad
 Shariah Board Member

Alfalah GHP Investment Management Ltd
 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
 U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahghp.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalsh GHP Islamic Income Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 26, 2022

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Income Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Islamic Income Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2022**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key Audit Matter	How the matter was addressed in our audit
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 98.02% of the total assets of the Fund as at the year end. In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

-: 3 :-

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

-: 4 :-

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

Date: 29 September 2022

Karachi

UDIN:

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Assets			
Bank balances	4	2,943,952,385	2,650,484,213
Investments	5	2,456,598,964	3,327,225,852
Profit receivable	6	104,682,394	157,669,484
Deposit, prepayment and other receivable	7	4,314,439	4,308,708
Total assets		5,509,548,182	6,139,688,257
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	8	14,795,283	12,715,473
Payable to Central Depository Company of Pakistan Limited - Trustee	9	530,588	477,544
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	1,281,373	1,525,741
Accrued and other liabilities	11	28,742,980	59,459,210
Other Liabilities		11,567,877	-
Total liabilities		56,918,101	74,177,968
Net assets attributable to the unit holders		5,452,630,081	6,065,510,289
Unit holders' fund (as per the statement attached)		5,452,630,081	6,065,510,289
Contingencies and commitments	12	----- (Number of units) -----	
Number of units in issue		53,248,859	59,375,394
		----- (Rupees) -----	
Net asset value per unit		102.3990	102.1553

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
Income			
Profit earned	13	618,777,089	553,885,227
Gain / (loss) on sale of investments - net		(16,766,408)	9,505,615
Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net	5.7	9,453,898	13,839,555
Total income		611,464,579	577,230,397
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	8.1	61,397,993	57,117,121
Sindh sales tax on remuneration of the Management Company	8.2	7,981,738	7,425,226
Allocated expenses	8.4	6,406,920	7,628,641
Selling and marketing expenses	8.5	7,948,974	11,442,955
Remuneration of Central Depository Company of Pakistan - Trustee	9.1	4,805,340	5,721,622
Sindh sales tax on remuneration of the Trustee	9.2	624,693	743,811
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	1,281,423	1,525,766
Brokerage expense		351,261	565,591
Settlement and bank charges		847,800	92,239
Auditors' remuneration	14	324,054	298,201
Annual listing fee		21,900	21,936
Annual rating fee		220,705	220,500
Printing charges		47,281	29,951
Shariah advisory fee		420,061	420,074
Total expenses		92,680,143	93,253,634
Operational (loss) / income for the year		518,784,437	483,976,763
Reversal / (charge) against Sindh Worker's Welfare Fund	11.1	35,392,564	(9,679,535)
Net income for the year before taxation		554,177,000	474,297,228
Taxation	16	-	-
Net income for the year after taxation		554,177,000	474,297,228
Allocation of net income for the year			
Net income for the year after taxation		554,177,000	474,297,228
Income already paid on units redeemed		(209,129,475)	(122,502,369)
		345,047,525	351,794,859
Accounting income available for distribution			
- Relating to capital gain		-	2,334,505
- Excluding capital gain		345,047,525	349,460,354
		345,047,525	351,794,859

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees) -----	
Net income for the year after taxation	554,177,000	474,297,228
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>554,177,000</u>	<u>474,297,228</u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	5,997,006,631	68,503,658	6,065,510,289	9,662,907,417	61,722,119	9,724,629,536
Issuance of 171,792,635 units (2021: 314,513,606 units)						
- Capital value (at net asset value per unit at the beginning of the year)	17,549,528,193	-	17,549,528,193	32,089,760,318	-	32,089,760,318
- Element of income	332,168,801	-	332,168,801	115,791,787	-	115,791,787
Total proceeds on issuance of units	17,881,696,994	-	17,881,696,994	32,205,552,105	-	32,205,552,105
Redemption of 177,919,169 units (2021: 350,449,899 units)						
- Capital value (at net asset value per unit at the beginning of the year)	18,175,386,285	-	18,175,386,285	35,756,333,105	-	35,756,333,105
- Element of income	179,464,910	209,129,475	388,594,385	12,147,631	122,502,369	134,650,000
Total payments on redemption of units	(18,354,851,195)	209,129,475	(18,563,980,670)	(35,768,480,736)	(122,502,369)	(35,890,983,105)
Total comprehensive income for the year	-	554,177,000	554,177,000	-	474,297,228	474,297,228
Distributions made (refer note 25)	(152,286,078)	(332,487,454)	(484,773,532)	(102,972,155)	(345,013,320)	(447,985,475)
Net assets at the end of the year	5,371,566,352	81,063,729	5,452,630,081	5,997,006,631	68,503,658	6,065,510,289
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		54,664,103			36,329,085	
- Unrealised income / (loss)		13,839,555			25,393,034	
		<u>68,503,658</u>			<u>61,722,119</u>	
Accounting income available for distribution						
- Relating to capital gains		-			2,334,505	
- Excluding capital gains		419,615,029			349,460,354	
		<u>419,615,029</u>			<u>351,794,859</u>	
Distributions made		(332,487,454)			(345,013,320)	
Undistributed income carried forward		<u>155,631,233</u>			<u>68,503,658</u>	
Undistributed income carried forward						
- Realised income		146,177,335			54,664,103	
- Unrealised gain		9,453,898			13,839,555	
		<u>155,631,233</u>			<u>68,503,658</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		<u>102.1553</u>			<u>102.0298</u>	
Net asset value per unit at the end of the year		<u>102.3990</u>			<u>102.1553</u>	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		554,177,000	474,297,228
Adjustments for:			
Unrealised gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net		(9,453,898)	(13,839,555)
(Reversal) / provision for Sindh Workers' Welfare Fund		(35,392,564)	9,679,535
		509,330,539	470,137,208
Decrease / (increase) in assets			
Investments - net		880,080,786	2,063,275,522
Deposit, prepayment and other receivable		(5,731)	(2,593,125)
Profit receivable		52,987,090	31,342,690
		933,062,145	2,092,025,087
(Decrease) / increase in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		2,079,810	(12,250,854)
Payable to Central Depository Company of Pakistan Limited - Trustee		53,044	(829,826)
Annual fee payable to the Securities and Exchange Commission of Pakistan		(244,368)	379,006
Accrued and other liabilities		4,676,334	(3,641,640)
		6,564,820	(16,343,314)
Net cash flows generated from operating activities		1,448,957,503	2,545,818,981
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(320,919,577)	(358,128,088)
Amounts received against issuance of units - net of refund of capital		17,729,410,916	32,102,579,950
Payments made against redemption of units		(18,563,980,670)	(35,890,983,105)
Net cash flows used in financing activities		(1,155,489,331)	(4,146,531,243)
Net increase / (decrease) in cash and cash equivalents during the year		293,468,172	(1,600,712,262)
Cash and cash equivalents at beginning of the year		2,650,484,213	4,251,196,475
Cash and cash equivalents at end of the year	17	2,943,952,385	2,650,484,213

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Income Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 3, 2008 between IGI Funds Limited (Former Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved third Supplemental Trust Deed, under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), vide its letter No. SCD/AMCW/AGIIF/240/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Income Fund.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'Shariah Compliant Islamic Income Scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificates of investment, Musharika and Morabaha arrangements and debt securities. The investment objectives and policy are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022, and stability rating of AA-(f) to the Fund in its credit rating report dated April 8, 2022.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act and on September 17, 2021. The above mentioned Trust Deed has been registered under the Sindh Trust Act. The above mentioned Trust Deed has been registered under the Sindh Trust Act on 17 September 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of investments (notes 3.3.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund (note 11.1)
- iii. Provision against Federal Excise Duty (note 8.3)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.2 Impairment

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

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

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

3.3.2.1 Impairment loss on debt securities

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

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

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

Deferred

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Income on debt securities and Government securities is recognised on a time proportion basis using the effective yield method.
- profit income on bank balances is recognised on an accrual basis.

3.13 Expenses

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

3.14 Earnings per unit

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

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

3.15 Foreign currency translation

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

	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
4 BANK BALANCES			
In savings accounts	4.1	2,943,952,385	2,650,484,213

4.1 These carry profit rates ranging between 3.20 % to 15.20% (2021: 2.11% to 7.09%) per annum and include bank balance of Rs. 52.73 million (2021: Rs. 3.21 million) maintained with Bank Alfalah Limited (a related party).

	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
5 INVESTMENTS			
At fair value through profit or loss			
Sukuk certificates	5.1	1,793,514,618	2,360,103,121
Short term sukuk certificates	5.2	250,000,000	-
Islamic Commercial papers	5.3	348,416,346	550,434,259
GoP Ijara Sukuks	5.4	64,668,000	7,040,200
Bai Muajjal receivable		-	409,648,272
		2,456,598,964	3,327,225,852

5.1 Sukuk certificates

Name of the investee company	Profit payments / principal redemption	Profit rate	Maturity date	As at July 1, 2021	Purchased during the year	Matured / sold during the year	As at June 30, 2022	Balances as at June 30, 2022			Market value as a percentage of		Investment as percentage of issue size	
								Carrying value	Market value	Unrealised gain	Net Assets			Total Investments
				(Number of certificates)			(Rupees)			(%)				
COMMERCIAL BANKS														
Meezan Bank Limited (AA+, VIS) (Face value Rs. 1,000,000)	Semi-annually / bullet payment at maturity	6 Months KIBOR + 0.5%	September 22, 2026	256	-	256	-	-	-	-	0.00%	0.00%	0.00%	
Meezan Bank Limited (AA+, VIS) (Face value Rs. 1,000,000)	Semi-annually / bullet payment at maturity	6 Months KIBOR + 0.90%	January 09, 2030	201	-	43	158	163,925,000	164,320,000	395,000	3.01%	6.69%	4.11%	
Dubai Islamic Bank Pakistan Limited (AA-, VIS) (Face value Rs. 1,000,000)	Semi-annually / bullet payment at maturity	6 Months KIBOR + 0.50%	July 14, 2027	316	-	-	316	324,837,572	326,586,107	1,748,535	5.99%	13.29%	8.16%	
POWER GENERATION & DISTRIBUTION														
The Hub Power Company Limited (AA+, PACRA) (Face value Rs. 100,000)	Quarterly	3 Months KIBOR + 1.9%	August 22, 2023	4,475	-	-	4,475	344,550,196	353,111,063	8,560,866	6.48%	14.37%	5.04%	
Hub Power Holdings Limited (A1+, PACRA) (Face value Rs. 100,000)	Semi-annually	6 Month KIBOR + 2.5%	November 12, 2025	235	-	-	235	19,377,752	19,377,752	-	0.36%	0.79%	0.43%	
Hub Power Holdings Limited (A1+, PACRA) (Face value Rs. 100,000)	Semi-annually	6 Month KIBOR + 2.5%	November 12, 2025	-	4,500	4,500	-	-	-	-	0.00%	0.00%	0.00%	
Engro Powergen Thar (Private) Limited (A, PACRA) (Face value Rs. 5,000)	Quarterly	3 Months KIBOR + 1.10%	August 02, 2024	9,600	-	-	9,600	48,000,000	50,691,696	2,691,696	0.93%	2.06%	1.69%	
Pakistan Energy Sukuk II (AAA, PACRA) (Face value Rs. 5,000)*	Semi-annually	6 Months KIBOR - 0.1%	June 17, 2022	127,000	-	41,400	85,600	431,424,000	430,996,000	(428,000)	7.90%	17.54%	0.22%	
ENGINEERING														
Mughal Iron & Steel Industries Limited (A+, PACRA) (Face value Rs. 1,000,000)	Quarterly	3 Months KIBOR + 1.3%	March 30, 2025	225	25	-	250	235,262,500	237,890,625	2,628,125	4.36%	9.68%	7.93%	
MISCELLANEOUS														
International Brands Limited (A-2, VIS) (Face value Rs. 41,022)	Quarterly / Monthly	3 Months KIBOR + 0.50%	May 5, 2022	4,200	-	4,200	-	-	-	-	0.00%	0.00%	0.00%	
Pakistan International Corporation Limited	Quarterly / Monthly	3 Months KIBOR + 0.50%	May 5, 2022	-	60,000	19,000	41,000	205,000,000	199,308,175	(5,691,825)	3.66%	8.11%	7.04%	
K-Electric	Quarterly / Monthly	3 Months KIBOR + 0.50%	May 5, 2022	-	2,200	-	2,200	11,233,200	11,233,200	-	0.21%	0.46%	0.40%	
Total as at June 30, 2022								1,783,610,220	1,793,514,618	9,904,397	32.89%	73.01%		
Total as at June 30, 2021								2,346,308,766	2,360,103,121	13,794,355	38.90%	70.94%		

* These investments have been carried at cost as they were not valued by MUFAP as at June 30, 2022.

5.2 Short Term Sukuks

Name of the investee company	Profit rate	Date of Maturity	As at July 01, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as percentage of	
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments
				(Number of certificates)			(Rupees)			(%)	
K-electric	6MK + 1.5%	12-Oct-22	-	250,000,000	-	250,000,000	250,000,000	250,000,000	-	4.58%	10%
Total as at June 30, 2022			-	250,000,000	-	250,000,000	250,000,000	250,000,000	-	4.58%	10%
Total as at June 30, 2021			-	46,520	46,520	-	-	-	-	-	-

5.3 Islamic Commercial Papers

Name of the investee company	Profit rate	As at July 1, 2021	Purchased during the year	Matured during the year	As at June 30, 2022	Balance as at June 30, 2022		Market value as a percentage of			
						Carrying Value	Market Value	Net Assets	Total Investments		
						(Number of Certificates)		(Rupees)		(%)	
K-Electric Limited (ICP-14)	6MK + 0.10%	295	1,740	2,035	-	-	-	0.00%	0.00%		
K-Electric Limited (ICP-17)	6MK + 0.10%	25	-	25	-	-	-	0.00%	0.00%		
K-Electric Limited (ICP-18)	6MK + 0.10%	240	-	240	-	-	-	0.00%	0.00%		
K-Electric Limited (ICP-21)	6MK + 0.10%	-	450	450	-	-	-	0.00%	0.00%		
Lucky Electric Power Company Limited -I	6MK + 0.10%	-	650	650	-	-	-	0.00%	0.00%		
K-Electric Limited (ICP-24)	6MK + 0.10%	-	150	150	-	-	-	0.00%	0.00%		
Lucky Electric Power Company Limited -II	6MK + 0.10%	-	350	-	350	348,416,346	348,416,346	6.39%	14.18%		
Total as at June 30, 2022						348,416,346	348,416,346	6.39%	14.18%		
Total as at June 30, 2021						550,434,259	550,434,259	9.07%	16.55%		

5.4 GoP Ijara Sukuks

(face value of Rs. 100,000/- each).

Name of the investee company	Yield per annum	Issue date	Maturity date	As at July 01, 2021	Purchased during the year	Matured / sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain	Market value as a percentage of	
											Net Assets	Total Investments
				(Number of certificates)				(Rupees)		(%)		
GOP Ijara Sukuk (5 years)	7.65%	29-May-20	29-May-25	40	5,650	2,050	3,640	-	-	-	0.00%	0.00%
GOP Ijara Sukuk (5 years)	6.27%	29-Jul-20	29-Jul-25	30	3,720	750	3,000	-	-	-	0.00%	0.00%
GOP Ijara Sukuk (5 years)	6.27%	9-Dec-20	9-Dec-25	-	2,000	1,400	600	60,000,000	59,868,000	(132,000)	1.10%	2.44%
GOP Ijara Sukuk (5 years)	6.27%	15-Dec-21	15-Dec-26	-	250	200	50	5,118,500	4,800,000	(318,500)	0.09%	0.20%
Total as at June 30, 2022								65,118,500	64,668,000	(450,500)	1.19%	2.64%
Total as at June 30, 2021								6,995,000	7,040,200	45,200	0.12%	0.21%

5.5 Unrealised gain on revaluation of investments

classified as financial assets 'at fair value through profit or loss' - net

Note

2022

2021

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

Market value of investments	2,456,598,964	3,327,225,852
Less: Carrying value of investments	(2,447,145,066)	(3,313,386,297)
	9,453,898	13,839,555

6 PROFIT RECEIVABLE

Mark-up / return receivable on:

- Bank balances	43,832,168	14,137,522
- Sukuk certificates	60,446,959	134,611,015
- GoP Ijara Sukuks	403,267	8,839,031
- Term deposit receipts	-	81,916
	104,682,394	157,669,484

7 DEPOSIT, PREPAYMENT AND OTHER RECEIVABLE	Note	2022	2021
Advances and deposits:		----- (Rupees) -----	
- Security deposit with Central Depository Company of Pakistan Limited - Trustee		100,000	100,000
Prepayment:			
- Annual listing fee		11,672	5,941
Advance tax	7.1	4,202,767	4,202,767
		4,314,439	4,308,708

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under other receivable as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2022	2021
		----- (Rupees) -----	
Management remuneration payable	8.1	7,007,580	3,895,888
Sindh sales tax payable on management remuneration	8.2	974,005	623,235
Federal excise duty on management remuneration	8.3	779,745	779,745
Payable against allocated expenses	8.4	3,136,199	2,953,039
Selling and marketing expenses	8.5	2,895,129	4,429,553
Sales load payable to management company		2,625	34,013
		14,795,283	12,715,473

- 8.1** During the year, the Management Company has charged remuneration at the rate of 10% (2021: 10%) of the gross earnings of the Fund calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the offering document, provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Fund. Remuneration was charged on similar basis during the year ended June 30, 2022.
- 8.2** During the year, an amount of Rs. 7.98 million (2021: Rs. 7.42 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 7.66 million (2021: Rs. 8.72 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED is not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 11.40 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2022 would have been higher by Rs 0.01 per unit (2021: Rs 0.01 per unit).

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

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

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

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	2022	2021
	----- (Rupees) -----	
Trustee remuneration payable	9.1	429,208
Sindh sales tax payable on trustee remuneration	9.2	101,380
		<u>530,588</u>
		<u>477,544</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily NAV of the Fund as follows:

Net Assets (Rs.)

- up to Rs. 1 billion	Rs.0.17% p.a of NAV
- over Rs. 1 billion	Rs. 1.7 million plus 0.085% p.a of NAV exceeding Rs. 1,000 million
- over Rs. 5 billion	Rs. 5.10 million plus 0.07% p.a of NAV exceeding Rs. 5,000 million

9.2 During the year, an amount of Rs. 0.63 million (2021: Rs. 0.74 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.58 million (2021: Rs. 0.84 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note	2022	2021
	----- (Rupees) -----	

Annual fee payable to the SECP	10.1	<u>1,281,373</u>	<u>1,525,741</u>

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

The SECP vide SRO no. 685 (1) / 2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% of net assets during the year.

	Note	2022	2021
		----- (Rupees) -----	
11 ACCRUED AND OTHER LIABILITIES			
Provision for Sindh Workers Welfare Fund	11.1	-	35,392,546
Withholding tax and capital gain tax payable		10,854,811	17,822,859
Sales load payable		13,833,015	3,097,847
Brokerage charges		1,547,725	1,196,481
Auditors' remuneration		491,624	577,846
Annual rating fee		325,999	347,316
Shariah advisory fee		421,280	600,184
Printing charges		204,226	174,289
Settlement charges		1,064,301	249,842
		28,742,980	59,459,210

11.1 Sindh Revenue Board through its letter dated August 12, 2021 has intimated to Mutual Fund Association of Pakistan (MUFAP) that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has been taken up with the SECP by all the Asset Management Companies. In consultation with SECP, Asset Management Companies have reversed the cumulative provision for SWWF recognized in the financial statements of the funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, no provision for SWWF has been recognized in the financial statements of the Fund.

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

13 PROFIT / MARK-UP EARNED

	2022	2021
	----- (Rupees) -----	
Profit / Mark-up on:		
- GoP ijara sukuks	81,982,601	70,647,682
- Sukuk certificates	223,201,964	217,663,631
- Commercial papers	83,090,984	31,644,290
- Bank balances	208,457,643	155,996,305
- Term deposit receipts	14,589,765	14,195,358
- Bai Muajjal	7,454,132	63,737,961
	618,777,089	553,885,227

14 AUDITORS' REMUNERATION

Audit fee	161,255	161,255
Review and other certifications	84,658	84,658
Out of pocket expenses	46,172	32,615
Sindh sales tax	31,969	19,673
	324,054	298,201

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 1.45% which includes 0.15% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

16 TAXATION

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

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

Since the Management Company has paid the required minimum percentage of income earned by the fund during the year 30 June 2022 to the unit holders in the manner explained above, no provision for taxation has been made in these financial statements during the year.

	Note	2022	2021
		----- (Rupees) -----	
17 CASH AND CASH EQUIVALENTS			
Bank balances	4	<u>2,943,952,385</u>	<u>2,650,484,213</u>

18 NON SHARIAH COMPLIANT INCOME

According to the instructions of the Shariah Advisor, if any income is earned by the Fund from the investments whereby a portion of income of such investees has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2022, no such income is earned.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

19.1 Unit Holders' Fund

	2022									
	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022
Note	(Units)					(Rupees)				
Associated companies / undertakings										
Alfalalah GHP Investment Management Limited	21	-	1	-	22	2,252	-	131	-	2,257
Bank Alfalah Limited	-	-	-	-	-	-	-	-	-	-
Alfalalah GHP Islamic Prosperity Planning Fund	3,504,369	4,353,653	411,885	2,937,067	5,332,840	544,777,855	449,069,818	59,346,224	303,350,000	546,077,468
Key Management Personnel										
Chief Executive Officer	-	2	-	-	2	232	233	14	-	233
VP -IT	1,083	7,713	334	1,097	8,033	820,638	800,100	34,098	112,430	822,595
SVP IAS	6	-	-	-	6	613	-	609	45	614
Head of HR	10	-	1	-	11	1,102	-	77	-	1,105
	<u>3,505,489</u>	<u>4,361,368</u>	<u>412,221</u>	<u>2,938,164</u>	<u>5,340,914</u>	<u>545,602,692</u>	<u>449,870,151</u>	<u>59,381,153</u>	<u>303,462,475</u>	<u>546,904,272</u>

2021										
As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2021	
(Units)					(Rupees)					
64,906	-	1,728	66,634	-	6,622,346	-	176,280	6,821,822	-	
-	4,898,618	-	4,898,618	-	-	500,000,000	-	501,075,247	-	
4,940,262	1,194,147	291,575	2,921,615	3,504,369	504,053,944	122,000,000	29,749,254	298,900,000	357,989,867	
7,013	-	315	7,329	(1,000)	715,535	-	32,152	-	-	
11,191	4,895	327	13,691	2,722	1,141,815	502,410	33,319	1,400,000	278,067	
34,346,826	5,108	16	29,385,346	4,966,604	3,504,399,787	522,722	1,590	3,000,000,000	507,364,922	
39,370,198	6,102,768	293,961	37,293,233	8,473,694	4,016,933,427	623,025,132	29,992,596	3,808,197,069	865,632,856	

19.2 Other transactions

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

	2022	2021
	(Rupees)	(Rupees)
Remuneration of the Management Company	61,397,993	57,117,121
Sindh sales tax on remuneration of the Management Company	7,981,738	7,425,226
Allocated expenses	6,406,920	7,628,641
Selling and marketing expenses	7,948,974	11,442,955
Sales load	393,423	214,667

Bank Alfalah Limited

Profit on bank balances	1,377,613	1,789,440
Bank charges	25,000	-
Sales load	10,798,428	10,165,546

Alfalsh GHP Islamic Rozana Amdani

Sukuk certificates - sold	-	559,000,000
Short Term Sukuk - purchased	450,000,000	-

Alfalsh GHP Income Multiplier Fund

Sukuk certificates - sold	-	23,990,374

Alfalsh GHP Income Fund

Sukuk certificates - purchased	25,592,500	30,876,500

Alfalsh GHP Sovereign Fund

GOP Ijara sukuk certificates - purchased	51,185,000	89,075,000

Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	4,805,340	5,721,622
Sindh sales tax on remuneration of the Trustee	624,693	743,811

19.3 Other balances

Associated companies / undertakings

Alfalalah GHP Investment Management Limited - Management Company

	2022	2021
	----- (Rupees) -----	
Management remuneration payable	7,007,580	3,895,888
Sindh sales tax payable on management remuneration	974,005	623,235
Federal excise duty on management remuneration	779,745	779,745
Payable against allocated expenses	3,136,199	2,953,039
Selling and marketing expenses	2,895,129	4,429,553
Sales load payable to management company	2,625	34,013

Bank Alfalah Limited

Bank balance	52,725,295	3,212,407
Profit receivable	2,164,016	783,709
Sale load payable	13,833,015	3,097,847

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	429,208	424,358
Sindh sales tax payable on trustee remuneration	101,380	53,186
Security deposit	100,000	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022, all the financial assets carried on the statement of assets and liabilities are categorised either as financial asset measured 'at amortised cost' or financial assets 'at fair value through profit or loss'. All the financial liabilities carried on the statement of assets and liabilities are categorized as financial liabilities measured at amortised cost.

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	2,943,952,385	-	2,943,952,385
Investments	-	2,456,598,964	2,456,598,964
Profit receivable	104,682,394	-	104,682,394
Deposit	100,000	-	100,000
	<u>3,048,734,779</u>	<u>2,456,598,964</u>	<u>5,505,333,743</u>
Financial Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	14,795,283	-	14,795,283
Payable to Central Depository Company of Pakistan Limited - Trustee	530,588	-	530,588
Accrued and other liabilities	4,055,153	-	4,055,153
Other Liabilities	11,567,877	-	11,567,877
	<u>30,948,901</u>	<u>-</u>	<u>30,948,901</u>

Particulars	2021		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	2,650,484,213	-	2,650,484,213
Investments	-	3,327,225,852	3,327,225,852
Profit receivable	157,669,484	-	157,669,484
Deposit	100,000	-	100,000
	<u>2,808,253,697</u>	<u>3,327,225,852</u>	<u>6,135,479,549</u>
Financial Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	12,715,473	-	12,715,473
Payable to Central Depository Company of Pakistan Limited - Trustee	477,544	-	477,544
Accrued and other liabilities	6,243,805	-	6,243,805
	<u>19,436,822</u>	<u>-</u>	<u>19,436,822</u>

21 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

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

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

21.1.2 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2022, is as follows:

	2022 ----- (Rupees) -----	2021 -----
Variable rate instruments (financial assets)		
Bank balances	2,943,952,385	2,650,484,213
Sukuk certificates	1,793,514,618	2,360,103,121
Commercial papers	348,416,346	550,434,259
GoP Ijara Sukuks	59,868,000	-
	<u>5,145,751,349</u>	<u>5,561,021,593</u>
Fixed rate instruments (financial assets)		
Bai Muajjal receivable	-	409,648,272
GoP Ijara Sukuks	4,800,000	7,040,200
	<u>4,800,000</u>	<u>416,688,472</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 51.46 million (2021: Rs. 55.61 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 0.48 million (2021: Rs. 4.17 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

21.1.2

Particulars	2022					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and upto one year	More than one year		

(Rupees)

On-balance sheet financial instruments**Financial assets**

Bank balances	5.50% - 7.09%	2,943,952,385	-	-	-	2,943,952,385
Investments	6.27% - 9.36%	641,693,384	941,279,858	-	64,668,000	1,647,641,242
Profit receivable		-	-	-	104,682,394	104,682,394
Deposit		-	-	-	100,000	100,000
Sub total		3,585,645,769	941,279,858	-	169,450,394	4,696,376,021

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	14,795,283	14,795,283
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	530,588	530,588
Accrued and other liabilities		-	-	-	4,055,153	4,055,153
Other Liabilities		-	-	-	11,567,877	11,567,877
Sub total		-	-	-	30,948,901	30,948,901

On-balance sheet gap

3,585,645,769	941,279,858	-	138,501,493	4,665,427,120

Total profit rate sensitivity gap

3,585,645,769	941,279,858	-	138,501,493	4,665,427,120

Cumulative profit rate sensitivity gap

3,585,645,769	4,526,925,627	4,526,925,627

Particulars	2021					Not exposed to yield / profit rate risk	Total
	Effective yield / profit rate	Exposed to yield / profit risk					
		Upto three months	More than three months and upto one year	More than one year			

(Rupees)

On-balance sheet financial instruments**Financial assets**

Bank balances	5.50% - 7.09%	2,650,484,213	-	-	-	2,650,484,213
Investments	6.27%-9.36%	902,151,156	2,008,386,223	-	416,688,472	3,327,225,852
Profit receivable		-	-	-	157,669,484	157,669,484
Deposit		-	-	-	100,000	100,000
Sub total		3,552,635,369	2,008,386,223	-	574,457,956	6,135,479,549

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	12,715,473	12,715,473
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	477,544	477,544
Accrued and other liabilities		-	-	-	6,243,805	6,243,805
Other Liabilities		-	-	-	-	-
Sub total		-	-	-	19,436,822	19,436,822

On-balance sheet gap

3,552,635,369	2,008,386,223	-	555,021,134	6,116,042,727

Total profit rate sensitivity gap

3,552,635,369	2,008,386,223	-	555,021,134	6,116,042,727

Cumulative profit rate sensitivity gap

3,552,635,369	5,561,021,592	5,561,021,592

21.1.3 Price risk

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

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

21.2 Credit risk

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

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

21.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees) -----				
Bank balances	2,943,952,385	2,943,952,385	2,650,484,213	2,650,484,213
Investments	2,456,598,964	1,960,934,964	3,327,225,852	2,680,105,652
Profit receivable	104,682,394	104,279,127	157,669,484	148,830,453
Deposit	100,000	100,000	100,000	100,000
	<u>5,505,333,743</u>	<u>5,009,266,476</u>	<u>6,135,479,549</u>	<u>5,479,520,318</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities including profit receivable of Rs. 496.07 million (2021: Rs 655.96 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2022 and June 30, 2021.

21.2.2 Bank balances

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Bank name	Rating agency	Rating (Short Term / Long Term)	2022	2021
			Percentage of total bank balances	
Soneri Bank Limited	PACRA	A1+ / AA-	0.07%	12.57%
Bank Alfalah Limited	PACRA	A1+ / AA+	1.79%	0.12%
Silk Bank Limited	VIS	A-2 / A-	0.15%	0.17%
MCB Bank Limited	PACRA	A1+ / AAA	0.01%	0.01%
Habib Bank Limited	VIS	A-1+ / AAA	0.04%	0.00%
Dubai Islamic Bank Limited	VIS	A-1+ / AA	0.28%	3.20%
Bank Islami Pakistan Limited	PACRA	A1 / A+	0.36%	83.86%
National Bank of Pakistan	PACRA	A1+ / AAA	0.03%	0.03%
Allied Bank Limited	PACRA	A1+ / AAA	70.61%	-
Meezan Bank Limited	VIS	A-1+ / AAA	0.00%	-
Habib Metropolitan Bank	PACRA	A1+ / AA+	0.04%	-
Faysal Bank Limited	PACRA	AA/ A1+	14.72%	-
Al Baraka	VIS	A+/ A-1	11.88%	-
			<u>100.00%</u>	<u>100.00%</u>

21.2.3 Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2022.

Investments

The Fund held investments in sukuk certificates, commercial papers, term deposit receipts and bai muajjal receivable with entities having following credit ratings:

Entity name	Rating agency	Rating (Short Term / Long Term)	2022	2021
			Percentage of investments	
Meezan Bank Limited	VIS	A-1+ / AAA	6.69%	14.24%
Engro Powergen Thar (Private) Limited	PACRA	A1 / AA-	2.06%	1.44%
International Brands Limited	VIS	A-2 / A	0.00%	5.17%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	13.29%	9.76%
Hub Power Company Limited	PACRA	A1+ / AA+	15.16%	14.30%
Mughal Iron & Steel Industries Limited	VIS	A-2 / A	9.68%	6.79%
K-Electric Limited	PACRA	A1+ / AA	10.63%	16.54%
Pak Libya Holding Company Limited	PACRA	A1+ / AA-	0.00%	12.31%
Pak Oman Investment Company Limited	VIS	A-1+ / AA+	-	0.00%
Hascol Petroleum Limited	VIS	C / CC	-	0.00%
			57.53%	80.55%

This excludes investments made by the Fund in Government securities namely Pakistan Energy Sukuk II and GoP Ijara Sukuks.

Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2022.

21.2.4 Concentration of credit risk

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

21.3 Liquidity risk

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

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

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

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

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

2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	With no fixed maturity	Total
----- (Rupees) -----						
Financial assets						
Bank balances	2,943,952,385	-	-	-	-	2,943,952,385
Investments	-	348,416,346	430,996,000	1,427,186,618	-	2,206,598,964
Profit receivable	43,832,168	-	60,850,226	-	-	104,682,394
Deposit	-	-	-	-	100,000	100,000
	2,987,784,553	348,416,346	491,846,226	1,427,186,618	100,000	5,255,333,743
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	14,795,283	-	-	-	-	14,795,283
Payable to Central Depository Company of Pakistan Limited - Trustee	530,588	-	-	-	-	530,588
Accrued and other liabilities	4,055,153	-	-	-	-	4,055,153
Other Liabilities	11,567,877	-	-	-	-	11,567,877
	30,948,901	-	-	-	-	30,948,901
Net assets	<u>2,956,835,651</u>	<u>348,416,346</u>	<u>491,846,226</u>	<u>1,427,186,618</u>	<u>100,000</u>	<u>5,224,384,842</u>

2021	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	With no fixed maturity	Total
----- (Rupees) -----						
Financial assets						
Bank balances	2,650,484,213	-	-	-	-	2,650,484,213
Investments	-	960,082,531	-	1,555,124,861	-	2,515,207,392
Profit receivable	14,219,438	-	812,018,460	-	-	826,237,898
Deposit	-	-	143,450,046	-	100,000	143,550,046
	2,664,703,651	960,082,531	955,468,506	1,555,124,861	100,000	6,135,479,549
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	12,715,473	-	-	-	-	12,715,473
Payable to Central Depository Company of Pakistan Limited - Trustee	477,544	-	-	-	-	477,544
Accrued and other liabilities	6,243,805	-	-	-	-	6,243,805
Other Liabilities	-	-	-	-	-	-
	19,436,822	-	-	-	-	19,436,822
Net assets	<u>2,645,266,829</u>	<u>960,082,531</u>	<u>955,468,506</u>	<u>1,555,124,861</u>	<u>100,000</u>	<u>6,116,042,727</u>

21.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

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

2022				
Level 1	Level 2	Level 3	Total	
(Rupees)				
At fair value through profit or loss				
Sukuk certificates	-	1,793,514,618	-	1,793,514,618
Term deposit receipts*	-	-	-	-
Commercial papers**	-	348,416,346	-	348,416,346
GoP (Government of Pakistan) Ijara Sukuks	-	64,668,000	-	64,668,000
Bai Muajjal receivable**	-	-	-	-
	-	2,206,598,964	-	2,206,598,964
2021				
Level 1	Level 2	Level 3	Total	
(Rupees)				
At fair value through profit or loss				
Sukuk certificates	-	2,360,103,121	-	2,360,103,121
Term deposit receipts*	-	-	-	-
Commercial papers**	-	550,434,259	-	550,434,259
GoP (Government of Pakistan) Ijara Sukuks	-	7,040,200	-	7,040,200
Bai Muajjal receivable**	-	409,648,272	-	409,648,272
	-	3,327,225,852	-	3,327,225,852

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

** The valuation of commercial papers and Bai muajjal has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21.5 Unit holder's fund management

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

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

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

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

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

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

22 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23 CORRESPONDING FIGURES

Corresponding figures have been rearranged, reclassified or additionally incorporated in the financial statements, wherever necessary, to facilitate comparison and to conform with the changes in presentation. No significant rearrangements or reclassifications were made in these financial statements.

24 GENERAL

24.1 Rounding off

Figures are rounded off to the nearest rupee.

25 DISTRIBUTIONS MADE

Particulars	Date of distribution	Per unit distribution	Capital value	Undistributed income
1st interim distribution for the year ended June 30, 2022	29-Jul-21	0.4604	2,842,260	23,163,262
2nd interim distribution for the year ended June 30, 2022	26-Aug-21	1.0816	14,334,193	44,645,877
3rd interim distribution for the year ended June 30, 2022	29-Sep-21	0.7789	11,054,367	33,539,721
4th interim distribution for the year ended June 30, 2022	29-Oct-21	0.5831	10,002,715	28,117,915
5th interim distribution for the year ended June 30, 2022	27-Nov-21	0.4187	6,922,634	19,924,184
6th interim distribution for the year ended June 30, 2022	28-Dec-21	0.7300	6,566,870	39,899,498
7th interim distribution for the year ended June 30, 2022	24-Jun-22	4.7082	100,563,039	143,196,997
For the year ended June 30, 2022			152,286,078	332,487,454
1st interim distribution for the year ended June 30, 2021	29-Jul-20	0.5686	14,467,715	42,231,806
2nd interim distribution for the year ended June 30, 2021	1-Sep-20	0.6052	13,377,976	45,140,252
3rd interim distribution for the year ended June 30, 2021	30-Sep-20	0.4775	10,859,492	35,274,292
4th interim distribution for the year ended June 30, 2021	28-Oct-20	0.4672	6,630,539	34,071,846
5th interim distribution for the year ended June 30, 2021	28-Nov-20	0.5375	9,196,817	28,449,745
6th interim distribution for the year ended June 30, 2021	29-Dec-20	0.5044	8,633,353	23,084,118
7th interim distribution for the year ended June 30, 2021	28-Jan-21	0.4842	2,431,821	25,725,916
8th interim distribution for the year ended June 30, 2021	25-Feb-21	0.5459	8,154,793	23,577,710
9th interim distribution for the year ended June 30, 2021	27-Mar-21	0.4654	7,116,732	20,044,570
10th interim distribution for the year ended June 30, 2021	30-Apr-21	0.6118	8,747,375	25,546,225
11th interim distribution for the year ended June 30, 2021	28-May-21	0.4873	6,533,075	21,643,466
12th interim distribution for the year ended June 30, 2021	26-Jun-21	0.4686	6,822,467	20,223,374
For the year ended June 30, 2021			102,972,155	345,013,320

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on August 25, 2022.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	2049	37,824,791	3,873,220,832	71%
Insurance Co.	7	2,663,653	272,755,386	5%
Retirement & Other Funds	16	1,986,385	203,403,863	4%
Others	61	10,774,031	1,103,250,000	20%
	2133	53,248,860	5,452,630,081	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	2772	39,167,195	4,001,135,579	34%
Insurance Co.	18	1,137,754	116,227,579	6%
Retirement & Other Funds	35	3,136,680	320,428,519	3%
Others	85	15,933,766	1,627,718,612	57%
	2910	59,375,394	6,065,510,289	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022 %
Next Capital Limited	32.27%
BMA Capital Management Ltd.	23.81%
BIPL Securities Limited	21.46%
Continental Exchange (Pvt.) Limited	7.85%
JS Global Capital Limited	3.87%
Alfalsh CLSA Securities (Private) Limited	3.66%
Pearl Securities Limited	3.36%
Invest One Markets Limited	2.62%
Paramount Capital (Pvt.) Limited	0.68%
	30 June 2021 %
Bright Capital (Pvt.) Limited	39.08%
JS Global Capital (Pvt) Limited	16.77%
Next Capital Limited	13.22%
C & M Capital	11.09%
Paramount Capital Limited	8.56%
Vector Capital (Pvt) Limited	4.96%
Invest One Markets Limited	3.07%
Continental Exchange (Pvt.) Limited	1.52%
Magenta Capital (Pvt.) Limited	0.88%
Arif Habib Limited	0.70%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

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

Mr. Mustafa Kamal

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

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

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

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

PERFORMANCE TABLE - AGISIF

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
	----- (Rupees in '000) -----				
Net Assets	6,391,206	7,628,686	9,724,629	4,604,327	4,435,965
NAV per unit	102.3990	102.1553	102.0298	101.9017	105.5066
Selling price per unit	103.5561	103.3097	103.1827	103.0532	106.6988
Redemption price per unit	102.3990	102.1553	102.0298	101.9017	105.5066
Highest selling price per unit	108.1036	103.8015	108.4693	107.5010	106.6988
Highest redemption price per unit	106.8957	102.6416	107.2573	106.2998	105.5066
Lowest selling price per unit	103.3202	103.1530	103.0741	102.9520	102.3363
Lowest redemption price per unit	102.1657	102.0004	101.9224	101.3135	101.1928
1st interim distribution per unit	0.4604	0.05686	2.8076	4.5581	Nil
Interim distribution date	29-Jul-21	29-Jul-20	26-Sep-19	29-Mar-19	N/A
2nd interim distribution per unit	1.0816	0.6052	5.3556	1.4397	Nil
Interim distribution date	26-Aug-21	1-Sep-20	27-Feb-20	29-May-19	N/A
3rd interim distribution per unit	0.7789	0.4775	2.0736	Nil	Nil
Interim distribution date	29-Sep-21	30-Sep-20	5-May-20	N/A	N/A
4th interim distribution per unit	0.5831	0.4672	0.5331	Nil	Nil
Interim distribution date	29-Oct-21	28-Oct-20	29-May-20	N/A	N/A
5th interim distribution per unit	0.4187	0.5375	Nil	Nil	Nil
Interim distribution date	27-Nov-21	28-Nov-20	N/A	N/A	N/A
6th interim distribution per unit	0.73	0.5044	Nil	Nil	Nil
Interim distribution date	28-Dec-21	29-Dec-20	N/A	N/A	N/A
7th interim distribution per unit	Nil	0.4842	Nil	Nil	Nil
Interim distribution date	N/A	28-Jan-21	N/A	N/A	N/A
8th interim distribution per unit	Nil	0.5459	Nil	Nil	Nil
Interim distribution date	N/A	25-Feb-21	N/A	N/A	N/A
9th interim distribution per unit	Nil	0.4654	Nil	Nil	Nil
Interim distribution date	N/A	27-Mar-21	N/A	N/A	N/A
10th interim distribution per unit	Nil	0.6118	Nil	Nil	Nil
Interim distribution date	N/A	30-Apr-21	N/A	N/A	N/A
11th interim distribution per unit	Nil	0.4873	Nil	Nil	Nil
Interim distribution date	N/A	28-May-21	N/A	N/A	N/A
Final distribution per unit	4.7082	0.4686	0.4669	0.911	4.2713
Final distribution date	24-Jun-22	26-Jun-21	24-Jun-20	30-Jun-19	2-Jul-18
Annualized returns	9.09%	6.40%	11.56%	7.60%	4.22%
Income distribution	8.58%	5.60%	11.03%	6.55%	4.22%
Weighted avg. portfolio duration	1.84Yrs	2.06Yrs	0.56Yrs	1.48Yrs	2.02Yrs

Return since inception is 7.36%

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



Alfalah GHP Alpha Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Phase VIII, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Alpha Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

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

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review

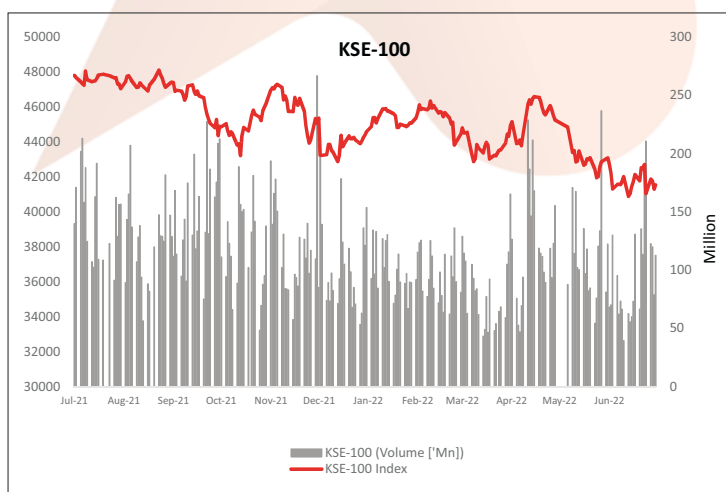
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

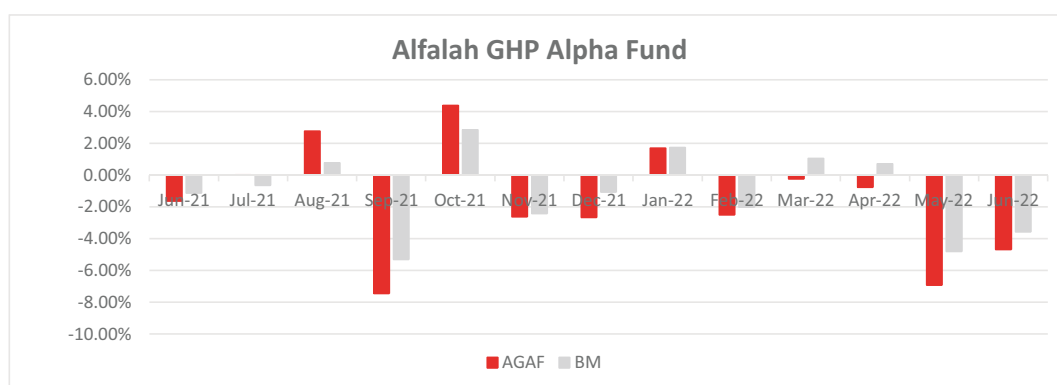
Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.

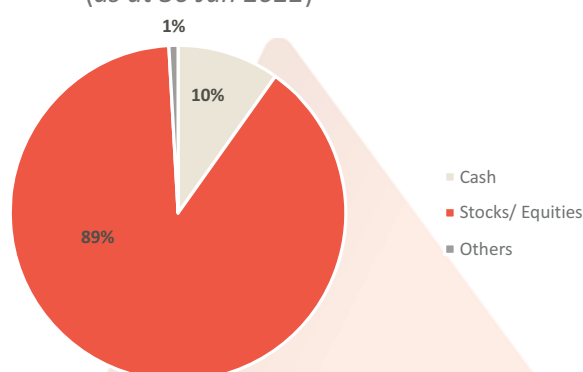


Fund Performance

During FY22, AGAF earned a negative return of -17.98% versus the benchmark (KSE-100) has a negative return of 12.28% during the same period.



Asset Allocation
(as at 30 Jun 2022)



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com



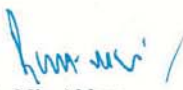
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ALPHA FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Alpha Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 20, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Alpha Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Alpha Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2022**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matter	How the matter was addressed in our audit
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 99.34% of the total assets of the Fund as at the year end. In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

-: 3 :-

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

-: 4 :-

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Chartered Accountants

Date: 29 September 2022

Karachi

UDIN:

ALFALAH GHP ALPHA FUND

STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2022

	Note	2022	2021
		(Rupees)	
Assets			
Bank balances	4	66,575,816	34,498,244
Investments	5	591,212,323	983,732,867
Advances, deposits and other receivables	6	2,792,991	6,312,078
Receivable against sale of investments	7	1,570,331	5,185,530
Total assets		662,151,461	1,029,728,719
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	8	17,767,020	17,358,340
Payable to Central Depository Company of Pakistan Limited - Trustee	9	106,244	182,812
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	162,395	203,280
Payable against purchase of investments		-	-
Accrued and other liabilities	11	4,075,746	24,823,895
Total liabilities		22,111,405	42,568,327
Net assets attributable to the unit holders		640,040,056	987,160,392
Unit holders' fund (as per the statement attached)		640,040,056	987,160,392
Contingencies and commitments	12		
		----- Number of units -----	
Number of units in issue		13,039,463	16,495,326
		----- (Rupees) -----	
Net asset value per unit		49.0848	59.8449

The annexed notes from 1 to 24 and accompanying annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		----- (Rupees) -----	
Income			
Profit income	13	3,765,604	2,801,395
Dividend income		55,607,531	49,051,555
Gain / (loss) on sale of investments - net		(73,001,321)	225,964,987
Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.1	(116,350,936)	74,899,057
Other Income		8,701	-
Total income / (loss)		<u>(129,970,421)</u>	<u>352,716,994</u>
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	8.1	14,215,069	17,787,036
Performance fee of Alfalah GHP Investment Management Limited - Management Company	9.2	2,023,802	2,605,109
Sindh sales tax on remuneration of the Management Company	8.2	1,847,967	2,312,315
Sindh sales tax on performance fee of the Management Company	8.2	263,098	338,664
Allocated expenses	8.4	4,399,679	1,016,346
Selling and marketing expenses	8.5	9,038,568	9,768,248
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,620,803	1,985,879
Sindh sales tax on remuneration of the Trustee	9.2	210,697	258,164
Annual fee to the Securities and Exchange Commission of Pakistan	10	162,419	203,280
Brokerage expenses		2,787,626	6,606,096
Bank and settlement charges		504,086	773,263
Auditors' remuneration	14	839,500	755,550
CDS charges		216,080	216,000
Printing charges		31,332	30,000
Fees and subscriptions		27,500	27,500
Total expenses		<u>38,188,226</u>	<u>44,683,450</u>
Operational (loss) / income for the year		<u>(168,158,647)</u>	<u>308,033,544</u>
Reversal / (charge) against Sindh Worker's Welfare Fund	11.1	17,199,970	(6,160,671)
Net (loss) / income for the year before taxation		<u>(150,958,677)</u>	<u>301,872,873</u>
Taxation	15	-	-
Net (loss) / income for the year after taxation		<u>(150,958,677)</u>	<u>301,872,873</u>
Allocation of net income for the year			
Net income for the year after taxation		(150,958,677)	301,872,873
Income already paid on units redeemed		-	(76,503,351)
		<u>(150,958,677)</u>	<u>225,369,522</u>
Accounting income available for distribution			
- Relating to capital gains		(150,958,677)	225,369,522
- Excluding capital gains		-	-
		<u>(150,958,677)</u>	<u>225,369,522</u>

The annexed notes from 1 to 24 and accompanying annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees) -----	
Net income / (loss) for the year after taxation	(150,958,677)	301,872,873
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>(150,958,677)</u>	<u>301,872,873</u>

The annexed notes from 1 to 24 and accompanying annexure form an integral part of these financial statements.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	Rupees			Rupees		
Net assets at the beginning of the year	1,196,891,720	(209,731,328)	987,160,392	1,154,695,141	(280,011,783)	874,683,358
Issuance of 3,504,991 units (2021: 22,224,937 units)						
- Capital value (at net asset value per unit at the beginning of the year)	209,755,840	-	209,755,840	1,190,074,257	-	1,190,074,257
- Element of loss	(6,571,615)	-	(6,571,615)	97,376,285	-	97,376,285
Total proceeds on issuance of units	203,184,225	-	203,184,225	1,287,450,542	-	1,287,450,542
Redemption of 6,960,854 units (2021: 22,064,551 units)						
- Capital value (at net asset value per unit at the beginning of the year)	416,571,640	-	416,571,640	1,181,486,099	-	1,181,486,099
- Element of loss	(17,225,756)	-	(17,225,756)	20,920,540	76,503,351	97,423,891
Total payments on redemption of units	(399,345,884)	-	(399,345,884)	(1,202,406,639)	(76,503,351)	(1,278,909,990)
Total comprehensive income / (loss) for the year	-	(150,958,677)	(150,958,677)	-	301,872,873	301,872,873
Final distribution for the year ended June 30, 2021 @ Rs 14.92 per unit declared on June 29, 2021	-	-	-	(42,847,324)	(155,089,067)	(197,936,391)
Net assets at the end of the year	1,000,730,061	(360,690,005)	640,040,056	1,196,891,720	(209,731,328)	987,160,392
	(Rupees)			(Rupees)		
Accumulated loss brought forward						
- Realised loss		(284,630,385)			(233,950,101)	
- Unrealised gain		74,899,057			(46,061,682)	
		(209,731,328)			(280,011,783)	
Accounting income available for distribution						
- Relating to capital gains		(150,958,677)			225,369,522	
- Excluding capital gains		-			-	
		(150,958,677)			225,369,522	
Net loss for the year after taxation		-			-	
Distribution during the year		-			(155,089,067)	
Accumulated loss carried forward		(360,690,005)			(209,731,328)	
Accumulated loss carried forward						
- Realised loss		(244,339,069)			(284,630,385)	
- Unrealised income / (loss)		(116,350,936)			74,899,057	
		(360,690,005)			(209,731,328)	
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		59.8449			53.5468	
Net asset value per unit at the end of the year		49.0848			59.8449	

The annexed notes from 1 to 24 and accompanying annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		(150,958,677)	301,872,873
Adjustments for:			
Unrealised (gain) / loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.1	116,350,936	(74,899,057)
(Reversal) / provision for Sindh Workers' Welfare Fund	11.1	(17,199,970)	6,160,671
		(51,807,711)	233,134,487
(Increase) / decrease in assets			
Investments - net		276,169,608	(44,466,911)
Advances, deposits and other receivables		3,519,087	(2,314,953)
Receivable against sale of investments		3,615,199	(5,185,530)
		283,303,894	(51,967,394)
Increase / (decrease) in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		408,680	1,247,738
Payable to Central Depository Company of Pakistan Limited - Trustee		(76,568)	31,430
Annual fee payable to the Securities and Exchange Commission of Pakistan		(40,885)	10,909
Payable against purchase of investments		-	(3,381,415)
Accrued and other liabilities		(3,548,179)	1,909,158
		(3,256,952)	(182,180)
Net cash generated from operating activities		228,239,231	180,984,913
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units - net of refund of capital		203,184,225	1,244,603,218
Payments made against redemption of units		(399,345,884)	(1,278,909,990)
Dividend paid		-	(155,089,067)
Net cash used in financing activities		(196,161,659)	(189,395,839)
Net decrease in cash and cash equivalents during the year		32,077,572	(8,410,926)
Cash and cash equivalents at the beginning of the year		34,498,244	42,909,170
Cash and cash equivalents at end of the year	4	66,575,816	34,498,244

The annexed notes from 1 to 24 and accompanying annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Alpha Fund (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on December 27, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules), on February 29, 2008. The SECP approved the first Supplemental Trust Deed under the NBFC Rules, vide its letter No. NBFC/RS/AGIML/AGAF/176/2010 dated February 26, 2010 to modify and restate the previous trust Deed to effectuate renaming of the Fund to Alfalah GHP Alpha Fund.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as an 'equity scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities. The Fund invests in equity securities and profit bearing accounts. The investment policy is explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022.
- 1.6** The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act and on September 17, 2021. The above mentioned Trust Deed has been registered under the Sindh Trust Act on September 17, 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2021. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investments (notes 3.3.1 and 5)
- Provision for Sindh Workers' Welfare Fund (note 11.1)
- Provision against Federal Excise Duty (note 9.2)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured at 'fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Based on the business model of the entity, however, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (section 4B of the Income Tax Ordinance, 2001).

Deferred

The Fund does not recognise deferred tax liabilities and assets as its income is exempt from tax as explained above.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gain or losses in the value of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on bank balances is recognised on an accrual basis.
- Income on Government securities is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

	Note	2022	2021
		----- (Rupees) -----	
4 BANK BALANCES			
Balances with banks in:			
Savings account	4.1	66,384,197	34,409,663
Current accounts	4.2	191,618	88,581
		<u>66,575,816</u>	<u>34,498,244</u>

4.1 These carry profit rates ranging between 7.70% to 16.60% (2021: 5.50% to 7.70%) per annum and include bank balance of Rs. 66.36 million (2021: Rs. 32.90 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 16.60% (2021: 7.70%) per annum.

4.2 This includes Nil bank balance (2021: 0.069) maintained with Bank Alfalah Limited, a related party.

	Note	2022	2021
		----- (Rupees) -----	
5 INVESTMENTS - AT FAIRVALUE THROUGH PROFIT AND LOSS			
Listed equity securities	5.1	<u>591,212,323</u>	<u>983,732,867</u>

5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	Note	As at July 01, 2021	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2022	As at June 30, 2022			Market Value as a percentage of		Holding as a percentage of paid-up capital of the investee company	
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments		
Number of shares							(Rupees)			(%)			
COMMERCIAL BANKS													
Askari Bank Limited		-	528,000	-	94,500	433,500	9,731,965	7,555,905	(2,176,060)	1.18%	1.28%	0.04%	
Bank Al-Falah Limited		50	791,500	-	124,969	666,581	22,646,898	21,330,592	(1,316,306)	3.33%	3.61%	0.19%	
Bank Al-Habib Limited		418,246	47,000	-	168,000	297,246	20,894,616	17,258,103	(3,636,513)	2.70%	2.92%	0.07%	
Bank of Punjab		1,860,000	580,000	234,875	1,016,000	1,658,875	12,414,956	8,991,103	(3,423,853)	1.40%	1.52%	0.06%	
Faysal Bank	5.1.1	720,750	299,000	-	489,000	530,750	10,805,143	12,239,095	1,433,952	1.91%	2.07%	0.08%	
Habib Bank Limited		419,900	123,000	-	195,100	347,800	42,113,689	31,768,052	(10,345,637)	4.96%	5.37%	0.30%	
Habib Metropolitan Bank		241,500	63,500	-	239,200	65,800	2,763,686	2,569,490	(194,196)	0.40%	0.43%	0.02%	
MCB Bank Limited		186,504	19,500	-	78,200	127,804	20,309,434	15,717,336	(4,592,098)	2.46%	2.66%	0.12%	
Meezan Bank Limited		201,370	34,000	23,680	92,800	166,250	18,015,373	18,782,925	767,552	2.93%	3.18%	0.09%	
National Bank of Pakistan		192,000	-	-	192,000	-	-	-	-	-	-	-	
United Bank Limited		440,699	60,000	-	225,315	275,384	33,890,379	31,154,192	(2,736,187)	4.87%	5.27%	0.25%	
							193,586,139	167,366,792	(26,219,346)	26.14%	28.31%		
INSURANCE													
Adamjee Insurance		443,500	35,000	-	407,000	71,500	2,938,145	2,256,540	(681,605)	0.35%	0.38%	0.06%	
							2,938,145	2,256,540	(681,605)	0.35%	0.38%		
TEXTILE COMPOSITE													
Gul Ahmed Textile	5.1.1	290,866	179,645	-	95,500	375,011	19,345,335	12,679,122	(6,666,213)	1.98%	2.14%	0.30%	
Interloop Limited		204,000	67,000	5,175	110,000	166,175	11,820,837	10,136,675	(1,684,162)	1.58%	1.71%	0.12%	
Kohinoor Textile		170,000	35,500	-	70,500	135,000	10,367,626	6,750,000	(3,617,626)	1.05%	1.14%	0.23%	
Nishat Mills Limited		196,300	64,500	-	105,900	154,900	14,408,481	11,448,659	(2,959,822)	1.79%	1.94%	0.33%	
							55,942,279	41,014,456	(14,927,823)	6.40%	6.93%		
CEMENT													
Attock Cement Pakistan Limited		58,100	-	-	58,100	-	-	-	-	0.00%	0.00%	0.00%	
Cherat Cement Company Limited		51,600	274,553	-	195,900	130,253	17,141,688	12,118,739	(5,022,949)	1.89%	2.05%	0.62%	
D. G. Khan Cement		141,800	310,500	-	395,673	56,627	4,396,049	3,539,188	(856,862)	0.55%	0.60%	0.08%	
Fauji Cement		689,500	278,000	-	841,000	126,500	2,675,136	1,792,505	(882,631)	0.28%	0.30%	0.01%	
Flying Cement Company Limited		-	1,569,902	-	1,545,902	24,000	311,532	172,320	(139,212)	0.03%	0.03%	0.01%	
Kohat Cement		62,500	77,900	-	64,800	75,600	14,094,230	9,837,828	(4,256,402)	1.54%	1.66%	0.30%	
Lucky Cement		64,318	59,499	-	71,707	52,110	37,378,623	23,920,574	(13,458,049)	3.74%	4.05%	0.40%	
Maple Leaf Cement Factory Limited		431,528	765,500	-	803,000	394,028	14,088,293	10,776,666	(3,311,627)	1.68%	1.82%	0.47%	
Pioneer Cement		123,500	231,500	-	295,500	59,500	4,812,159	3,589,635	(1,222,524)	0.56%	0.61%	0.03%	
Power Cement Limited		916,000	340,000	-	1,256,000	-	-	-	-	-	-	-	
							94,897,711	65,747,455	(29,150,256)	10.27%	11.12%		
REFINERY													
Attock Refinery Limited		-	25,000	-	11,500	13,500	2,162,943	2,373,030	210,087	0.37%	0.40%	0.00%	
Cnergyco PK Limited		1,380,500	615,000	-	1,173,000	822,500	8,747,207	4,392,150	(4,355,057)	0.69%	0.74%	0.41%	
National Refinery Limited		-	41,200	-	30,900	10,300	2,519,487	2,601,471	81,984	0.41%	0.44%	0.33%	
							13,429,637	9,366,651	(4,062,986)	1.47%	1.58%		

Name of the investee company	Note	As at July 01, 2021	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2022	As at June 30, 2022			Market Value as a percentage of		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain/ (loss)	Net assets of the Fund	Total investments	
Number of shares						(Rupees)			(%)			
POWER GENERATION & DISTRIBUTION												
Hub Power Company	5.1.2	473,371	85,000	-	215,000	343,371	27,208,290	23,407,601	(3,800,688)	3.66%	3.96%	0.18%
Kot Addu Power		264,500	21,000	-	217,000	68,500	2,958,376	1,885,805	(1,072,571)	0.29%	0.32%	0.02%
Nishat Power Limited		-	370,000	-	209,000	161,000	3,383,513	3,139,500	(244,013)	0.49%	0.53%	0.09%
							33,550,179	28,432,906	(5,117,272)	4.44%	4.81%	
OIL & GAS MARKETING COMPANIES												
Hascol Petroleum	5.1.1	3,891	-	-	-	3,891	34,747	16,420	(18,327)	0.00%	0.00%	0.00%
Hi-Tech Lubricants Ltd		-	154,500	26,900	54,000	127,400	7,794,777	5,051,410	(2,743,367)	0.79%	0.85%	0.11%
Pakistan State Oil	5.1.1	73,376	63,500	-	76,300	60,576	12,225,834	10,409,380	(1,816,454)	1.63%	1.76%	0.16%
Sui Northern Gas Pipelines Limited		147,500	212,000	-	263,000	96,500	3,712,536	3,301,265	(411,271)	0.52%	0.56%	0.28%
							23,767,894	18,778,475	(4,989,419)	2.94%	3.17%	
OIL & GAS EXPLORATION COMPANIES												
Mari Petroleum Co. Ltd		21,892	9,120	-	9,020	21,992	34,780,982	38,260,362	3,479,380	5.98%	6.47%	2.87%
Oil & Gas Development Company Limited	5.1.2	380,700	86,500	-	214,500	252,700	23,584,769	19,879,909	(3,704,860)	3.11%	3.36%	0.05%
Pakistan Oilfields Limited		65,743	40,500	-	36,926	69,317	27,032,530	28,129,532	1,097,001	4.39%	4.76%	0.99%
Pakistan Petroleum Limited		396,946	59,200	-	200,100	256,046	22,001,937	17,285,665	(4,716,272)	2.70%	2.92%	0.06%
							107,400,220	103,555,468	(3,844,751)	16.18%	17.51%	
ENGINEERING												
Agha Steel Ind. Limited		361,000	165,000	13,600	348,500	191,100	5,641,512	2,996,448	(2,645,064)	0.47%	0.51%	0.05%
Aisha Steel Limited		633,000	140,000	-	773,000	-	-	-	-	-	-	-
Amreli Steel Limited		-	185,500	-	98,000	87,500	3,676,637	2,051,000	(1,625,637)	0.32%	0.35%	0.16%
International Industries		39,500	34,500	-	23,100	50,900	9,720,502	5,279,857	(4,440,645)	0.82%	0.89%	0.21%
International Steels Limited		-	142,500	-	58,500	84,000	7,781,286	4,986,240	(2,795,046)	0.78%	0.84%	0.17%
Mughal Iron & Steel Industries		16,120	194,500	7,368	52,500	165,488	14,379,025	9,538,728	(4,840,297)	1.49%	1.61%	0.22%
							41,198,962	24,852,273	(16,346,689)	3.88%	4.20%	
AUTOMOBILE ASSEMBLER												
Honda Atlas Cars (Pakistan) Limited		-	63,420	-	63,420	-	-	-	-	-	-	-
Pak Suzuki Motor Company		29,300	45,600	-	74,900	-	-	-	-	-	-	-
							-	-	-	-	-	-
AUTOMOBILE PARTS & ACCESSORIES												
Panther Tyres Limited		168,529	20,000	27,005	215,534	-	-	-	-	-	-	-
Thal Limited		21,500	-	-	11,700	9,800	4,143,244	2,642,276	(1,500,968)	0.41%	0.45%	0.65%
							4,143,244	2,642,276	(1,500,968)	0.41%	0.45%	
TRANSPORT												
Pakistan National Shipping Co.		77,000	-	-	77,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
TECHNOLOGY & COMMUNICATION												
Air Link Communication Limited		-	109,337	4,937	114,000	274	17,649	11,067	(6,582)	0.00%	0.00%	0.00%
Avanceon Limited		161,000	239,500	20,875	330,500	90,875	6,789,840	7,080,071	290,231	1.11%	1.20%	0.02%
Octopus Digital Limited		-	31,870	-	31,000	870	35,322	62,040	26,718	0.01%	0.01%	0.01%
Pakistan Telecommunication Company Limited		440,000	20,000	-	460,000	-	-	-	-	-	-	-
Systems Limited		63,130	29,400	26,530	71,000	48,060	14,404,442	15,853,072	1,448,630	2.48%	2.68%	0.29%
TRG Pakistan		88,100	328,000	-	349,700	66,400	5,435,061	5,134,712	(300,349)	0.80%	0.87%	0.38%
							26,682,314	28,140,962	1,458,648	4.40%	4.76%	
FERTILIZER												
Engro Corporation		133,967	20,000	-	28,800	125,167	36,555,118	32,179,184	(4,375,934)	5.03%	5.44%	0.56%
Engro Fertilizer Limited		-	269,500	-	121,000	148,500	11,894,822	13,163,040	1,268,218	2.06%	2.23%	0.10%
Fauji Fertilizer Bin Qasim Limited		336,000	125,000	-	338,000	123,000	3,162,393	2,489,520	(672,873)	0.39%	0.42%	0.01%
Fauji Fertilizer Company		157,008	86,500	-	83,200	160,308	17,302,979	17,669,148	366,169	2.76%	2.99%	0.13%
							68,915,312	65,500,892	(3,414,420)	10.24%	11.08%	
PHARMACY												
AGP Limited		35,000	38,300	-	73,300	-	-	-	-	0.00%	0.00%	0.00%
Citi Pharma Limited		-	458,020	202	289,000	169,222	5,801,623	5,523,406	(278,217)	0.86%	0.93%	1.76%
Highnoon (Lab)		12,424	-	702	5,400	7,726	4,214,400	4,093,776	(120,624)	0.64%	0.69%	0.19%
The Searle Company	5.1.1	38,418	4,000	9,725	6,500	45,643	8,195,939	4,976,000	(3,219,939)	0.78%	0.84%	0.24%
							18,211,962	14,593,182	(3,618,780)	2.28%	2.46%	
CHEMICAL												
Engro Polymer & Chemicals Limited		315,000	144,500	-	422,500	37,000	2,166,490	2,946,310	779,820	0.46%	0.50%	0.03%
							2,166,490	2,946,310	779,820	0.46%	0.50%	
PAPER & BOARD												
Century Paper & Board Mills		45,900	-	-	45,900	-	-	-	-	-	-	-
							-	-	-	-	-	-
VANASPATI & ALLIED INDUSTRIES												
Unity Foods Limited		524,723	393,632	-	683,132	235,223	6,814,177	4,720,926	(2,093,251)	0.74%	0.80%	0.05%
							6,814,177	4,720,926	(2,093,251)	0.74%	0.80%	
GLASS & CERAMICS												
Balochistan Glass Limited		314,000	-	-	314,000	-	-	-	-	-	-	-
Tariq Glass Limited	5.1.1	-	62,200	-	14,500	47,700	5,825,765	4,951,737	(874,028)	0.77%	0.84%	0.36%
							5,825,765	4,951,737	(874,028)	0.77%	0.84%	

Name of the investee company	Note	As at July 01, 2021	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2022	As at June 30, 2022			Market Value as a percentage of		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments	
							-----Number of shares-----			----- (Rupees) -----		(%) -----
MISCELLANEOUS												
Siddiqsons Tin Plate Ltd.		443,000	-	-	443,000	-	-	-	-	-	-	-
Synthetic Products Limited	5.1.1	2,013	4,348	161	2,174	4,348	86,579	61,263	(25,316)	0.01%	0.01%	0.01%
							86,579	61,263	(25,316)	0.01%	0.01%	
EXCHANGE TRADED FUNDS												
Alfalah Consumer Index ETF		-	811,000	-	9,500	801,500	8,006,250	6,283,760	(1,722,490)	0.98%	1.06%	91.33%
							8,006,250	6,283,760	(1,722,490)	0.98%	1.06%	
As at June 30, 2022							707,563,259	591,212,324	(116,350,932)	92.37%	100.00%	
As at June 30, 2021							908,833,810	983,732,867	74,899,057	99.65%	100.00%	

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

The following is the detail of bonus shares of the Fund withheld by issuing companies:

Name of the investee company	Number of shares		Market Value (Rupees)	
	2022	2021	2022	2021
Hascol Petroleum Limited	3,891	3,891	16,420	34,747
The Searle Company Limited	5,972	4,594	651,067	1,114,596
Synthetic Products Enterprises Limited	2,278	1,139	32,097	48,988
Gul Ahmed Textiles Mills Limited	540	540	18,257	27,394
Pakistan State Oil Company limited	2,032	2,032	349,179	455,676
Faysal Bank Limited	4,463	4,463	102,917	75,737
			1,169,938	1,757,138

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 38.36 million (2021: Rs 48.44 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of the investee company	Number of shares		Market Value (Rupees)	
	'Number of shares'	"Market value (Rupees)"	'Number of shares'	"Market value (Rupees)"
The Hub Power Company Limited	280,000	19,087,600	280,000	22,307,600
Oil and Gas Development Company Limited	245,000	19,274,150	275,000	26,133,250
		<u>38,361,750</u>		<u>48,440,850</u>

6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	Note	2022	2021
Security deposits with:			
- Central Depository Company of Pakistan Limited (CDC)		200,000	200,000
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
Mark-up receivable on bank balances	6.1	2	702,667
Advance tax	6.2	92,989	92,991
Advance against book building		-	2,816,420
		<u>2,792,991</u>	<u>6,312,078</u>

6.1 This includes Nil accrued markup (2021: Rs 0.71 million) receivable from Bank Alfalah Limited (a related party).

6.2 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However several withholding agents deduct tax at source based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under other receivable as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents net receivable from sale of investments which requires delivery and settlement of securities within two days after transaction date as required by Pakistan Stock Exchange Regulations. These amounts have been received subsequent to the year end.

8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2022	2021
		----- Rupees -----	
Management remuneration payable	8.1	947,598	1,576,040
Performance fee payable to the Management Company		4,684,377	2,978,166
Sindh sales tax payable on management remuneration	8.2	787,780	873,269
Sindh sales tax payable on performance fee	8.2	708,801	488,878
Federal excise duty payable on management remuneration	8.3	4,879,884	4,879,884
Federal excise duty payable on performance fee	8.3	297,850	297,850
Payable against allocated expenses	8.4	1,197,909	489,224
Payable against marketing and selling expenses	8.5	3,782,852	5,290,144
Sales load payable		479,968	484,885
		<u>17,767,020</u>	<u>17,358,340</u>

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. The Management Company has charged remuneration at a rate of 1.75% (2021: 1.75%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the year, an amount of Rs. 2.651 million (2021: Rs. 2.513 million) was charged on account of sales tax on management fee and performance fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2.597 million (2021: Rs. 2.326 million) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 9.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by Non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 5.18 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2022 would have been higher by Rs 1.34 per unit (2021: Rs 0.32 per unit).

8.4 In accordance with regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense.

8.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

9 PAYABLE TO THE TRUSTEE

Note

2022

2021

----- Rupees -----

Trustee remuneration payable	9.1	104,519	172,271
Sindh sales tax payable on trustee remuneration	9.2	1,725	10,541
		<u>106,244</u>	<u>182,812</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily net assets of the Fund as follows:

Net Assets (Rs.)	
up to Rs. 1,000 million	0.20% per annum of net assets.
over Rs. 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1,000 million.

9.2 During the year, an amount of Rs 0.26 million (2021: Rs. 0.25 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.26 million (2021: Rs. 0.26 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

	Note	2022	2021
		----- Rupees -----	
11 ACCRUED AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	11.1	-	17,199,971
Auditors' remuneration payable		634,152	835,535
Withholding tax payable		1,699,330	4,023,937
Capital gain tax payable		11,129	677,323
Brokerage payable		387,644	938,148
Settlement charges payable		278,306	235,208
Annual fee payable		945,475	729,396
Printing charges payable		17,939	15,216
Other payable		101,690	101,688
Sales load payable		81	67,473
		<u>4,075,746</u>	<u>24,823,895</u>

11.1 Sindh Revenue Board through its letter dated August 12, 2021 has intimated to Mutual Fund Association of Pakistan (MUFAP) that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has been taken up with the SECP by all the Asset Management Companies. In consultation with SECP, Asset Management Companies have reversed the cumulative provision for SWWF recognized in the financial statements of the funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, no provision for SWWF has been recognized in the financial statements of the Fund.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and 30 June 2021.

	2022	2021
	----- (Rupees) -----	
13 PROFIT INCOME		
Profit income on:		
- Bank balances	<u>3,765,604</u>	<u>2,801,395</u>
14 AUDITORS' REMUNERATION		
Audit fee	<u>400,000</u>	<u>400,000</u>
Review and other certifications	<u>227,000</u>	<u>227,000</u>
Out of pocket expenses	<u>130,990</u>	<u>72,583</u>
	<u>757,990</u>	<u>699,583</u>
Sindh sales tax	<u>81,510</u>	<u>55,967</u>
	<u>839,500</u>	<u>755,550</u>

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

Since the Management Company has paid the required minimum percentage of income earned by the fund during the year 30 June 2022 to the unit holders in the manner explained above, no provision for taxation has been made in these financial statements during the year.

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 4.70% (2021: 5.00%) which includes 0.35% (2021: 0.92%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. The TER excluding government levies is 4.36% which within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17 EARNING / (LOSS) PER UNIT

Earning / (loss) per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earning per unit is not practicable.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit Holders' Fund

Unit Holders' Fund										
					2022					
As at July 01, 2021	Issued for cash during the year	Bonus / dividend reinvested during the year	Redeemed during the year	As at June 30, 2022	As at July 01, 2021	Issued for cash during the year	Bonus / dividend reinvested during the year	Redeemed during the year	As at June 30, 2022	
Units					(Rupees)					
Associated companies / undertakings										
Alfalah GHP Prosperity Planning Fund	2,561,837	1,291,696	-	2,465,536	1,387,996	153,312,819	61,033,494	30,670,226	47,250,000	68,129,524
Unit Holders Holding 10% or more units										
Sindh General Provident Investment Fund	4,875,960	-	-	-	4,875,960	291,801,339	-	58,374,833	-	239,335,538
Sindh Province Pension Fund	4,000,110	-	-	-	4,000,110	239,386,183	-	47,889,181	-	196,344,594
	11,437,907	1,291,696	-	2,465,536	10,264,067	684,500,341	61,033,494	136,934,240	47,250,000	503,809,656
					2021					
As at July 01, 2020	Issued for cash during the year	Bonus / dividend reinvested during the year	Redeemed during the year	As at June 30, 2021	As at July 01, 2020	Issued for cash during the year	Bonus / dividend reinvested during the year	Redeemed during the year	As at June 30, 2021	
Units					(Rupees)					
Associated companies / undertakings										
Bank Alfalah Limited - Employees Provident Fund	2,569,616	-	-	2,569,616	-	137,594,714	-	-	174,374,165	-
Alfalah GHP Prosperity Planning Fund	1,864,866	915,657	506,370	725,057	2,561,836	99,857,607	61,033,494	30,670,226	47,250,000	153,312,819
Key Management Personnel (Employees)										
Fund Manager	3,519	14,379	4,126	-	22,024	188,431	998,597	249,931	-	1,318,024
Unit Holders Holding 10% or more units										
Sindh General Provident Investment Fund	3,912,181	-	963,779	-	4,875,960	209,484,774	-	58,374,833	-	291,801,339
Sindh Province Pension Fund	3,209,451	-	790,659	-	4,000,110	171,855,831	-	47,889,181	-	239,386,183
	11,559,633	930,036	2,264,934	3,294,673	11,459,930	618,981,357	62,032,091	137,184,171	221,624,165	685,818,365

18.2 Other transactions

2022 **2021**
----- Rupees -----

Associated companies / undertakings**Alfalah GHP Investment Management Limited - Management Company**

Remuneration of the Management Company	14,215,069	17,787,036
Performance fee of the Management Company	2,023,802	2,605,109
Sindh sales tax on remuneration of the Management Company	1,847,967	2,312,315
Sindh sales tax on performance fee of the Management Company	263,098	338,664
Allocated expenses	4,399,679	1,016,346
Selling and marketing expenses	9,038,568	9,768,248
Sales load	890,243	114,697

Bank Alfalah Limited

Profit on bank balances	3,764,555	2,797,702
Bank charges	848	5,075
Sales load	115,895	-

Other related parties**Central Depository Company of Pakistan Limited - Trustee**

Remuneration of the Trustee	1,620,803	1,985,879
Sindh sales tax on remuneration of the Trustee	210,697	258,164
CDS charges	216,080	216,000

18.3 Other balances

2022 **2021**
----- Rupees -----

Associated companies / undertakings**Alfalah GHP Investment Management Limited - Management Company**

Management remuneration payable	947,598	1,576,040
Performance fee payable to the management company	4,684,377	2,978,166
Sindh sales tax payable on management remuneration	787,780	873,269
Sindh sales tax payable on performance fee	708,801	488,878
Federal excise duty payable on management remuneration	4,879,884	4,879,884
Federal excise duty payable on performance fee	297,850	297,850
Payable against allocated expenses	1,197,909	489,224
Payable against marketing and selling expenses	3,782,852	5,290,144
Sales load payable	479,968	484,885

Bank Alfalah Limited

Bank balance	66,358,003	32,970,080
Sales load payable	81	67,473

Other related parties**Central Depository Company of Pakistan Limited - Trustee**

Trustee remuneration payable	104,519	172,271
Sindh sales tax payable on trustee remuneration	1,725	10,541
Security deposit	200,000	200,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

2022			
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	66,575,816	-	66,575,816
Investments	-	591,212,323	591,212,323
Advances, deposits and other receivables	2,700,002	-	2,700,002
Receivable against sale of investments	1,570,331	-	1,570,331
	<u>70,846,149</u>	<u>591,212,323</u>	<u>662,058,472</u>

Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	17,767,020	-	17,767,020
Payable to Central Depository Company of Pakistan Limited - Trustee	106,244	-	106,244
Accrued and other liabilities	2,365,287	-	2,365,287
	<u>20,238,551</u>	<u>-</u>	<u>20,238,551</u>

2021			
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	34,498,244	-	34,498,244
Investments	-	983,732,867	983,732,867
Advances, deposits and other receivables	6,219,087	-	5,516,420
Receivable against sale of investments	5,185,530	-	5,185,530
	<u>45,902,861</u>	<u>983,732,867</u>	<u>1,028,933,061</u>

Financial liabilities			
Payable to Alfalah GHP Investment Management	17,358,340	-	17,358,340
Payable to Central Depository Company of Pakistan	182,812	-	182,812
Accrued and other liabilities	2,922,664	-	2,922,664
	<u>20,463,816</u>	<u>-</u>	<u>20,463,816</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks: currency risk, yield / interest rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

20.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2022, is as follows:

	Note	2022	2021
		----- (Rupees) -----	
Variable rate instrument (financial asset)			
Bank balance	4	66,575,816	34,409,663

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement by Rs 0.34 million (2021: Rs 0.34 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

Presently, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

20.1.2 Yield / Interest rate risk (Continued)

Particulars	Effective yield / interest rate	2022				Total
		Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.70% - 16.60%	66,384,197	-	-	191,618	66,575,816
Investments		-	-	-	591,212,323	591,212,323
Advances, deposits and mark up receivables		-	-	-	2,700,002	2,700,002
Receivable against sale of investments		-	-	-	1,570,331	1,570,331
Sub total		66,384,197	-	-	595,674,274	662,058,472
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	17,767,020	17,767,020
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	106,244	106,244
Accrued and other liabilities		-	-	-	2,365,287	2,365,287
Sub total		-	-	-	20,238,551	20,238,551
On-balance sheet gap		66,384,197	-	-	575,435,723	641,819,921
Total interest rate sensitivity gap		66,384,197	-	-	575,435,723	641,819,921
Cumulative interest rate sensitivity gap		66,384,197	66,384,197	66,384,197		

Particulars	Effective yield / interest rate	2021				Total
		Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50% to 7.70%	34,409,663	-	-	88,581	34,498,244
Investments		-	-	-	983,732,867	983,732,867
Advances, deposits and mark up receivables		-	-	-	6,219,087	6,219,087
Receivable against sale of investments		-	-	-	5,185,530	5,185,530
Sub total		34,409,663	-	-	995,226,065	1,029,635,728
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	17,358,340	17,358,340
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	182,812	182,812
Accrued and other liabilities		-	-	-	2,922,664	2,922,664
Sub Total		-	-	-	20,463,816	20,463,816
On-balance sheet gap		34,409,663	-	-	974,762,249	1,009,171,912
Total interest rate sensitivity gap		34,409,663	-	-	974,762,249	1,009,171,912
Cumulative interest rate sensitivity gap		34,409,663	34,409,663	34,409,663		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2022. The analysis is based on the assumption that the PSX index had increased or decreased by 1%, with all other variables held constant.

At June 30, 2022, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	2022	2021
	-----Rupees-----	
Effect due to increase / decrease in KSE 100 index		
Investment and net assets	5,912,123	9,837,329
Income statement	5,912,123	9,837,329

20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent control established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	66,575,816	66,575,816	34,498,244	34,498,244
Investments	591,212,323	-	983,732,867	-
Advance, deposits and mark up receivable	2,700,002	2,700,002	6,219,087	5,516,420
Receivable against sale of investments	1,570,331	5,185,530	5,185,530	5,185,530
	<u>662,058,472</u>	<u>74,461,348</u>	<u>1,029,635,728</u>	<u>45,200,194</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs. 591.21 million (2021: Rs. 983.73 million) are not exposed to credit risk.

Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the National Clearing Company of Pakistan Limited. The risk of default is considered minimal due to inherent systematic measures taken therein.

No financial assets were considered to be either past due or impaired as at June 30, 2022 and June 30, 2021.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2021 with banks having following credit ratings:

Name of bank	Rating (Short Term / Long Term)	Rating Agency	2022	2021
Bank Alfalah Limited	A1+ / AA+	PACRA	95.57%	95.57%
Allied Bank Limited	A1+ / AAA	PACRA	0.13%	0.13%
JS Bank Limited	A1+ / AA-	PACRA	0.07%	0.07%
Zarai Taraqati Bank Limited	A-1+ / AAA	VIS	0.03%	0.03%
MCB Bank Limited	A1+ / AAA	PACRA	1.43%	1.43%
Silk Bank Limited	A-2 / A-	VIS	0.03%	0.03%
Central Depository Company of Pakistan Limited	N/A	N/A	0.00%	0.00%
National Bank of Pakistan	A1+ / AAA	PACRA	2.72%	2.72%
Soneri Bank Limited	A1+ / AA-	PACRA	0.02%	0.02%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2022					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
Rupees					
Financial assets					
Bank balances	66,575,816	-	-	-	66,575,816
Investments	-	-	-	591,212,323	591,212,323
Advance, deposits and mark up receivables	2	-	-	2,700,000	2,700,002
Receivable against sale of investments	1,570,331	-	-	-	1,570,331
	68,146,149	-	-	593,912,323	662,058,472
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - Management Company	17,767,020	-	-	-	17,767,020
Payable to Central Depository Company of Pakistan Limited - Trustee	106,244	-	-	-	106,244
Accrued and other liabilities	2,365,287	-	-	-	2,365,287
	20,238,551	-	-	-	20,238,551
Net financial assets	47,907,598	-	-	593,912,323	641,819,921

2021					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
Rupees					
Financial assets					
Bank balances	34,498,244	-	-	-	34,498,244
Investments	-	-	-	983,732,867	983,732,867
Advance, deposits and mark up receivables	3,519,087	-	-	2,700,000	6,219,087
Receivable against sale of investments	5,185,530	-	-	-	5,185,530
	43,202,861	-	-	986,432,867	1,029,635,728
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - Management Company	17,358,340	-	-	-	17,358,340
Payable to Central Depository Company of Pakistan Limited - Trustee	182,812	-	-	-	182,812
Accrued and other liabilities	2,922,664	-	-	-	2,922,664
	20,463,816	-	-	-	20,463,816
Net financial assets	22,739,045	-	-	986,432,867	1,009,171,912

20.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022, the Fund held the following assets measured at fair values:

Financial assets 'at fair value through profit or loss'

Listed equity securities

2022			
Level 1	Level 2	Level 3	Total
Rupees			

591,212,323	-	-	591,212,323

Financial assets 'at fair value through profit or loss'

Listed equity securities

2021			
Level 1	Level 2	Level 3	Total
Rupees			

983,732,867	-	-	983,732,867

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20.5 Unit holders' fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officers of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

22 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

23 GENERAL

23.1 Rounding off

Figures are rounded off to the nearest rupee.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	145	713,586	35,026,259	5%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	1	359,500	17,645,983	3%
Retirement & Other Funds	10	9,951,784	488,481,787	76%
Others	12	2,014,594	98,886,027	15%
	168	13,039,463	640,040,056	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	386	2,639,182	157,928,674	16%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	6	359,500	21,512,456	2%
Retirement & Other Funds	35	10,082,976	603,365,305	61%
Others	22	3,413,668	204,273,891	21%
	449	16,495,326	987,080,325	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022
	%
Alfa Adhi Securities (Pvt) Ltd	24%
Shajar Capital Pakistan Private Limited	18%
Arif Habib Limited	11%
Insight Securities (Private) Limited	5%
Inter Market Securities Limited	5%
BMA Capital Management Limited	4%
Alfalalah Securities (Private) Limited	4%
MULTILINE SECURITIES LIMITED	3%
AKIK CAPITAL (PRIVATE) LIMITED	3%
Optimus Capital Management (Pvt) Limited	3%
	30 June 2021
	%
Next Capital Limited	21%
MRA Securities Limited	11%
Al Habib Capital Markets Limited	7%
Alfalalah Securities (Private) Limited	6%
Inter Market Securities Limited	6%
Arif Habib Limited	4%
Insight Securities (Private) Limited	4%
AKD Securities Ltd.	4%
Foundation Securities Limited	4%
BMA Capital Management Limited	4%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
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PERFORMANCE TABLE - AGAF

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
	(Rupees in '000)					
Net Assets	640,040	987,160	874,683	1,028,642	1,891,847	1,493,187
NAV per unit	49.08	59.84	53.55	55.42	72.52	84.5000
Selling price per unit	50.74	61.87	55.37	57.30	74.98	87.36
Redemption price per unit	49.08	59.84	53.55	55.42	72.52	84.5000
Highest selling price per unit	64.97	80.07	73.02	72.68	87.56	101.42
Highest redemption price per unit	62.84	77.44	70.63	70.30	84.69	98.09
Lowest selling price per unit	49.93	56.44	43.73	56.47	70.05	70.82
Lowest redemption price per unit	48.29	54.59	42.30	54.62	67.75	68.50
Total interim distribution per unit	Nil	Nil	Nil	Nil	Nil	2.9418
Interim distribution date	N/A	N/A	N/A	N/A	N/A	22-Jun-17
Final distribution per unit	Nil	14.92	Nil	Nil	Nil	Nil
Final distribution date	Nil	29-Jul-21	N/A	N/A	N/A	N/A
Annualized returns	-17.98%	39.27%	-17.50%	-17.48%	-14.18%	24.65%
Income distribution	Nil	27.86%	N/A	N/A	N/A	4.34%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A

Return since inception is **13.11%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by
Alfalsh GHP Alpha Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
The Hub Power Company Limited							
EOGM	30-Aug-21	Announcement of Financial Results for the year ended June 2021	458,371	0.04%	✓		
Kot Addu Power Company Limited							
EOGM	17-Aug-21	Announcement of Financial Results for the year ended June 2021	232,500	0.03%	✓		
Fauji Cement Company Limited							
EOGM	28-Oct-21	Approved financial results of the first quarter ended on September 30, 2021	403,000	0.03%	✓		
		Considered the amalgamation of Askari cement limited with and into FCCL through a scheme arrangement					
Fauji Cement Company Limited							
EOGM	26-Feb-22	Approved, adopted and agreed the scheme of arrangement of amalgamation of Askari cement limited and Fauji Cement Company Limited	443,500	0.03%	✓		
		Special resolution to increase authorized share capiatl by 25 billion rupees by the creation of 1 billion ordinary shares					
Bank Alfalah Limited							
AGM	29-Mar-22	Received, adopted & considered audited annual accounts for the year ended December 31, 2021	624,581	0.04%	✓		
		Approved payment of final cash dividend at the rate of Rs. 2 per share i.e. 20% for the year ended December 31, 2021					
		Appointed auditors of the bank for the year 2022 & fix their remuneration					
Habib Metropolitan Bank Limited							
AGM	28-Mar-22	Received, adopted & considered audited annual accounts for the year ended December 31, 2021	81,500	0.01%	✓		
		Approved payment of final cash dividend at the rate of Rs. 3 per share i.e. 30% for the year ended December 31, 2021					
		Appointed auditors of the bank for the year 2022 & fix their remuneration					
Mari Petroleum Company Limited							
EOGM	25-Apr-22	Approved financial results of the nine months period ended March 31, 2022	17,392	0.01%	✓		
Mari Petroleum Company Limited							
EOGM	22-Jun-22	Election of Directors	21,992	0.02%	✓		
		Considered matters other than financial results					



Alfalah GHP Stock Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Stock Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

The investment objective of IGI Stock Fund (IGI SF) is to seek long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments, management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Review of the Market

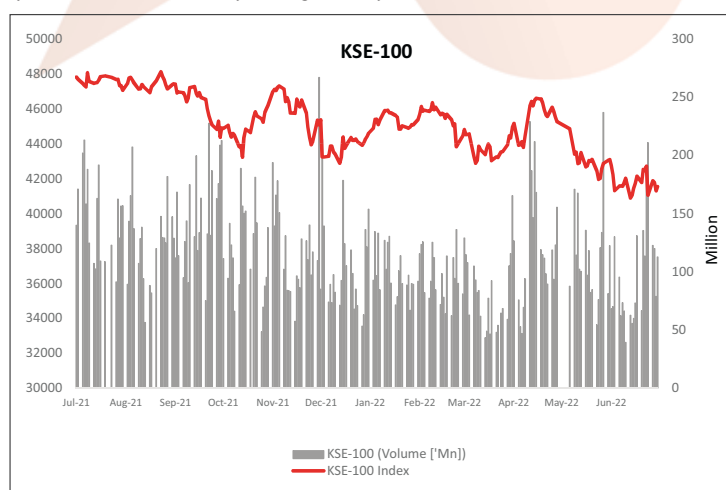
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

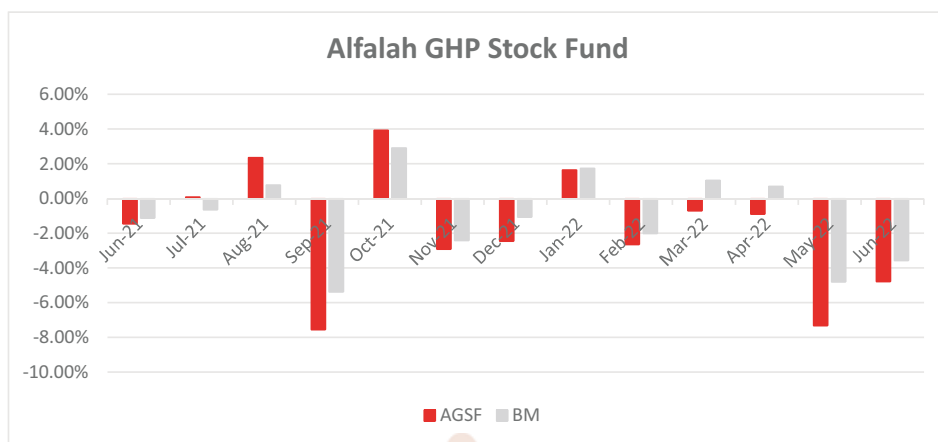
Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.

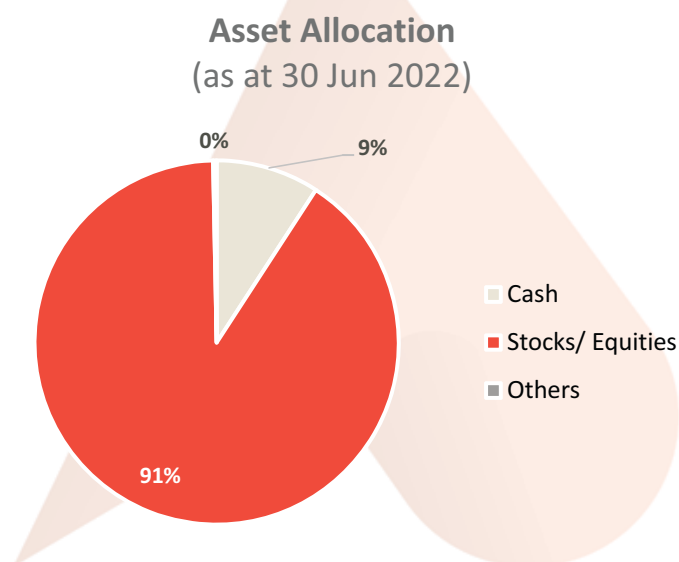


Fund Performance

During FY21, AGSF earned a negative return of 19.86% versus the benchmark (KSE-100) negative return of 12.28% during the same period.



Asset Allocation



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP STOCK FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 20, 2022



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Stock Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2022 amounted to Rs. 1,234.9 million and bank balances aggregated to Rs. 125.31 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: - Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; - Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and - Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 29 September, 2022
UDIN:

ALFALAH GHP STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021
Assets			
Bank balances	4	125,305,592	238,707,133
Investments	5	1,234,899,775	2,094,836,529
Security deposits	6	2,600,000	2,600,000
Receivable against sale of investments		8,565,437	-
Advance, dividend and other receivables	7	2,065,951	5,485,929
Total assets		<u>1,373,436,755</u>	<u>2,341,629,591</u>
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	8	36,914,664	35,336,175
Payable to Central Depository Company of Pakistan Limited - Trustee	9	202,736	271,404
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	393,866	371,791
Payable against purchase of investments		348,000	60,411,329
Accrued expenses and other liabilities	11	3,037,190	45,686,871
Dividend payable		-	11,901,768
Total liabilities		<u>40,896,456</u>	<u>153,979,338</u>
Net assets attributable to unit holders		<u>1,332,540,299</u>	<u>2,187,650,253</u>
Unit holders' fund (as per the statement attached)		<u>1,332,540,299</u>	<u>2,187,650,253</u>
Contingencies and commitments	12	----- (Number of units) -----	
Number of units in issue		<u>14,711,813</u>	<u>19,355,856</u>
		----- (Rupees) -----	
Net asset value per unit		<u>90.5762</u>	<u>113.0227</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees)	2021 -----
Income			
Profit on bank balances		7,003,543	3,352,177
Net realised (loss) / gain on sale of investments		(191,508,996)	275,085,369
Net unrealised (diminution) / appreciation on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	5.3	(254,544,593)	253,607,375
Dividend income		128,000,955	91,580,660
Total (loss) / income		(311,049,091)	623,625,581
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	8.1	39,389,302	36,823,544
Sindh sales tax on remuneration of the Management Company	8.2	5,120,609	4,787,061
Allocated expenses	8.3	11,590,400	1,836,591
Selling and marketing expenses	8.4	28,506,592	24,000,922
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	2,969,465	2,840,725
Sindh sales tax on remuneration of the Trustee	9.2	386,030	369,294
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	393,891	371,816
Brokerage expense		4,636,355	7,708,377
CDS charges		-	405,889
Auditors' remuneration	13	852,195	803,931
Fees and subscriptions		27,500	26,752
Clearing charges		722,744	761,369
Printing charges		30,000	24,930
Bank and settlement charges		17,004	18,158
Legal and professional charges		-	174,020
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	11.1	(28,478,664)	10,853,444
Total expenses		66,163,423	91,806,823
Net (loss) / income for the year before taxation		(377,212,514)	531,818,758
Taxation	14	-	-
Net (loss) / income for the year after taxation		(377,212,514)	531,818,758
Allocation of net income for the year			
Net income for the year after taxation		-	531,818,758
Income already paid on units redeemed		-	(91,596,698)
		-	440,222,060
Accounting income available for distribution			
- Relating to capital gains		-	440,222,060
- Excluding capital gains		-	-
		-	440,222,060

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees) -----	
Net (loss) / income for the year after taxation	(377,212,514)	531,818,758
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	<u>(377,212,514)</u>	<u>531,818,758</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	2,390,056,471	(202,406,218)	2,187,650,253	1,734,316,346	(420,697,999)	1,313,618,347
Issuance of 5,182,892 units (2021: 24,979,765 units)						
- Capital value (at net asset value per unit at the beginning of the year)	585,784,219	-	585,784,219	2,364,389,713	-	2,364,389,713
- Element of (loss) / income	(26,870,151)	-	(26,870,151)	609,383,959	-	609,383,959
	558,914,068	-	558,914,068	2,973,773,672	-	2,973,773,672
Redemption of 9,826,935 units (2021: 19,502,280 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,110,666,293	-	1,110,666,293	1,845,933,707	-	1,845,933,707
- Element of (income) / loss	(73,854,785)	-	(73,854,785)	381,731,608	91,596,698	473,328,306
	1,036,811,508	-	1,036,811,508	2,227,665,315	91,596,698	2,319,262,013
Total comprehensive (loss) / income for the year	-	(377,212,514)	(377,212,514)	-	531,818,758	531,818,758
Final distribution for the year ended June 30, 2021 @ Rs.18.6001 per unit on June 25, 2021	-	-	-	(90,368,232)	(221,930,279)	(312,298,511)
Net assets at the end of the year	1,912,159,031	(579,618,732)	1,332,540,299	2,390,056,471	(202,406,218)	2,187,650,253
	(Rupees)			(Rupees)		
Accumulated loss brought forward						
- Realised loss		(456,013,593)			(325,703,637)	
- Unrealised income / (loss)		253,607,375			(94,994,362)	
		(202,406,218)			(420,697,999)	
Accounting income available for distribution						
- Relating to capital gains		-			440,222,060	
- Excluding capital gains		-			-	
		-			440,222,060	
Net loss for the year after taxation		(377,212,514)			-	
Final distribution for the year ended June 30, 2021 @ Rs.18.6001 per unit on June 28, 2021		-			(221,930,279)	
Accumulated loss carried forward		(579,618,732)			(202,406,218)	
Accumulated loss carried forward						
- Realised loss		(325,074,139)			(456,013,593)	
- Unrealised (loss) / gain		(254,544,593)			253,607,375	
		(579,618,732)			(202,406,218)	
Net asset value per unit at the beginning of the year		113.0227			94.6522	
Net asset value per unit at the end of the year		90.5762			113.0227	

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the year before taxation		(377,212,514)	531,818,758
Adjustments for:			
Unrealised diminution / (appreciation) on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	5.3	254,544,593	(253,607,375)
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	11.1	(28,478,664)	10,853,444
		(151,146,585)	289,064,827
Decrease / (increase) in assets			
Investments - net		605,392,161	(544,397,639)
Receivable against sale of investments - net		(8,565,437)	-
Advance, dividend and other receivables		3,419,978	(4,048,083)
		600,246,702	(548,445,722)
Increase / (decrease) in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		1,578,489	10,806,533
Payable to Central Depository Company of Pakistan Limited - Trustee		(68,668)	72,140
Annual fee payable to the Securities and Exchange Commission of Pakistan		22,075	92,977
Payable against purchase of investments		(60,063,329)	55,659,276
Accrued expenses and other liabilities		(14,171,017)	12,961,199
		(72,702,450)	79,592,125
Net cash generated from / (used in) operating activities		376,397,667	(179,788,770)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units net of refund of capital		558,914,068	2,883,405,440
Amounts paid against redemption of units		(1,036,811,508)	(2,319,262,013)
Dividend paid		(11,901,768)	(210,028,511)
Net cash (used in) / generated from financing activities		(489,799,208)	354,114,916
Net (decrease) / increase in cash and cash equivalents during the year		(113,401,541)	174,326,146
Cash and cash equivalents at the beginning of the year		238,707,133	64,380,987
Cash and cash equivalents at the end of the year	4	125,305,592	238,707,133

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Stock Fund (the Fund) is an open-ended Fund constituted under a trust deed executed under the Trust Act, 1882 entered into on June 10, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of the Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved second supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Stock Fund.

The Trust Act, 1882 had been repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Consequently, the fund was required to be registered under the Sindh Trust Act and on September 9, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as an 'equity scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Fund is to provide good total return through a long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its assets in debt and money market securities in order to meet liquidity requirements from time to time. The investment objectives and policy are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements is classification and valuation of investments (notes 3.3.2 and 5)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.2 Classification and subsequent measurement

3.3.2.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.2.2 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVTPL)

Based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.3 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.3.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Profit on saving accounts with banks is recognised on an accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

	Note	2022	2021
		(Rupees)	
4 BANK BALANCES			
Savings accounts	4.1	125,305,592	238,707,133
4.1	These accounts carry mark-up rates ranging between 5.50% to 16.60% (2021: 5.50% to 7.70%) per annum. These includes bank balance of Rs. 124.97 million (2021: Rs. 237.61 million) maintained with Bank Alfalah Limited (a related party), carrying mark-up at the rate of 16.60% (2021: 7.70%) per annum.		
5 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	5.1	1,218,663,135	2,094,836,529
Units of exchange traded funds	5.2	16,236,640	-
		1,234,899,775	2,094,836,529

5.1 Listed equity securities

Name of the investee company	Note	As at July 01, 2021	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of:		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total market value of investments	
Commercial banks												
Bank Al Habib Limited		1,032,847	130,000	-	560,000	602,847	42,481,847	35,001,297	(7,480,550)	2.63%	2.83%	0.05%
The Bank of Punjab		3,834,500	2,300,000	561,062	3,401,000	3,294,562	24,681,027	17,856,526	(6,824,501)	1.34%	1.45%	0.11%
Bank Al Falah Limited (Related Party)		-	1,482,619	-	319,000	1,163,619	38,510,844	37,235,808	(1,275,036)	2.79%	3.02%	0.07%
Faysal Bank Limited	5.1.2	1,231,200	150,000	-	208,000	1,173,200	21,021,233	27,053,992	6,032,759	2.03%	2.19%	0.08%
Habib Bank Limited		949,264	265,000	-	483,471	730,793	89,227,164	66,750,633	(22,476,531)	5.01%	5.41%	0.05%
Habib Metropolitan Bank Limited		565,500	40,000	-	605,500	-	-	-	-	-	-	-
MCB Bank Limited		388,262	117,500	-	244,000	261,762	41,439,635	32,191,491	(9,248,144)	2.42%	2.61%	0.02%
Meezan Bank Limited		454,846	45,000	58,261	186,433	371,674	38,101,103	41,991,729	3,890,626	3.15%	3.40%	0.02%
National Bank of Pakistan		244,500	-	-	244,500	-	-	-	-	-	-	-
United Bank Limited		1,064,531	92,000	-	576,500	580,031	71,218,151	65,618,907	(5,599,244)	4.92%	5.31%	0.05%
							366,681,004	323,700,383	(42,980,621)	24.22%	26.22%	
Power generation and distribution												
The Hub Power Company Limited	5.1.3	1,017,432	191,500	-	462,900	746,032	59,238,089	50,857,001	(8,381,088)	3.82%	4.12%	0.06%
Kot Addu Power Company Limited		495,000	150,000	-	645,000	-	-	-	-	-	-	-
							59,238,089	50,857,001	(8,381,088)	3.82%	4.12%	
Oil & Gas Marketing Companies												
Hascol Petroleum Limited	5.1.2	6,789	-	-	-	6,789	60,626	28,650	(31,976)	0.00%	0.00%	0.00%
Sui Northern Gas Pipelines Limited		-	368,000	-	367,981	19	959	650	(309)	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited	5.1.2	154,908	147,500	-	135,000	167,408	34,580,058	28,767,391	(5,812,667)	2.16%	2.33%	0.04%
							34,641,643	28,796,691	(5,844,952)	2.16%	2.33%	
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited		37,639	9,400	-	1,560	45,479	71,103,856	79,121,635	8,017,779	5.94%	6.41%	0.03%
Oil & Gas Development Company Limited	5.1.3	592,400	237,000	-	283,000	546,400	51,310,047	42,985,288	(8,324,759)	3.23%	3.48%	0.01%
Hi-Tech Lubricants Limited		-	458,000	73,600	322,500	209,100	12,169,757	8,290,815	(3,878,942)	0.62%	3.48%	0.15%
Pakistan Oilfields Limited		143,350	65,500	-	57,500	151,350	58,936,229	61,419,344	2,483,115	4.61%	4.97%	0.05%
Pakistan Petroleum Limited		703,258	75,000	-	268,000	510,258	44,269,309	34,447,518	(9,821,791)	2.59%	2.79%	0.02%
							237,789,198	226,264,600	(11,524,598)	16.99%	18.32%	
Insurance												
Adamjee Insurance Company Limited		587,500	52,000	-	639,500	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited		-	45,077	-	-	45,077	1,262,156	1,028,206	(233,950)	0.08%	0.08%	0.02%
							1,262,156	1,028,206	(233,950)	0.08%	0.08%	
Refinery												
Cnergyco PK Limited		2,055,000	2,440,000	-	2,400,000	2,095,000	19,522,469	11,187,300	(8,335,169)	0.84%	0.91%	0.04%
(Formerly Byco petroleum Limited)		-	-	-	-	-	9,656,042	10,195,240	539,198	0.77%	0.83%	0.05%
Attock Refinery Limited		-	78,000	-	20,000	58,000	29,178,511	21,382,540	(7,795,971)	1.61%	1.74%	
							29,178,511	21,382,540	(7,795,971)	1.61%	1.74%	
Glass and Ceramics												
Balochistan Glass Limited		580,500	-	-	580,500	-	-	-	-	-	-	-
Tariq Glass Industries Limited		50,000	125,000	-	60,000	115,000	14,709,200	11,938,150	(2,771,050)	0.90%	0.97%	0.08%
							14,709,200	11,938,150	(2,771,050)	0.90%	0.97%	

Name of the investee company	Note	As at July 01, 2021	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of:		Holding as a percentage of paid-up capital of the investee company		
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the fund	Total market value of investments			
							Number of shares			(Rupees)			(%)	
Chemical														
Biafo Industries Limited	5.1.2	416	-	86	-	502	57,491	33,634	(23,857)	0.00%	0.00%	0.00%		
Berger Paints Pakistan Limited		-	65,000	-	65,000	-	-	-	-	-	-	-		
Engro Polymer & Chemicals Limited		603,000	164,000	-	581,350	185,650	9,816,825	14,783,310	4,966,485	1.11%	1.20%	0.02%		
							9,874,316	14,816,944	4,942,628	1.11%	1.20%			
Cement														
Attock Cement Pakistan Limited		123,100	-	-	123,100	-	-	-	-	-	-	-		
Cherat Cement Company Limited		181,500	229,132	-	242,100	168,532	25,527,250	15,680,217	(9,847,033)	1.18%	1.27%	0.09%		
D. G. Khan Cement Limited		214,500	347,000	-	561,500	-	-	-	-	-	-	-		
Fauji Cement Company Limited		1,278,458	-	-	1,278,458	-	-	-	-	-	-	-		
Kohat Cement Company Limited		102,200	40,000	-	4,300	137,900	27,879,183	17,944,927	(9,934,256)	1.35%	1.45%	0.07%		
Lucky Cement Limited		139,200	23,000	-	53,500	108,700	91,032,486	49,897,648	(41,134,838)	3.74%	4.04%	0.03%		
Maple Leaf Cement Factory Limited		1,045,555	376,500	-	856,000	566,055	25,241,530	15,481,604	(9,759,926)	1.16%	1.25%	0.05%		
Pioneer Cement Limited		322,000	156,000	-	394,500	83,500	9,688,555	5,037,555	(4,651,000)	0.38%	0.41%	0.04%		
Flying Cement Company Limited		-	1,854,911	-	1,800,911	54,000	732,604	387,720	(344,884)	0.03%	0.03%	0.01%		
Power Cement Limited		2,086,000	657,000	-	2,743,000	-	-	-	-	-	-	-		
							180,101,608	104,429,671	(75,671,937)	7.84%	8.45%			
Fertilizer														
Engro Corporation Limited		287,760	99,500	-	116,000	271,260	79,059,489	69,738,233	(9,321,256)	5.23%	5.65%	0.05%		
Engro Fertilizer Limited		-	450,000	-	140,000	310,000	23,640,510	27,478,400	3,837,890	2.06%	2.23%	0.02%		
Fauji Fertilizer Company Limited		320,220	297,000	-	304,621	312,599	32,960,098	34,454,662	1,494,564	2.59%	2.79%	0.02%		
Fauji Fertilizer Bin Qasim Limited		777,500	275,000	-	1,052,500	-	-	-	-	-	-	-		
							135,660,097	131,671,295	(3,988,802)	9.88%	10.67%			
Engineering														
Agha Steel Industries Limited		760,000	67,000	41,350	130,000	738,350	23,425,115	11,577,328	(11,847,787)	0.87%	0.94%	0.13%		
Aisha Steel Mills Limited		1,162,000	620,000	-	1,782,000	-	-	-	-	-	-	-		
International Steels Limited		-	308,348	-	95,000	213,348	20,077,606	12,664,337	(7,413,269)	0.95%	1.03%	0.05%		
International Industries Limited		75,000	102,400	-	9,398	168,002	33,585,426	17,426,847	(16,158,579)	1.31%	1.41%	0.13%		
Mughal Iron & Steel Industries Limited		158,000	396,300	38,070	194,000	398,370	35,734,427	22,962,047	(12,772,380)	1.72%	1.86%	0.14%		
							112,822,574	64,630,559	(48,192,015)	4.85%	5.24%			
Textile composite														
Gul Ahmed Textile Mills Limited	5.1.2	828,076	245,000	-	287,500	785,576	39,898,059	26,560,325	(13,337,734)	1.99%	2.15%	0.15%		
Nishat Mills Limited	5.1.3	483,800	135,000	-	258,767	360,033	33,470,651	26,610,039	(6,860,612)	2.00%	2.15%	0.10%		
Kohinoor Textile Mills Limited		442,500	1,000	-	164,500	279,000	20,982,561	13,950,000	(7,032,561)	1.05%	1.13%	0.09%		
Interloop Limited		480,378	112,000	14,321	207,066	399,633	27,918,999	24,377,613	(3,541,386)	1.83%	1.97%	0.05%		
							122,270,270	91,497,977	(30,772,293)	6.87%	7.40%			
Pharmaceuticals														
AGP Limited		83,000	-	-	83,000	-	-	-	-	-	-	-		
Citi Pharma Limited		-	1,229,929	92	706,000	524,021	18,356,892	17,104,045	(1,252,847)	1.28%	1.39%	0.16%		
Highnoon Laboratories Limited		38,904	-	1,425	24,650	15,679	8,552,400	8,307,832	(244,568)	0.62%	0.67%	0.05%		
The Searle Company Limited	5.1.2	107,989	52,000	26,996	28,000	158,985	26,680,629	17,332,545	(9,348,084)	1.30%	1.40%	0.07%		
							53,589,921	42,744,422	(10,845,499)	3.20%	3.46%			
Automobile assembler														
Pak Suzuki Motor Company Limited		62,900	39,000	-	101,900	-	-	-	-	-	-	-		
Honda Atlas Cars (Pakistan) Limited		-	119,000	-	119,000	-	-	-	-	-	-	-		
							-	-	-	-	-	-		
Automobile parts & accessories														
Panther Tyres Limited		324,659	65,000	60,131	448,500	1,290	72,196	41,796	(30,400)	0.00%	0.00%	0.00%		
Thal Limited	5.1.1	61,700	-	-	39,200	22,500	9,512,550	6,066,450	(3,446,100)	0.46%	0.49%	0.06%		
							9,584,746	6,108,246	(3,476,500)	0.46%	0.49%			
Food & Personal Care Products														
Unity Foods Limited		1,155,312	1,131,637	-	1,521,637	765,312	23,095,149	15,359,812	(7,735,337)	1.15%	1.24%	0.08%		
							23,095,149	15,359,812	(7,735,337)	1.15%	1.24%			
Paper & Board														
Century Paper & Board Mills Limited		145,200	-	-	145,200	-	-	-	-	-	-	-		
							-	-	-	-	-	-		
Transport														
Pakistan National Shipping Corporation		118,000	-	-	118,000	-	-	-	-	-	-	-		
							-	-	-	-	-	-		
Technology & Communication														
Avanceon Limited		362,000	297,500	44,943	447,577	256,866	19,127,824	20,012,430	884,606	50%	1.62%	0.10%		
Pakistan Telecommunication Company Limited		925,000	-	-	925,000	-	-	-	-	-	-	-		
Octopus Digital Limited		-	74,336	-	74,330	6	244	428	184	0.00%	0.00%	0.00%		
Air Link Communication Limited		-	241,077	17,930	259,007	-	-	-	-	-	-	-		
Systems Limited		135,982	20,000	74,482	78,515	151,949	44,191,649	50,121,897	5,930,248	3.76%	4.06%	0.11%		
TRG Pakistan Limited		202,000	651,700	-	682,532	171,168	14,811,106	13,236,421	(1,574,685)	0.99%	1.07%	0.03%		
							78,130,823	83,371,176	5,240,353	6.25%	6.75%			
Miscellaneous														
Siddiqson Tin Plate Limited		650,000	-	-	650,000	-	-	-	-	-	-	-		
Next Capital Limited		-	778,000	-	778,000	-	-	-	-	-	-	-		
Synthetic Products Enterprises Limited	5.1.1 & 5.1.2	2,151	4,646	172	2,323	4,646	92,515	65,462	(27,053)	0.00%	0.01%	0.01%		
							92,515	65,462	(27,053)	0.00%	0.01%			
As at June 30, 2022							1,468,721,820	1,218,663,135	(250,058,685)					
As at June 30, 2021							1,841,229,154	2,094,836,529	253,607,375					

5.1.1 All shares have a nominal value of Rs 10 each except for the shares of Synthetic Products Enterprise Limited (nominal value changed from Rs 10 to Rs 5 during the period) and Thal Limited which has a face value of Rs. 5 each.

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favor of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2022, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares:

Name of investee Company	2022		2021	
	Bonus Shares			
	Number	Market value (Rupees)	Number	Market value (Rupees)
Hascol Petroleum Limited	6,789	28,650	6,789	60,626
Gul Ahmed Textile Mills Limited	2,250	76,073	2,250	114,143
The Searle Company Limited	10,722	1,168,912	8,248	2,001,130
Synthetic Products Enterprises Limited	4,282	60,333	1,982	81,934
Biafo Industries Limited	309	20,703	256	35,329
Pakistan State Oil Company Limited	3,039	522,222	3,039	681,361
Faysal Bank Limited	6,360	146,662	6,360	107,929
		2,023,555		3,082,452

5.1.3 The below investments include shares having a market value (in aggregate) amounting to Rs. 44.151 million (June 30, 2021: Rs. 52.477 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee company	2022		2021	
	Number of shares	Market value (Rupees)	Number of shares	Market value (Rupees)
Oil & Gas Development Company Limited	60,000	4,720,200	60,000	5,701,800
Nishat Mills Limited	100,000	7,391,000	100,000	9,330,000
The Hub Power Company Limited	470,000	32,039,900	470,000	37,444,900
		44,151,100		52,476,700

5.2 Units of exchange traded funds

Particulars	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of	
					Carrying value	Market value	Unrealised diminution	net assets of the Fund	Total market value of investments
	(No. of Units)				(Rupees)			%	
Alfaluh GHP Consumer Exchange Traded Fund	-	2,091,000	20,000	2,071,000	20,722,548	16,236,640	(4,485,908)	1.22%	1.31%
Total as at June 30, 2022					20,722,548	16,236,640	(4,485,908)	1.22%	1.31%
Total as at June 30, 2021					-	-	-	-	-

5.3 Net unrealised (diminution) / appreciation on re-measurement of investment 'classified as financial assets at fair value through profit or loss'

	Note	2022	2021
Net unrealised (diminution) / appreciation on re-measurement of investment 'classified as financial assets at fair value through profit or loss'		----- (Rupees) -----	-----
Market value of investments	5.1 & 5.2	1,234,899,775	2,094,836,529
Less: Carrying value of investments	5.1 & 5.2	(1,489,444,368)	(1,841,229,154)
		<u>(254,544,593)</u>	<u>253,607,375</u>

6 SECURITY DEPOSITS

National Clearing Company Pakistan Limited (NCCPL)	2,500,000	2,500,000
Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
	<u>2,600,000</u>	<u>2,600,000</u>

7 ADVANCE, DIVIDEND AND OTHER RECEIVABLES

Profit receivable on bank balances		1,731,651	9,458
Advance tax	7.1	334,300	329,053
Advance against book building of Citi Pharma Limited		-	5,147,418
		<u>2,065,951</u>	<u>5,485,929</u>

7.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2022, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on debt amounts to Rs. 0.334 million (2021: Rs. 0.329 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2022 as in the opinion of the management, the amount of tax deducted at source will be refunded.

**8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT
LIMITED - MANAGEMENT COMPANY**

PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2022 ----- (Rupees) -----	2021 -----
Management remuneration payable	8.1	2,178,891	3,148,498
Sindh sales tax payable on management remuneration	8.2	1,500,165	1,840,036
Payable against allocated expenses	8.3	3,567,954	973,103
Payable against selling and marketing expenses	8.4	16,254,257	15,961,141
Federal excise duty payable on management remuneration	8.5	10,130,264	10,130,264
Sales load payable		3,283,133	3,283,133
		<u>36,914,664</u>	<u>35,336,175</u>

8.1 'As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 2% (2021: 2%) of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the year, an amount of Rs. 5.121 million (2021: Rs. 4.787 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 5.280 million (2021: Rs. 4.620 million) has been paid to the Management Company which acts as a collecting agent.

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, the Management Company has charged allocated expenses to the fund based on its discretion subject to not being higher than actual expense incurred.

8.4 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

8.5 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 10.130 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2022 would have been higher by Re. 0.69 per unit (June 30, 2021: Re. 0.52 per unit).

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2022	2021
		----- (Rupees) -----	
Trustee remuneration payable	9.1	169,715	230,482
Sindh sales tax payable on trustee remuneration	9.2	33,021	40,922
		<u>202,736</u>	<u>271,404</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily NAV of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Net Assets (Rs.)	Tariff for the year ended June 30, 2022
up to Rs. 1 billion	0.20% p.a. of net assets
over Rs.1 billion	Rs. 2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

9.2 During the year, an amount of Rs. 0.39 million (2021: Rs 0.37 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.39 million (2021: Rs 0.36 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2022	2021
		----- (Rupees) -----	
Annual fee payable	10.1	<u>393,866</u>	<u>371,791</u>

- 10.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% of average annual net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2022	2021
		----- (Rupees) -----	-----
Provision for Sindh Workers' Welfare Fund	11.1	-	28,478,664
Brokerage expense payable		1,168,487	1,364,681
Auditors' remuneration payable		807,491	1,040,573
Clearing charges payable		502,047	363,455
Printing charges payable		44,467	43,076
Capital gain tax payable		82,371	228,208
Listing fee payable		-	4,549
Sales load payable		432,327	714,864
Withholding tax payable		-	13,448,801
		3,037,190	45,686,871

- 11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 and June 30, 2021.

13 AUDITORS' REMUNERATION	2022	2021
	----- (Rupees) -----	-----
Audit fee	381,024	381,024
Review and other certifications	301,000	301,000
Out of pocket expenses	107,045	62,357
	789,069	744,381
Sindh sales tax	63,126	59,550
	852,195	803,931

14 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss for the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 4.81% (June 30, 2021: 4.98%) which includes 0.33% (June 30, 2021: 0.89%) representing government levies on the Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Unit Holders' Fund

June 30, 2022									
As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	As at June 30, 2021	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	Net asset value as at June 30, 2022
Units					(Rupees)				
129,408	111,499	-	184,162	56,745	14,626,036	11,700,000	-	18,950,000	5,139,746
215,243	165,007	-	221,541	158,709	24,327,223	16,950,000	-	23,250,000	14,375,258
606,180	249,166	-	608,226	247,120	68,512,187	25,793,063	-	63,550,000	22,383,191
13,298	12	-	13,298	12	1,502,975	1,254	-	1,467,909	1,087
31	43	-	74	-	3,504	4,946	-	5,836	-
-	17,527	-	-	17,527	-	1,809,719	-	-	1,587,529
1,945,448	-	-	-	1,945,448	219,879,786	-	-	-	176,211,287
2,714,130	-	-	-	2,714,130	306,758,414	-	-	-	245,835,582
-	2,079,787	-	-	2,079,787	-	235,910,000	-	-	188,379,203

June 30, 2021									
As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2021
Units					(Rupees)				
479,903	-	-	479,903	-	45,423,875	-	-	54,239,911	-
128,144	43,578	18,151	60,465	129,408	12,129,112	5,500,000	2,069,388	6,750,000	14,626,036
252,990	76,446	30,190	144,384	215,242	23,946,060	9,500,000	3,441,997	16,500,000	24,327,223
553,785	110,623	85,023	143,250	606,181	52,416,969	14,022,678	9,693,578	16,000,000	68,512,187
641	10,910	1,747	-	13,298	60,767	1,266,883	199,210	-	1,502,975
-	27	4	-	31	-	2,976	460	-	3,504
1,672,579	-	272,868	-	1,945,448	158,313,282	-	31,110,144	-	219,879,786
2,333,447	-	380,684	-	2,714,131	220,865,892	-	43,402,339	-	306,758,414

16.2 Other transactions

2022 2021
----- (Rupees) -----

Associated companies / undertakings**Alfalah GHP Investment Management Limited - Management Company**

Remuneration of the Management Company	39,389,302	36,823,544
Sindh sales tax on remuneration of the Management Company	5,120,609	4,787,061
Allocated expenses	11,590,400	1,836,591
Selling and marketing expenses	28,506,592	24,000,922
Sales load	28,821	1,831,209

Bank Alfalah Limited

Profit on bank balances	6,911,976	3,352,177
Bank charges	13,148	11,056
Sales load	742,677	-

Alfalah GHP Income Fund

Market treasury Bills - sold	-	49,191,700

Other related parties**Central Depository Company of Pakistan Limited - Trustee**

Remuneration of the Trustee	2,969,465	2,840,725
Sindh sales tax on remuneration of the Trustee	386,030	369,294
CDS charges	-	405,889

16.3 Other balances**Associated companies / undertakings****Alfalah GHP Investment Management Limited - Management Company**

Management remuneration payable	2,178,891	3,148,498
Sindh sales tax payable on management remuneration	1,500,165	1,840,036
Payable against allocated expenses	3,567,954	973,103
Payable against selling and marketing expenses	16,254,257	15,961,141
Federal excise duty payable on management remuneration	10,130,264	10,130,264
Sales load payable	3,283,133	3,283,133

Bank Alfalah Limited

Bank balance	124,967,085	237,611,271
Profit receivable	1,309,941	-

Other related parties**Central Depository Company of Pakistan Limited - Trustee**

Trustee remuneration payable	169,715	230,482
Sindh sales tax payable on trustee remuneration	33,021	40,922
Security deposit	100,000	100,000

17 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	125,305,592	-	125,305,592
Investments	-	1,234,899,775	1,234,899,775
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments	8,565,437	-	8,565,437
Dividend and profit receivable	1,731,651	-	1,731,651
	<u>138,202,680</u>	<u>1,234,899,775</u>	<u>1,373,102,455</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	36,914,664	-	36,914,664
Payable to Central Depository Company of Pakistan Limited - Trustee	202,736	-	202,736
Payable against purchase of investments	348,000	-	348,000
Accrued expenses and other liabilities	2,954,819	-	2,954,819
	<u>40,420,219</u>	<u>-</u>	<u>40,420,219</u>
Particulars	2021		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	238,707,133	-	238,707,133
Investments	-	2,094,836,529	2,094,836,529
Security deposits	2,600,000	-	2,600,000
Dividend and other receivables	5,156,876	-	5,156,876
	<u>246,464,009</u>	<u>2,094,836,529</u>	<u>2,341,300,538</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	35,336,175	-	35,336,175
Payable to Central Depository Company of Pakistan Limited - Trustee	271,404	-	271,404
Payable against purchase of investments - net	60,411,329	-	60,411,329
Accrued expenses and other liabilities	3,531,198	-	3,531,198
Dividend payable	11,901,768	-	11,901,768
	<u>111,451,874</u>	<u>-</u>	<u>111,451,874</u>

18 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

18.1.2 Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2022, is as follows:

	Note	2022 ----- (Rupees) -----	2021 -----
Variable rate instrument (financial asset)			
Bank balance	4	<u>125,305,592</u>	<u>238,707,133</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.104 million (2021: Rs 0.199 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2022					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%				(Rupees)	
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50% to 16.60%	125,305,592	-	-	-	125,305,592
Investments		-	-	-	1,234,899,775	1,234,899,775
Security deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investment		-	-	-	8,565,437	8,565,437
Dividend and profit receivable		-	-	-	1,731,651	1,731,651
Sub total		<u>125,305,592</u>	<u>-</u>	<u>-</u>	<u>1,247,796,863</u>	<u>1,373,102,455</u>
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	36,914,664	36,914,664
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	202,736	202,736
Payable against purchase of investment		-	-	-	348,000	348,000
Accrued expenses and other liabilities		-	-	-	2,954,819	2,954,819
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>40,420,219</u>	<u>40,420,219</u>
On-balance sheet gap		<u>125,305,592</u>	<u>-</u>	<u>-</u>	<u>1,207,376,644</u>	<u>1,332,682,236</u>
Total interest rate sensitivity gap		<u>125,305,592</u>	<u>-</u>	<u>-</u>	<u>1,207,376,644</u>	<u>1,332,682,236</u>
Cumulative interest rate sensitivity gap		<u>125,305,592</u>	<u>125,305,592</u>	<u>125,305,592</u>		

Particulars	2021					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5% to 7.7%	238,707,133	-	-	-	238,707,133
Investments		-	-	-	2,094,836,529	2,094,836,529
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivables		-	-	-	5,156,876	5,156,876
Sub total		238,707,133	-	-	2,102,593,405	2,341,300,538
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	35,336,175	35,336,175
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	271,404	271,404
Payable against purchase of investments-net		-	-	-	60,411,329	60,411,329
Accrued expenses and other liabilities		-	-	-	3,531,198	3,531,198
Dividend payable		-	-	-	11,901,768	11,901,768
Sub total		-	-	-	111,451,874	111,451,874
On-balance sheet gap		238,707,133	-	-	1,991,141,531	2,229,848,664
Total interest rate sensitivity gap		238,707,133	-	-	1,991,141,531	2,229,848,664
Cumulative interest rate sensitivity gap		238,707,133	238,707,133	238,707,133		

18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in equity securities and investments in open end mutual funds. The Fund manages its price risk by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2022. The analysis is based on the assumption that the investments will increase and decreases by 1%, with all other variables held constant and that the fair value of the Fund's portfolio move according to their historical correlation with index and this represents managements' best estimate of a reasonable possible shift, having regards to the historical volatility.

At June 30, 2022, the fair value of investments exposed to price risk was disclosed in note 5..

	2022	2021
	(Rupees)	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investment and net assets	12,352,893	20,948,365
Income statement	12,352,893	20,948,365

18.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, profit and other receivable, security deposits and receivable against sale of investments.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 is as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees) -----				
Bank balances	125,305,592	125,305,592	238,707,133	238,707,133
Investments	1,234,899,775	-	2,094,836,529	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividend and profit receivable	1,731,651	1,731,651	5,156,876	5,156,876
Receivable against sale of investments	8,565,437	8,565,437	-	-
	<u>1,373,102,455</u>	<u>138,202,680</u>	<u>2,341,300,538</u>	<u>246,464,009</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 1,235.289 million (2021: Rs 2,094.837 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2022 and June 30, 2021.

18.2.2 Bank balances

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Name of bank	Rating (Short Term / Long Term)	Rating Agency	2022	2021
			% of bank balances exposed to	
Bank Alfalah Limited	A1+ / AA+	PACRA	99.73%	99.54%
Bank Al-Habib Limited	A1+ / AAA	PACRA	0.01%	0.00%
MCB Bank Limited	A1+ / AAA	PACRA	0.21%	0.28%
Allied Bank Limited	A1+ / AAA	PACRA	0.01%	0.05%
JS Bank Limited	A1+ / AA-	PACRA	-	0.01%
Soneri Bank Limited	A1+ / AA-	PACRA	0.03%	0.02%
Central Depository Company of Pakistan Limited - Trustee	N/A	N/A	0.00%	0.00%
Zarai Taraqati Bank of Pakistan	A1+ / AAA	VIS	-	0.00%
National Bank of Pakistan	A1+ / AAA	PACRA	0.00%	0.09%
Silk Bank Limited	A2 / A-	VIS	-	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial Instruments with no fixed maturity	Total
2022	(Rupees)					
Financial assets						
Bank balances	125,305,592	-	-	-	-	125,305,592
Investments	-	-	-	-	1,234,899,775	1,234,899,775
Security deposits	-	-	-	-	2,600,000	2,600,000
Receivable against sale of investments	8,565,437	-	-	-	-	8,565,437
Dividend and profit receivable	1,731,651	-	-	-	-	1,731,651
	135,602,680	-	-	-	1,237,499,775	1,373,102,455
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	36,914,664	-	-	-	-	36,914,664
Payable to Central Depository Company of Pakistan Limited - Trustee	202,736	-	-	-	-	202,736
Payable against purchase of investment	348,000	-	-	-	-	348,000
Accrued and other liabilities	2,954,819	-	-	-	-	2,954,819
	40,420,219	-	-	-	-	40,420,219
Net financial assets	95,182,461	-	-	-	1,237,499,775	1,332,682,236
2021	(Rupees)					
Financial assets						
Bank balances	238,707,133	-	-	-	-	238,707,133
Investments	-	-	-	-	2,094,836,529	2,094,836,529
Security deposits	-	-	-	-	2,600,000	2,600,000
Dividend and other receivables	5,156,876	-	-	-	-	5,156,876
	243,864,009	-	-	-	2,097,436,529	2,341,300,538
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	35,336,175	-	-	-	-	35,336,175
Payable to Central Depository Company of Pakistan Limited - Trustee	271,404	-	-	-	-	271,404
Payable against purchase of investment	60,411,329	-	-	-	-	60,411,329
Dividend payable	11,901,768	-	-	-	-	11,901,768
Accrued and other liabilities	3,531,198	-	-	-	-	3,531,198
	111,451,874	-	-	-	-	111,451,874
Net financial assets	132,412,135	-	-	-	2,097,436,529	2,229,848,664

18.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022 and June 30, 2021, the Fund held the following assets measured at fair values:

As at June 30, 2022				
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	Rupees			
Investments				
- Listed equity securities	1,218,663,135	-	-	1,218,663,135
- Units of exchange traded funds	16,236,640	-	-	16,236,640
	<u>1,234,899,775</u>	<u>-</u>	<u>-</u>	<u>1,234,899,775</u>
As at June 30, 2021				
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	Rupees			
- Listed equity securities	<u>2,094,836,529</u>	<u>-</u>	<u>-</u>	<u>2,094,836,529</u>

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

18.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

The Fund's objective when managing net assets attributable to unit holders is to safe guard the Fund's ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned

on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The fund has maintained minimum size of one hundred million at all times during the year.

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure to the financial statements.

20 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

21 GENERAL

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	368	2,318,815	210,029,515	14%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	5	478,220	43,315,387	7%
Retirement & Other Funds	21	7,757,264	702,623,556	50%
Others	29	4,157,514	376,571,842	29%
	423	14,711,813	1,332,540,299	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1010	4,797,386	542,212,666	14%
Associated Co./ Directors	1	92,855	10,494,768	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	17	2,506,940	283,341,091	7%
Retirement & Other Funds	61	8,012,254	905,566,562	50%
Others	60	3,946,421	446,035,166	29%
	1149	19,355,856	2,187,650,253	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022 %
Al Habib Capital Markets Limited	8.55%
Inter Market Securities Limited	6.70%
Cedar Capital (Private) Limited	6.27%
JS Global Capital Limited	6.22%
Ismail Iqbal Securities (Pvt.) Limited	6.12%
BMA Capital Management Limited	6.05%
EFG Hermes Pakistan Limited	6.04%
Foundation Securities Limited	6.03%
Arif Habib Limited	5.60%
Multiline Securities Limited	5.00%
	30 June 2021 %
Inter Market Securities Limited	9.21%
Foundation Securities Limited	9.13%
Al Habib Capital Markets Limited	8.30%
BMA Capital Management Limited	6.07%
EFG Hermes Pakistan Limited	5.84%
Ismail Iqbal Securities (Pvt.) Limited	5.07%
Taurus Securities Limited	5.03%
Shajar Capital Pakistan Private Limited	4.86%
Next Capital Limited	4.72%
Alfalah Securities (Private) Limited	3.84%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGSTF

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Net Assets	1,332,540	2,187,650	1,313,618,347	1,522,313	2,413,719
NAV per unit	90.5762	113.0227	94.6522	98.3279	133.9569
Selling price per unit	93.1350	116.2156	97.3261	101.1057	137.7412
Redemption price per unit	90.5762	113.0227	94.6522	98.3279	133.9569
Highest selling price per unit	121.4734	139.8574	128.4717	127.7442	161.5662
Highest redemption price per unit	118.1361	136.0150	124.9421	124.2346	157.1274
Lowest selling price per unit	91.6193	97.3261	76.9215	99.3889	128.4005
Lowest redemption price per unit	89.1022	94.6522	74.8082	96.6583	124.8728
Interim 1st distribution date	Nil	Nil	Nil	Nil	Nil
Interim 2nd distribution date	Nil	Nil	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil	Nil	Nil
Final distribution per unit	Nil	18.6001	Nil	Nil	Nil
Final distribution date	Nil	28-Jun-21	N/A	N/A	N/A
Annualized returns	-19.86%	38.89%	-3.74%	-17.35%	-14.61%
Income distribution	Nil	Nil	Nil	Nil	Nil

Return since inception is 15.32%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
The Hub Power Company Limited							
EOGM	30-Aug-21	Announcement of Financial Results for the year ended June 2021	1,132,432	0.09%	✓		
Kot Addu Power Company Limited							
EOGM	17-Aug-21	Announcement of Financial Results for the year ended June 2021	495,000	0.06%	✓		
Fauji Cement Company Limited							
EOGM	28-Oct-21	Approved financial results of the first quarter ended on September 30, 2021	1,278,458	0.09%	✓		
		Considered the amalgamation of Askari cement limited with and into FCCL through a scheme arrangement					
Fauji Cement Company Limited							
EOGM	26-Feb-22	Approved, adopted and agreed the scheme of arrangement of amalgamation of Askri cement limited and Fauji Cement Company Limited	788,458	0.06%	✓		
		Special resolution to increase authorized share capiatl by 25 billion rupees by the creation of 1 billion ordinary shares					
Bank Alfalah Limited							
AGM	29-Mar-22	Received, adopted & considered audited annual accounts for the year ended December 31, 2021	1,261,619	0.07%	✓		
		Approved payment of final cash dividend at the rate of Rs. 2 per share i.e. 20% for the year ended December 31, 2021					
		Appointed auditors of the bank for the year 2022 & fix their remuneration					
Mari Petroleum Company Limited							
EOGM	25-Apr-22	Approved financial results of the nine months period ended March 31, 2022	38,579	0.03%	✓		
Mari Petroleum Company Limited							
EOGM	22-Jun-22	Election of Directors	41,079	0.03%	✓		
		Considered matters other than financial results					



Alfalah GHP Islamic Stock Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Phase VIII, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Islamic Stock Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

The investment objective of Alfalah GHP Islamic Stock Fund (AGISF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds via investments in Shariah Compliant avenues.

Equity Market Review

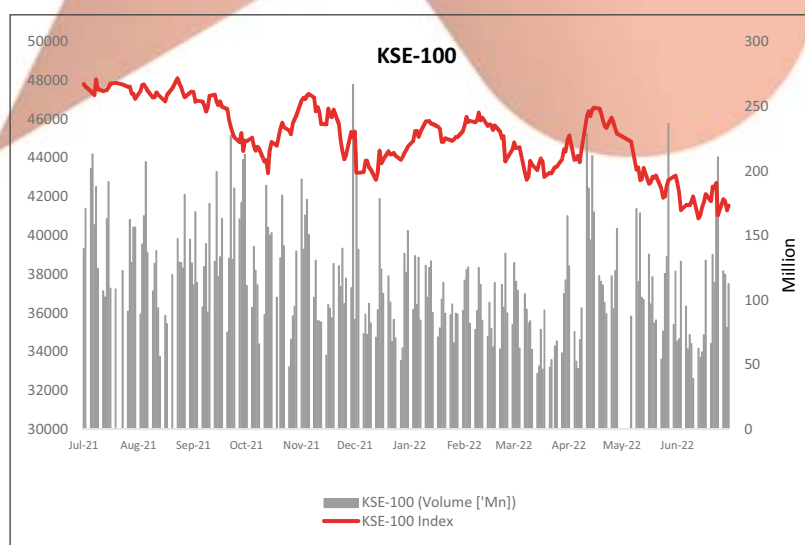
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

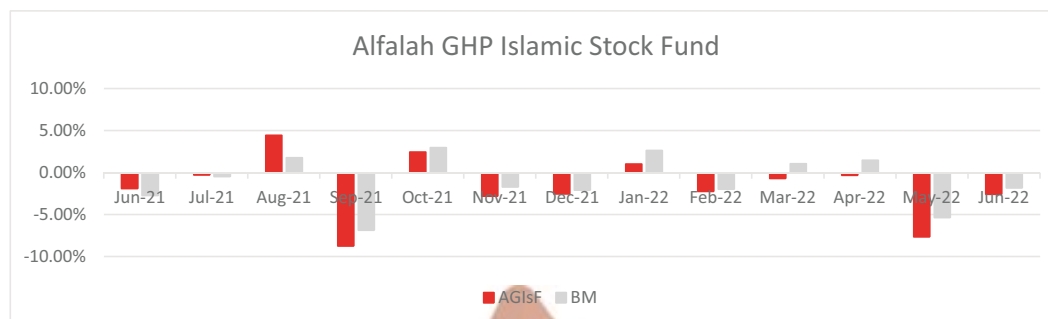
Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.



Fund Performance

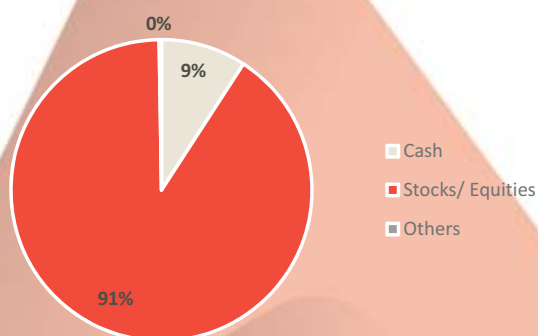
In FY22, AGISTF earned a negative return of 18.67% while its benchmark earned a negative return of 10.25% during the same period.

Performance comparison with Benchmark



Asset Allocation

Asset Allocation (as at 30 Jun 2022)



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC STOCK FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2022





Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC STOCK FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Stock Fund ('AGISF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplement Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we provide consent for investment in equities securities based on the Shariah Guidelines during the period from July 1, 2021 to June 30, 2022.

We hereby certify that the investments made by the Funds are in compliance with Shariah principles.

For the Year 2022-23 provision against Charity is made amount to Rs. 2,751,905/- in respect of dividend purification.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalsh GHP Investment Management Ltd

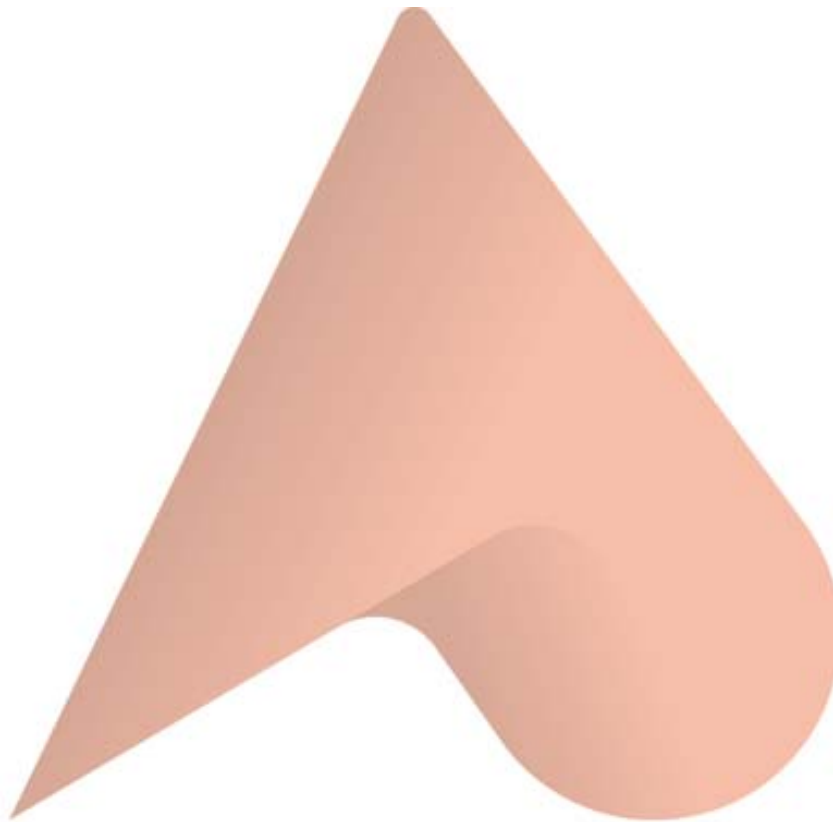
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahghp.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalsh GHP Islamic Stock Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 26, 2022

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Stock Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Islamic Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2022**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matter	How the matter was addressed in our audit
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 99.75% of the total assets of the Fund as at the year end. In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

-: 3 :-

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

-: 4 :-

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Chartered Accountants

Date: 29 September 2022

Karachi

UDIN:

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

	Note	2022	2021
		----- (Rupees) -----	
Assets			
Bank balances	4	132,771,615	47,305,534
Investments	5	1,312,740,146	2,389,899,802
Security deposits	6	2,600,000	2,600,000
Dividend, profit and other receivable	7	1,029,724	13,284,867
Total assets		<u>1,449,141,485</u>	<u>2,453,090,203</u>
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	8	25,664,874	37,088,797
Payable to Central Depository Company of Pakistan Limited - Trustee	9	227,179	324,572
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	394,724	459,611
Accrued expenses and other liabilities	11	7,541,763	88,613,714
Dividend payable		1,853	1,981,563
Total liabilities		<u>33,830,393</u>	<u>128,468,257</u>
Net assets attributable to the unit holders		<u>1,415,311,091</u>	<u>2,324,621,946</u>
Unit holders' fund (as per statement attached)		<u>1,415,311,092</u>	<u>2,324,621,946</u>
Contingencies and commitments	12		
Number of units in issue		<u>38,352,015</u>	<u>51,229,358</u>
Net asset value per unit		<u>36.9032</u>	<u>45.3768</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
Income			
Profit on bank balances		3,581,937	3,087,549
Gain / (loss) on sale of investments - net		(236,456,714)	415,076,426
Dividend income		117,491,950	97,902,582
Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net	5	(244,645,114)	325,398,829
Other Income		16,867	27,637
Total (loss) / income		(360,011,074)	841,493,023
Expenses			
Remuneration of Alfalah GHP			
Investment Management Limited - Management Company	8.1	39,474,854	45,960,548
Sindh sales tax on remuneration of the Management Company	8.2	5,131,729	5,974,875
Allocated expenses	8.4	13,445,928	2,297,870
Selling and marketing expenses	8.5	23,493,153	34,312,668
Remuneration of Central Depository Company of Pakistan - Trustee	9.1	2,973,763	3,298,019
Sindh sales tax on remuneration of the Trustee	9.2	386,591	428,743
Annual fee to the Securities and Exchange Commission of Pakistan	10	394,749	459,611
Brokerage expense and capital value tax		4,937,717	9,954,162
Bank and settlement charges		604,695	1,247,867
Auditors' remuneration	13	839,500	801,962
Annual listing fee		27,500	27,500
Printing charges		30,000	29,980
Charity expense	11.2	2,751,905	2,321,030
Shariah advisory fee		600,000	600,053
Total expenses		95,092,084	107,714,888
Operating (loss) / income for the year		(455,103,157)	733,778,135
Reversal / (charge) for Sindh Workers' Welfare Fund	11.1	60,312,857	(14,675,561)
Net (loss) / profit for the year before taxation		(394,790,301)	719,102,574
Taxation	15	-	-
Net (loss) / income for the year after taxation		(394,790,301)	719,102,574
Allocation of net (loss) / income for the year			
Net income for the year after taxation		(394,790,301)	719,102,574
Less: Income already paid on units redeemed		-	(311,593,169)
		(394,790,301)	407,509,405
Accounting (loss) / income available for distribution			
- Relating to capital gain		(394,790,301)	397,170,864
- Excluding capital gain		-	10,338,541
		(394,790,301)	407,509,405

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

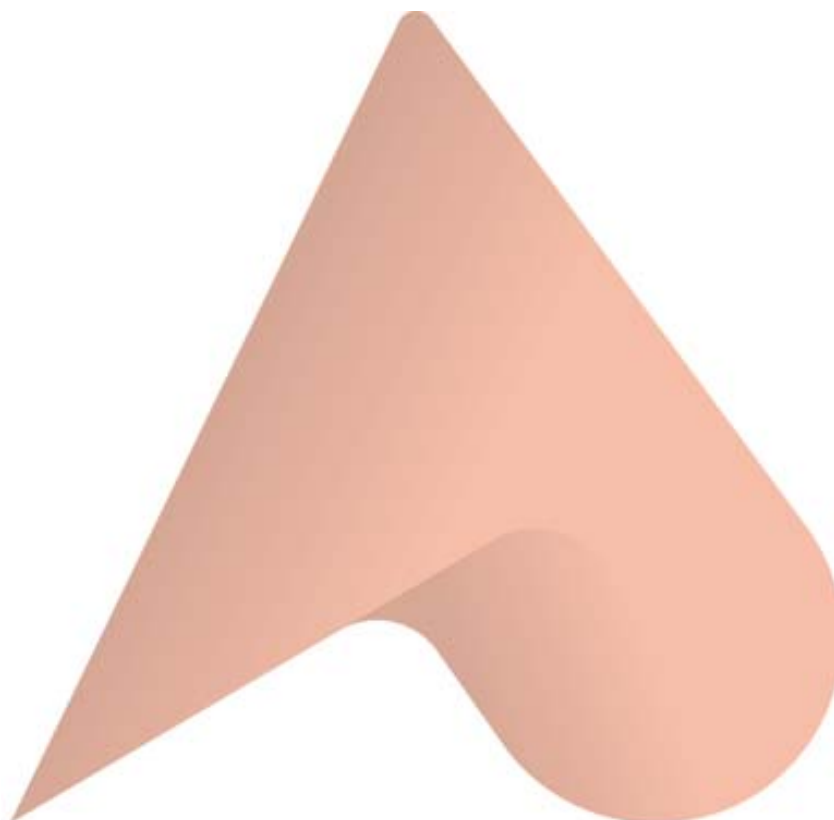
Director

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees) -----	
Net (loss) / income for the year after taxation	(394,790,301)	719,102,574
Other comprehensive income / (loss) for the year	-	-
Total comprehensive (loss) / income for the year	<u>(394,790,301)</u>	<u>719,102,574</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the year	2,612,659,577	(288,037,631)	2,324,621,946	2,322,316,450	(422,867,635)	1,899,448,815
Issuance of 35,177,227 units (2021: 72,743,103 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,596,229,995	-	1,596,229,995	2,916,445,589	-	2,916,445,589
- Element of loss	(69,060,276)	-	(69,060,276)	693,162,472	-	693,162,472
Total proceeds on issuance of units	1,527,169,719	-	1,527,169,719	3,609,608,061	-	3,609,608,061
Redemption of 48,054,569 units (2021: 68,890,499 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,180,562,575	-	2,180,562,575	2,761,985,451	-	2,761,985,451
- Element of loss	(138,872,302)	-	(138,872,302)	420,500,449	311,593,169	732,093,618
Total payments on redemption of units	(2,041,690,273)	-	(2,041,690,273)	(3,182,485,900)	(311,593,169)	(3,494,079,069)
Total comprehensive (loss) / income for the year	-	(394,790,301)	(394,790,301)	-	719,102,574	719,102,574
Interim distribution for the year ended June 30, 2021 @ Rs. 9.5717 per unit on June 30, 2021	-	-	-	(136,779,034)	(272,679,401)	(409,458,435)
Net assets at end of the year	2,098,139,023	(682,827,932)	1,415,311,092	2,612,659,577	(288,037,631)	2,324,621,946
Undistributed accumulated loss brought forward		(Rupees)			(Rupees)	
- Realised (loss) / income		(613,436,460)			(379,052,254)	
- Unrealised loss		325,398,829			(43,815,381)	
		(288,037,631)			(422,867,635)	
Accounting income available for distribution						
- Relating to capital loss		(394,790,301)			397,170,864	
- Excluding capital gain		-			10,338,541	
		(394,790,301)			407,509,405	
Total comprehensive loss for the year		-			-	
Distribution during the year		-			(272,679,401)	
Undistributed accumulated loss carried forward		(682,827,932)			(288,037,631)	
Undistributed income / (accumulated loss) carried forward						
- Realised loss		(438,182,818)			(613,436,460)	
- Unrealised loss / income		(244,645,114)			325,398,829	
		(682,827,932)			(288,037,631)	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		45.3768			40.0924	
Net asset value per unit at the end of the year		36.9032			45.3768	

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income / (loss) for the year after taxation		(394,790,301)	719,102,574
Adjustment for:			
Unrealised gain or loss on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net		244,645,114	(325,398,829)
(Reversal) / charge for Sindh Workers' Welfare Fund		(60,312,857)	14,675,561
		(210,458,044)	408,379,306
Decrease in assets			
Investments - net		832,514,542	(194,772,516)
Dividend, profit and other receivable		12,255,143	(11,707,018)
Receivable against sale of investments		-	-
		844,769,685	(206,479,534)
Increase / (decrease) in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		(11,423,923)	15,733,788
Payable to Central Depository Company of Pakistan Limited - Trustee		(97,393)	60,106
Annual fee payable to the Securities and Exchange Commission of Pakistan		(64,887)	47,136
Accrued expenses and other liabilities		(20,759,093)	17,797,633
Payable against purchase of investments		-	(1,117,464)
		(32,345,296)	32,521,199
Net cash generated from / (used in) operating activities		601,966,345	234,420,971
CASH FLOW FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		1,527,169,719	3,472,829,027
Payments made against redemption of units		(2,041,690,273)	(3,494,079,069)
Dividend Paid		(1,979,710)	(270,809,763)
Net cash used in financing activities		(516,500,264)	(292,059,805)
Net decrease in cash and cash equivalents during the year		85,466,081	(57,638,834)
Cash and cash equivalents at the beginning of the year		47,305,534	104,944,368
Cash and cash equivalents at the end of the year	4	132,771,615	47,305,534

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Stock Fund (formerly Alfalah GHP Islamic Fund) (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on April 11, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on March 29, 2007. The SECP has approved second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Stock Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

- 1.2** The Fund is categorised as a 'shariah compliant equity scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3** According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022.

- 1.4** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act. The above mentioned Trust Deed has been registered under the Sindh Trust Act on 17 September, 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

"These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:"

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

□ 2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are

□ recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow:

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund (note 11.1)
- iii. Provision against Federal Excise Duty (note 8.3)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets at fair value through profit or loss' which are measured at their fair values.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as fair value through profit or loss (FVPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.1.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.1.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.1.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised

at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.1.5Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.2.1.6Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

The Fund does not recognize deferred tax liabilities and assets as its income is exempt from tax as explained above.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

	Note	2022	2021
		----- (Rupees) -----	
4 BANK BALANCES			
Balances with banks in:			
- Savings accounts	4.1	77,621,472	7,588,656
- Current accounts	4.2	55,150,143	39,716,878
		<u>132,771,615</u>	<u>47,305,534</u>
4.1	The rate of return on these ranges from 5.50% to 15.20% (2021: 2.11% to 7.00%) per annum and includes bank balance of Rs. 0.11 million (2021: Rs 0.11 million) maintained with Bank Alfalah Limited - Islamic Banking Division (a related party), carrying profit at the rate of 5.14% (2021: 2.11%).		
4.2	This balance is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).		
5 INVESTMENTS - FAIR VALUE THROUGH PROFIT OR LOSS			
	Note	2022	2021
		----- (Rupees) -----	
Listed equity securities	5.1	1,312,740,146	2,389,899,802
		<u>1,312,740,146</u>	<u>2,389,899,802</u>

5.1 Listed equity securities - at fair value through profit or loss

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	Note	As at July 01, 2021	Acquired during the year during the period	Bonus / Right shares during the year	Sold during the year	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up value of shares held as a percentage of total paid-up capital of the Investee	
							Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealized Gain/(Loss)				
						(Number of shares)		(Rupees)					
Fertilizer													
Engro Corporation		481,199	243,000	-	294,087	430,112	124,195,846	110,577,494	(13,618,352)	7.81%	8.42%	0.07%	
Engro Fertilizer Limited		351,893	649,221	-	359,000	642,114	49,247,161	56,916,985	7,669,824	4.02%	4.34%	0.05%	
Fauji Fertilizer Bin Qasim Limited		910,000	325,000	-	1,235,000	-	-	-	-	0.00%	0.00%	0.00%	
							173,443,007	167,494,479	(5,948,528)	11.83%	12.76%		
Cement													
Attock Cement Pakistan Limited		132,900	-	-	132,900	-	-	-	-	0.00%	0.00%	0.00%	
Cherat Cement Company Limited		289,500	128,600	-	178,000	240,100	40,744,405	22,338,904	(18,405,501)	1.58%	1.70%	0.12%	
D. G. Khan Cement	5.1.1	437,640	312,418	-	749,900	158	17,101	9,875	(7,226)	0.00%	0.00%	0.00%	
Fauji Cement		1,516,000	75,000	-	1,591,000	-	-	-	-	0.00%	0.00%	0.00%	
Kohat Cement		119,100	23,000	-	7,500	134,600	27,112,919	17,515,498	(9,597,421)	1.24%	1.33%	0.07%	
Lucky Cement		317,968	50,513	-	180,286	188,195	158,526,986	86,389,033	(72,137,953)	6.10%	6.58%	0.06%	
Maple Leaf Cement Factory Limited		1,747,160	487,500	-	1,334,000	900,660	38,927,934	24,633,051	(14,294,883)	1.74%	1.88%	0.08%	
Power Cement Limited		2,460,000	150,000	-	2,610,000	-	-	-	-	0.00%	0.00%	0.00%	
Pioneer Cement		372,000	170,400	-	413,900	128,500	14,683,161	7,752,405	(6,930,756)	0.55%	0.59%	0.06%	
							280,012,506	158,638,766	(121,373,740)	11.21%	12.08%		
Power generation and distribution													
Hub Power Company	5.1.1	1,171,579	880,000	-	872,369	1,179,210	92,025,001	80,386,746	(11,638,256)	5.68%	6.12%	0.09%	
							92,025,001	80,386,746	(11,638,256)	5.68%	6.12%		
Refinery													
Cnergyco PK Limited		2,398,000	2,985,000	-	2,788,000	2,595,000	22,465,208	13,857,300	(8,607,908)	0.98%	1.06%	0.02%	
National Refinery Limited	5.1.1	-	60,000	-	60,000	-	-	-	-	0.00%	0.00%	0.00%	
							22,465,208	13,857,300	(8,607,908)	0.98%	1.06%		
Oil and gas marketing companies													
Hascol Petroleum	5.1.2	4,221	-	-	-	4,221	37,694	17,813	(19,881)	0.00%	0.00%	0.00%	
Hi-Tech Lubricants Ltd		-	493,500	68,700	395,500	166,700	9,524,949	6,609,655	(2,915,294)	0.47%	0.50%	0.14%	
Pakistan State Oil	5.1.2	449,253	209,000	-	331,901	326,352	68,623,083	56,080,328	(12,542,756)	3.96%	4.27%	0.07%	
Sui Northern Gas Pipelines Limited	5.1.2	-	444,499	-	444,499	-	-	-	-	0.00%	0.00%	0.00%	
							78,185,726	62,707,796	(15,477,931)	4.43%	4.78%		
Oil and gas exploration companies													
Mari Petroleum Co. Ltd		56,644	20,963	-	4,840	72,767	113,072,462	126,595,661	13,523,199	8.94%	9.64%	0.05%	
Oil & Gas Development Company Limited		1,757,355	372,155	-	1,034,411	1,095,099	103,103,128	86,151,438	(16,951,690)	6.09%	6.56%	0.03%	
Pakistan Oilfields Limited		359,330	68,000	-	214,430	212,900	83,467,525	86,396,949	2,929,424	6.10%	6.58%	0.08%	
Pakistan Petroleum Limited		1,829,714	240,000	-	950,000	1,119,714	96,520,126	75,591,892	(20,928,234)	5.34%	5.76%	0.04%	
							396,163,241	374,735,940	(21,427,301)	26.48%	28.55%		
Automobile assembler													
Honda Atlas Cars (Pakistan) Limited		-	161,200	-	161,200	-	-	-	-	0.00%	0.00%	0.00%	
Millat Tractors		10,053	-	-	10,053	-	-	-	-	0.00%	0.00%	0.00%	
Pak Suzuki Motor Company		68,200	41,500	-	109,700	-	-	-	-	0.00%	0.00%	0.00%	
							-	-	-	-	-	-	
Textile composite													
Interloop Limited		505,250	215,000	14,617	323,342	411,525	28,796,919	25,103,025	(3,693,894)	1.77%	1.91%	0.05%	
Kohinoor Textile	5.1.2	461,251	-	-	175,000	286,251	21,526,075	14,312,550	(7,213,525)	1.01%	1.09%	0.10%	
Nishat Mills Limited		551,474	195,000	-	399,300	347,174	31,662,803	25,659,630	(6,003,173)	1.81%	1.95%	0.10%	
							81,985,797	65,075,205	(16,910,592)	4.60%	4.96%		
Engineering													
Agha Steel Ind. Limited		803,000	115,000	38,650	954,000	2,650	82,872	41,552	(41,320)	0.00%	0.00%	0.00%	
Aisha Steel Limited		1,894,000	639,500	-	2,533,500	-	-	-	-	0.00%	0.00%	0.00%	
International Industries		30,496	230,400	-	36,000	224,896	38,124,023	23,328,462	(14,795,561)	1.65%	1.78%	0.17%	
International Steels Limited		-	453,400	-	156,000	297,400	24,557,663	17,653,664	(6,903,999)	1.25%	1.34%	0.07%	
Mughal Iron & Steel Industries		226,000	308,451	37,350	151,000	420,801	39,983,749	24,254,970	(15,728,779)	1.71%	1.85%	0.14%	
							102,748,307	65,278,648	(37,469,659)	4.61%	4.97%		
Pharmaceuticals													
Citi Pharma Limited		-	1,195,776	177	725,000	470,953	16,889,163	15,371,906	(1,517,257)	1.09%	1.17%	0.23%	
Highnoon (Lab)	5.1.2	49,264	-	1,466	34,600	16,130	8,798,408,546,803	(251,597)	0.60%	0.65%	0.04%		
The Searle Company	5.1.2	213,963	75,000	53,808	98,600	244,171	41,779,652	26,619,522	(15,160,130)	1.88%	2.03%	0.10%	
							67,467,215	50,538,231	(16,928,984)	3.57%	3.85%		
Food and personal care products													
Al Shaheer Corporation Limited	5.1.2	575	-	-	100	475	9,467	4,294	(5,173)	0.00%	0.00%	0.00%	
The Organic Meat Company Limited		-	327,500	32,750	360,250	-	-	-	-	0.00%	0.00%	0.00%	
							9,467	4,294	(5,173)	0.00%	0.00%		

Name of the investee company	Note	As at July 01, 2021	Acquired during the year during the period	Bonus / Right shares during the year	Sold during the year	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up value of shares held as a percentage of total paid-up capital of the Investee
							Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealized Gain/(Loss)			
(Number of shares) (Rupees)												
Commercial banks												
Bankislami Pakistan Ltd.		-	1,963,500	-	705,500	1,258,000	17,019,537	15,146,320	(1,873,217)	1.07%	1.15%	0.11%
Meezan Bank Limited		1,260,000	83,000	143,696	718,928	767,768	79,140,841	86,742,429	7,601,587	6.13%	6.61%	0.05%
							96,160,378	101,888,749	5,728,370	7.20%	7.76%	
Chemical												
Engro Polymer & Chemicals Limited		880,000	214,000	-	753,500	340,500	16,969,468	27,114,015	10,144,547	1.92%	2.07%	0.04%
							16,969,468	27,114,015	10,144,547	1.92%	2.07%	
Transport												
Pakistan National Shipping Co.		89,000	-	-	89,000	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	0.00%	0.00%	
Vanaspati & Allied Industries												
Unity Foods Limited		1,492,567	960,000	-	1,757,567	695,000	18,600,806	13,948,650	(4,652,156)	0.99%	1.06%	0.07%
							18,600,806	13,948,650	(4,652,156)	0.99%	1.06%	
Paper and board												
Century Paper & Board Mills		54,500	194,700	-	249,200	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	0.00%	0.00%	
Automobile parts & accessories												
Panther Tyres Limited		363,204	137,000	90,840	591,044	-	-	-	-	0.00%	0.00%	0.00%
Thal Limited (face value of Rs. 5 each)		68,000	-	-	61,500	6,500	2,748,070	1,752,530	(995,540)	0.12%	0.13%	0.01%
							2,748,070	1,752,530	(995,540)	0.12%	0.13%	
Technology & communication												
Air Link Communication Limited		-	239,947	17,996	257,000	943	62,720	38,088	(24,633)	0.00%	0.00%	0.00%
Avanceon Limited		403,200	277,000	57,500	446,200	291,500	22,432,262	22,710,765	278,503	1.60%	1.73%	0.11%
Octopus Digital Limited		-	74,336	-	74,000	336	13,642	23,960	10,319	0.00%	0.00%	0.00%
Pakistan Telecommunication Company Limited		1,075,000	-	-	1,075,000	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited		153,547	39,500	131,402	93,645	230,804	67,707,832	76,133,007	8,425,175	5.38%	5.80%	0.17%
TRG Pakistan		-	165,000	-	165,000	-	-	-	-	0.00%	0.00%	0.00%
							90,216,456	98,905,820	8,689,364	6.99%	7.53%	
Glass & Ceramics												
Balochistan Glass Limited		590,000	-	-	590,000	-	-	-	-	0.00%	0.00%	0.00%
Tariq Glass Limited		-	140,000	-	-	140,000	17,892,974	14,533,400	(3,359,574)	1.03%	1.11%	0.10%
							17,892,974	14,533,400	(3,359,574)	1.03%	1.11%	
Miscellaneous												
Synthetic Products Limited	5.1.2	9,907	21,398	792	10,699	21,398	426,100	301,498	(124,602)	0.02%	0.02%	0.02%
							426,100	301,498	(124,602)		0.02%	
Exchange Traded Funds												
Alfalsh Consumer Index ETF	5.1.2	-	1,987,000	-	-	1,987,000	19,865,530	15,578,080	(4,287,450)	1.10%	1.19%	288.81%
							19,865,530	15,578,080	(4,287,450)	1.10%	1.19%	
As at June 30, 2022							1,557,385,258	1,312,740,147	(244,645,113)	92.75%	100.00%	
As at June 30, 2021							2,064,500,973	2,389,899,802	325,398,828	102.81%	100.00%	

5.1.1 The above investments include shares having a market value (in aggregate) amounting to Rs. 61.35 million (2021: Rs. 78.78 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee Company	2022	2021	2022	2021
	Number of shares		Market Value	
			----- (Rupees) -----	
D.G. Khan Cement Company Limited	-	60,000	-	7,075,200
The Hub Power Company Limited	900,000	1,000,000	61,353,000	71,703,000
			61,353,000	78,778,200

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. The Management Company has charged remuneration at a rate of 2% (2021: 2%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the year, an amount of Rs. 5.132 million (2021: Rs. 5.975 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 5.356 million (2021: Rs. 5.841 million) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by Non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 9.78 million (2021: Rs 9.78 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2022 would have been higher by Re 0.14 per unit (2021: Re 0.11 per unit).

8.4 In accordance with regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expenses.

8.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company (except fund of funds).

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022	2021
			----- (Rupees) -----	
	Trustee remuneration payable	9.1	201,041	287,231
	Sindh sales tax payable on Trustee remuneration	9.2	26,138	37,341
			<u>227,179</u>	<u>324,572</u>

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Net Assets (Rs.)	
up to Rs. 1 billion	0.20% p.a of net assets
over Rs. 1 billion	Rs. 2.0 million plus 0.10% p.a. of net assets exceeding Rs. 1 billion

- 9.2 Accordingly during the year, an amount of Rs. 0.39 million (2021: Rs. 0.43 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.398 million (2021: Rs. 0.422 million) was paid to the Trustee which acts as a collecting agent.

10	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2022	2021
			----- (Rupees) -----	
	Annual fee payable	10.1	<u>394,724</u>	<u>459,611</u>

- 10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2022	2021
			----- (Rupees) -----	
	Provision for Sindh Workers' Welfare Fund	11.1	-	60,312,857
	Auditors' remuneration payable		811,434	1,053,820
	Brokerage payable		429,297	1,438,604
	Settlement charges		116,804	93,935
	Withholding tax payable		1,032,257	20,968,987
	Charity payable	11.2	2,751,905	3,023,870
	Shariah advisor fee payable		663,653	962,107
	Capital value tax payable		7,855	7,854
	Sales load payable		198,785	239,389
	Annual rating fee		235,413	235,413
	Conversion Payable		1,179,940	-
	Other liabilities		<u>114,420</u>	<u>276,878</u>
			<u>7,541,763</u>	<u>88,613,714</u>

- 11.1 Sindh Revenue Board through its letter dated August 12, 2021 has intimated to Mutual Fund Association of Pakistan (MUFAP) that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has been taken up with the SECP by all the Asset Management Companies. In consultation with SECP, Asset Management Companies have reversed the cumulative provision for SWWF recognized in the financial statements of the funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, no provision for SWWF has been recognized in the financial statements of the Fund.

- 11.2 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments a portion of which has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the Fund.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

	2022	2021
	----- (Rupees) -----	
13 AUDITORS' REMUNERATION		
Audit fee	400,000	400,000
Review and other certification	310,517	260,517
Out of pocket expenses	68,127	88,604
Sindh sales tax	60,856	52,841
	<u>839,500</u>	<u>801,962</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 4.82% which includes 0.3284% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. The TER excluding government levies is 4.39% which is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

15 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of the section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income tax Ordinance, 2001. Since the management has paid the required minimum percentage of income earned by the the Fund during the year ended 30 June 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding limited, Bank Alfalah Limited and MAB Investment Incorporation being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, the Management Company - Staff Provident Fund, directors and their close family members and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, and other associated companies and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Unit holders' fund

	2022									
	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvest- ment	Redeemed /conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022
	Units					(Rupees)				
Key management personnel										
Head of Corporate sales	5,317	-	800	-	6,117	241,268	-	36,753	-	225,737
Head of Human Resource	-	-	-	-	-	-	-	-	-	-
Chief Executive Officer	27,855	5,623	-	28,221	5,257	1,263,963	154,503	195,546	569,770	194,006
Head of Investment Advisory and Senior Portfolio Manager	37,601	9,029	-	9,096	37,534	1,706,201	1,250,000	-	287,059	1,385,115
Units more than 10%										
Sindh Province Pension Fund	12,348,711	-	-	-	12,348,712	560,345,014	-	97,824,615	-	455,706,972
Sindh General Provident Investment Fund	6,727,901	-	-	-	6,727,901	305,290,621	-	53,297,409	-	248,281,078
Punjab Pension Fund Trust	1,251,034	4,176,174	-	-	5,427,208	56,767,900	191,440,000	-	-	200,281,336
	<u>20,398,419</u>	<u>4,190,826</u>	<u>800</u>	<u>37,317</u>	<u>24,552,729</u>	<u>925,614,967</u>	<u>192,844,503</u>	<u>151,354,323</u>	<u>856,829</u>	<u>906,074,244</u>

2021									
As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvest- ment	Redeemed /conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2021
Units					(Rupees)				
4,517	-	800	-	5,317	181,097	-	36,753	-	241,268
-	-	-	-	-	-	-	-	-	-
32,381	2,892	4,255	11,673	27,855	1,287,487	154,503	195,546	569,770	1,251,810
9,096	22,259	6,246	-	37,601	364,680	1,250,000	-	287,059	1,706,213
10,220,192	-	2,128,519	-	12,348,711	409,752,026	-	97,824,615	-	560,344,989
5,568,228	-	1,159,673	-	6,727,901	223,243,624	-	53,297,409	-	305,290,618
292,390	21,289,690	1,362,991	14,955,970	7,989,101	11,722,617	1,072,078,138	62,641,723	757,010,457	362,519,838
-	8,900,523	-	8,900,523	-	-	441,496,143	-	461,067,913	-
16,126,811	30,215,364	4,662,485	23,868,166	27,136,494	646,551,812	1,514,978,784	213,996,098	1,218,935,199	1,231,355,100

16.2 Other transactions

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Investment Management Limited - Management Company	39,474,854	45,960,548
Sindh sales tax on remuneration of the Management Company	5,131,729	5,974,875
Allocated expenses	13,445,928	2,297,870
Selling and marketing expenses	23,493,153	34,312,668
Sales load	262,855	413,455

Bank Alfalah Limited - Islamic Banking Division

Profit on bank balances	89	28,417
Bank charges	-	65
Sales load	31,298	976,225

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of Central Depository Company of Pakistan - Trustee	2,973,763	3,298,019
Sindh sales tax on remuneration of the Trustee	386,591	428,743
Settlement charges	603,095	648,256

16.3 Other balances

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Management remuneration payable	2,376,683	4,100,911
Sindh sales tax payable on management remuneration	1,097,919	1,322,070
Federal excise duty payable on management remuneration	5,412,371	5,412,371
Payable against allocated expenses	4,556,363	973,173
Payable against selling and marketing expenses	11,239,301	24,283,968
Sales load payable	982,237	996,304

Bank Alfalah Limited - Islamic Banking Division

Bank balances	55,262,966	39,825,248
Sales load payable	198,785	239,389

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	201,041	287,231
Sindh sales tax payable on Trustee remuneration	26,138	37,341
Security deposit	100,000	100,000

17 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022, all the financial assets carried on the statement of assets and liabilities are categorised either financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	132,771,615	-	132,771,615
Investments	-	1,312,740,146	1,312,740,146
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	1,029,724	-	1,029,724
	<u>136,401,339</u>	<u>1,312,740,146</u>	<u>1,449,141,485</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	25,664,874	-	25,664,874
Payable to Central Depository Company of Pakistan Limited - Trustee	227,179	-	227,179
Accrued expenses and other liabilities	6,501,651	-	6,501,651
Dividend payable	1,853	-	1,853
	<u>32,395,557</u>	<u>-</u>	<u>32,395,557</u>
Particulars	2021		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	47,305,534	-	47,305,534
Investments	-	2,389,899,802	2,389,899,802
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	13,284,867	-	13,284,867
	<u>63,190,401</u>	<u>2,389,899,802</u>	<u>2,453,090,203</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	37,088,797	-	37,088,797
Payable to Central Depository Company of Pakistan Limited - Trustee	324,572	-	324,572
Payable against purchase of investments	-	-	-
Accrued expenses and other liabilities	7,324,016	-	7,324,016
Dividend payable	1,981,563	-	1,981,563
	<u>46,718,948</u>	<u>-</u>	<u>46,718,948</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Funds's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / interest rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

18.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2022, is as follows:

	2022	2021
	(Rupees)	
Variable rate instrument (financial asset)		
Bank balance	77,621,472	7,588,656

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates on the last repricing date would have increased / decreased the net profit for the year and the net assets of the Fund by Rs 0.78 million (2021: Rs 0.064 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment portfolio and the profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

On-balance sheet financial instruments is based on settlement date.

Particulars	Effective yield / interest rate	2022				Total
		Exposed to yield / interest risk				
		Upto three months	More than three months and up to	More than one year	Not exposed to yield / interest rate risk	
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5%-15.20%	77,621,472	-	-	55,150,143	132,771,615
Investments		-	-	-	1,312,740,146	1,312,740,146
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	1,029,724	1,029,724
		77,621,472	-	-	1,371,520,013	1,449,141,485
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	25,664,874	25,664,874
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	227,179	227,179
Accrued expenses and other liabilities		-	-	-	6,501,651	6,501,651
Dividend payable		-	-	-	1,853	1,853
		-	-	-	32,395,557	32,395,557
On-balance sheet gap (a)		77,621,472	-	-	1,339,124,456	1,416,745,928
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		77,621,472	-	-	1,339,124,456	1,416,745,928
Cumulative profit rate sensitivity gap		77,621,472	77,621,472	77,621,472		

Particulars	2021					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to	More than one year		
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	2.1% - 7%	7,588,656	-	-	39,716,878	47,305,534
Investments		-	-	-	2,389,899,802	2,389,899,802
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	13,284,867	13,284,867
		7,588,656	-	-	2,445,501,547	2,453,090,203
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	37,088,797	37,088,797
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	324,572	324,572
Accrued expenses and other liabilities		-	-	-	7,324,016	7,324,016
Dividend payable		-	-	-	1,981,563	1,981,563
		-	-	-	46,718,948	46,718,948
On-balance sheet gap (a)		7,588,656	-	-	2,398,782,599	2,406,371,255
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		7,588,656	-	-	2,398,782,599	2,406,371,255
Cumulative profit rate sensitivity gap		7,588,656	7,588,656	7,588,656		

18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investment in equity securities classified as 'at fair value through profit or loss'. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Trust Deed. The NBFC Regulations also limit investment in individual equity securities to not more than 15% of the net assets and issued capital of the investee company and sector exposure upto 40% of the net assets.

In case of 1% increase / decrease in KSE 100 index on June 30, 2022, with all other variables held constant, the net income / loss and the net assets of the Fund would increase / decrease by Rs 13.13 million (2021: Rs 23.899 million) as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

The analysis is based on the assumption that equity index has increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

At June 30, 2022, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees) -----				
Bank balances	132,771,615	132,771,615	47,305,534	47,305,534
Investments	1,312,740,146	-	2,389,899,802	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Receivable against sale of investments	-	-	-	-
Dividend, profit and other receivable	1,029,724	1,029,724	13,284,867	13,284,867
	<u>1,449,141,485</u>	<u>136,401,339</u>	<u>2,453,090,203</u>	<u>63,190,401</u>

The difference in the balance as per the Statement of Assets and Liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 1,312.74 million (2021: Rs 2,389.9 million) is not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2022 and June 30, 2021.

18.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of dividends receivable on equity securities. Credit risk on dividend receivable is minimal due to statutory protection.

Bank balances

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Bank	Rating Agency	Rating	2022	2021
Bank Alfalah Limited	PACRA	A1+ / AA+	41.62%	84.19%
Meezan Bank Limited	VIS	A-1+ / AAA	0.006%	0.018%
National Bank of Pakistan	VIS	A-1+ / AAA	0.02%	0.05%
Habib Bank Limited	VIS	A-1+ / AAA	0.022%	0.062%
BankIslami Pakistan Limited	PACRA	A1 / A+	1.80%	10.79%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	0.05%	2.02%
Silk Bank Limited	VIS	A-2 / A-	0.00%	2.23%
MCB Islamic Bank Limited	PACRA	A1 / A	0.04%	0.21%
Allied Bank Limited	PACRA	A1+ / AAA	56.45%	0.10%
			<u>100%</u>	<u>100%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with banks having high credit rating and in listed equity securities which are not exposed to credit risk.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily cash redemptions, if any. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets

in investments that are traded in an active market and can be readily disposed of. The Fund's investments in listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

----- 2022 -----					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					
Financial assets					
Bank balances	132,771,615	-	-	-	132,771,615
Investments	-	-	-	1,312,740,146	1,312,740,146
Security deposits	-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable	1,029,724	-	-	-	1,029,724
	133,801,339	-	-	1,315,340,146	1,449,141,485
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - Management Company	25,664,874	-	-	-	25,664,874
Payable to Central Depository Company of Pakistan Limited - Trustee	227,179	-	-	-	227,179
Accrued expenses and other liabilities	6,501,651	-	-	-	6,501,651
Dividend payable	1,853	-	-	-	1,853
	32,395,557	-	-	-	32,395,557
Net Assets	101,405,781	-	-	1,315,340,146	1,416,745,928
----- 2021 -----					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					
Financial assets					
Bank balances	47,305,534	-	-	-	47,305,534
Investments	-	-	-	2,389,899,802	2,389,899,802
Security deposits	-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable	13,284,867	-	-	-	13,284,867
	60,590,401	-	-	2,392,499,802	2,453,090,203
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - Management Company	37,088,797	-	-	-	37,088,797
Payable to Central Depository Company of Pakistan Limited - Trustee	324,572	-	-	-	324,572
Accrued expenses and other liabilities	7,324,016	-	-	-	7,324,016
Dividend payable	1,981,563	-	-	-	1,981,563
	46,718,948	-	-	-	46,718,948
Net Assets	13,871,453	-	-	2,392,499,802	2,406,371,255

18.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022 and June 30, 2021, the Fund held the following assets measured at fair values:

2022			
Level 1	Level 2	Level 3	Total
(Rupees)			
Financial assets 'at fair value through profit or loss'			
Investments			
Listed equity securities	1,312,740,146	-	-
	<u>1,312,740,146</u>	<u>-</u>	<u>1,312,740,146</u>
2021			
Level 1	Level 2	Level 3	Total
(Rupees)			
Financial assets 'at fair value through profit or loss'			
Investments			
Listed equity securities	2,389,899,802	-	-
	<u>2,389,899,802</u>	<u>-</u>	<u>2,389,899,802</u>

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

18.5 Unit holders' fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

20 CORRESPONDING FIGURES

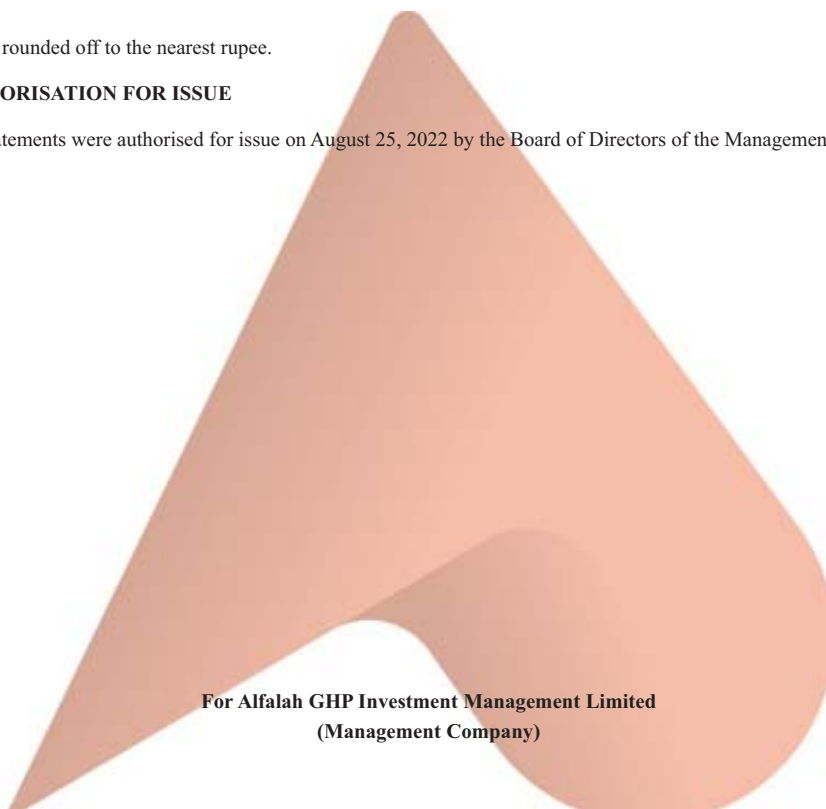
Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

21 GENERAL

21.1 Figures have been rounded off to the nearest rupee.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	602	4,774,501	176,194,222	12%
Retirement & Other Funds	24	26,222,018	967,675,651	68%
Insurance Co.	3	2,000,648	73,830,262	5%
Others	10	5,354,850	197,610,957	14%
	639	38,352,017	1,415,311,092	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1756	10,111,926	458,846,822	20%
Retirement & Other Funds	66	21,732,356	986,144,779	42%
Insurance Co.	14	2,721,182	123,478,534	5%
Others	56	16,663,894	756,154,179	33%
	1892	51,229,358	2,324,624,315	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022
	%
Cedar Capital (Private) Limited	7%
Foundation Securities Limited	7%
Arif Habib Limited	7%
JS Global Capital Limited	6%
Al Habib Capital Markets Limited	6%
Inter Market Securities Limited	6%
Taurus Securities Limited	6%
EFG Hermes Pakistan Limited	5%
BMA Capital Management Limited	5%
Ismail Iqbal Securities (Pvt.) Limited	5%
	30 June 2021
	%
Inter Market Securities Limited	8%
Ismail Iqbal Securities (Pvt.) Limited	6%
Al Habib Capital Markets Limited	6%
Next Capital Limited	6%
EFG Hermes Pakistan Limited	5%
JS Global Capital Limited	5%
Insight Securities (Private) Limited	5%
Foundation Securities Limited	5%
BMA Capital Management Limited	5%
Arif Habib Limited	5%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGISF

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
	(Rupees in '000)				
Net Assets	1,415,311	2,324,622	1,899,448	2,062,099	4,382,970
NAV per unit	36.9032	45.3768	40.0924	40.6369	62.3088
Selling price per unit	38.1542	46.9151	41.4515	42.0145	64.4211
Redemption price per unit	36.9032	45.3768	40.0924	40.6369	62.3088
Highest selling price per unit	49.7932	59.0934	53.4178	53.7467	76.4498
Highest redemption price per unit	48.1606	57.1558	51.6663	51.9844	73.9431
Lowest selling price per unit	37.3559	42.0103	31.6076	40.8919	60.5991
Lowest redemption price per unit	36.1311	40.6328	30.5712	39.5511	58.6121
Total interim distribution per unit	Nil	9.5717	Nil	Nil	6.9204
Interim distribution date	N/A	25-Jun-21	N/A	N/A	29-Jun-17
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-18.67%	36.75%	-1.34%	-14.43%	24.81%
Income distribution	Nil	23.87%	Nil	Nil	10.84%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is 2.24%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain

The Hub Power Company Limited

EOGM	30-Aug-21	Announcement of Financial Results for the year ended June 2021	1,113,710	0.09%	✓		

Fauji Cement Company Limited

EOGM	28-Oct-21	Approved financial results of the first quarter ended on September 30, 2021	1,098,000	0.08%	✓		
		Considered the amalgamation of Askari cement limited with and into FCCL through a scheme arrangement					

Fauji Cement Company Limited

EOGM	26-Feb-22	Approved, adopted and agreed the scheme of arrangement of amalgamation of Askari cement limited and Fauji Cement Company Limited	1,138,000	0.08%	✓		
		Special resolution to increase authorized share capital by 25 billion rupees by the creation of 1 billion ordinary shares					

Mari Petroleum Company Limited

EOGM	25-Apr-22	Approved financial results of the nine months period ended March 31, 2022	72,767	0.05%	✓		

Mari Petroleum Company Limited

EOGM	22-Jun-22	Election of Directors	72,767	0.05%	✓		
		Considered matters other than financial results					



Alfalah GHP Value Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalalah GHP Value Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

The investment objective of Alfalah GHP Value Fund (AGVF) is to generate stable and consistent returns from a well-diversified portfolio consisting of high quality equity and debt securities.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review:

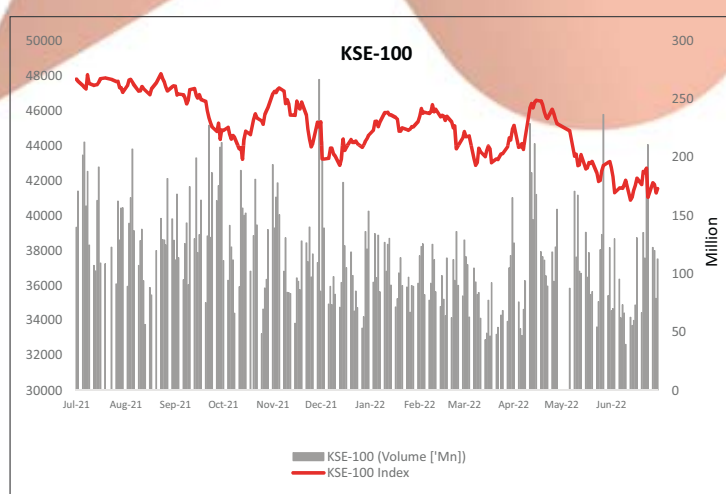
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.



Money Market Review

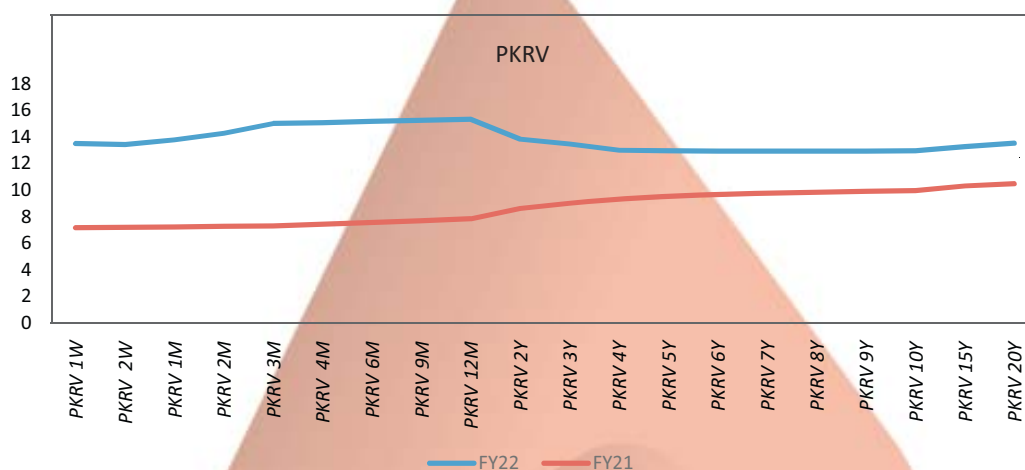
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

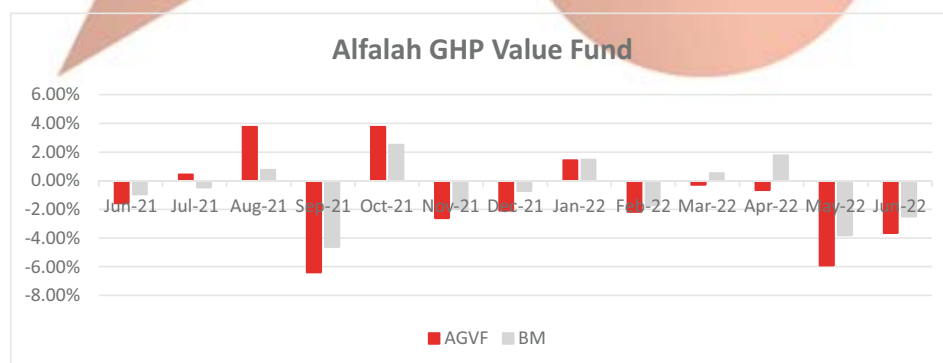
Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



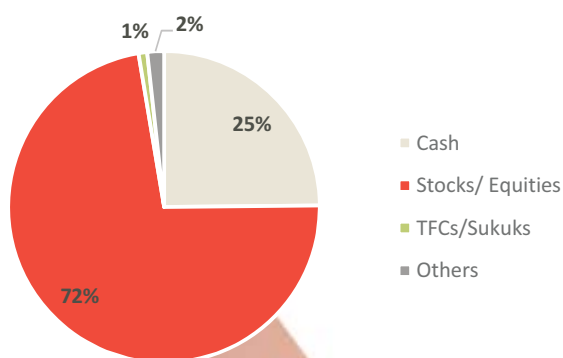
Fund Performance

During FY22, AGVF underperformed its benchmark with a negative return of 13.89% versus the benchmark negative return of 8.55% during the same period.



Assets Allocation

Asset Allocation
(as at 30 Jun 2022)



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP VALUE FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 20, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Value Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Value Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2022**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matter	How the matter was addressed in our audit
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 98.36% of the total assets of the Fund as at the year end. In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

-: 3 :-

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

-: 4 :-

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Chartered Accountants

Date: 29 September 2022

Karachi

UDIN:

ALFALAH GHP VALUE FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

		2022	2021
	Note	(Rupees)	
Assets			
Bank balances	4	103,301,116	105,179,325
Investments	5	304,028,412	542,348,942
Security deposits	6	2,600,000	2,600,000
Receivable against sale of investments		545,810	-
Other receivables	7	3,658,470	2,095,121
Total assets		414,133,808	652,223,388
Liabilities			
Payable to the Management Company	8	11,203,549	13,821,988
Payable to the Trustee	9	75,105	117,667
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	106,355	157,379
Payable against purchase of investments		-	-
Accrued expenses and other liabilities	11	2,176,181	30,701,020
Dividend Payable		99,524	4,029,555
Total liabilities		13,660,715	48,827,609
Net assets attributable to unit holders		<u>400,473,093</u>	<u>603,395,779</u>
Unit holders' fund (as per the statement attached)		<u>400,473,093</u>	<u>603,395,779</u>
Contingencies and commitments	12		
		Number of units	
Number of units in issue		<u>8,225,007</u>	<u>10,671,204</u>
		Rupees	
Net asset value per unit		<u>48.6897</u>	<u>56.5443</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
Income			
Profit / Mark up income	13	9,918,084	14,559,341
Dividend income		30,881,842	28,219,908
(Loss) / gain on sale of investments - net		(39,910,436)	107,787,406
Unrealised (loss) / gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.1	(61,469,965)	96,488,479
Total (loss) / Income		(60,580,475)	247,055,134
Expenses			
Remuneration of the Management Company	8.1	10,637,422	15,748,727
Sindh sales tax on remuneration of the Management Company	8.2	1,382,863	2,047,335
Allocated expenses	8.4	3,298,764	787,389
Selling and marketing expenses	8.5	6,267,214	10,132,283
Remuneration of the Trustee		1,063,749	1,574,875
Sindh sales tax on remuneration of the Trustee		138,291	204,734
Annual fee to the Securities and Exchange Commission of Pakistan		106,380	157,404
Brokerage expenses		762,694	1,834,389
Bank and settlement charges		522,320	1,890,951
Auditors' remuneration	14	839,512	755,537
Printing charges		29,981	29,979
Fees and subscription		27,499	27,500
Total expenses		25,076,689	35,191,103
Operating (loss) / income for the period		(85,657,164)	211,864,031
Reversal / (charge) against Sindh Worker's Welfare Fund	11.1	16,647,762	(4,237,281)
Net (loss) / income for the period before taxation		(69,009,402)	207,626,750
Taxation	16	-	-
Net (loss) / income for the period after taxation		(69,009,402)	207,626,750
Allocation of net income for the period			
Net income for the period after taxation		(69,009,402)	207,626,750
Income already paid on units redeemed		-	(73,571,230)
		(69,009,402)	134,055,520
Accounting income available for distribution			
- Relating to capital gains		-	134,055,520
- Excluding capital gains		-	-
		(69,009,402)	134,055,520

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

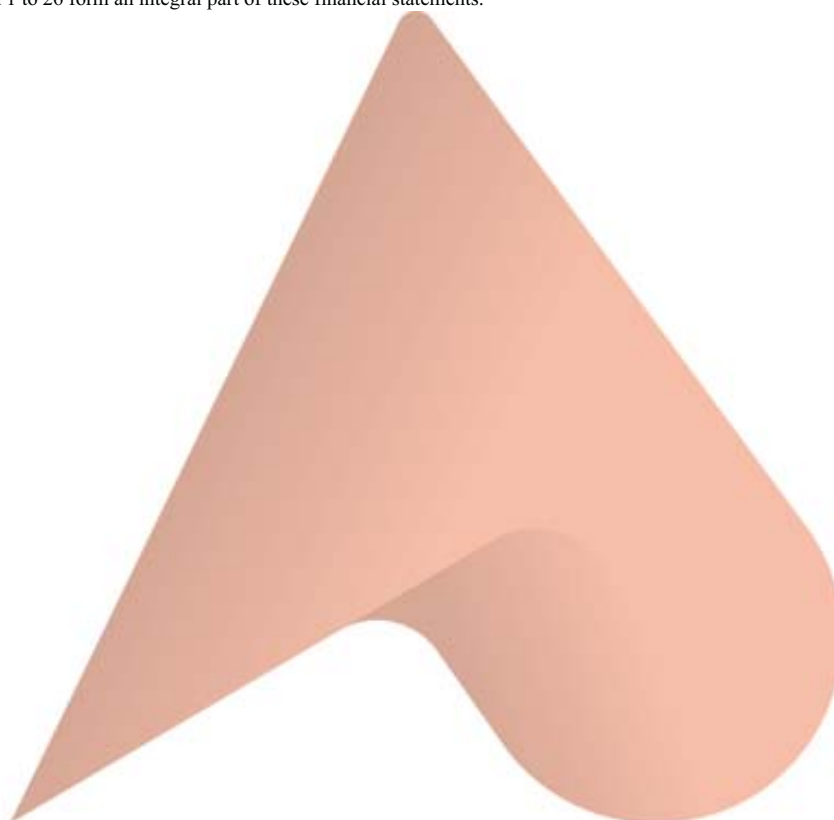
Chief Financial Officer

Director

ALFALAH GHP VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees) -----	
Net (loss) / income for the period before taxation	(69,009,402)	207,626,750
Other comprehensive income for the period	-	-
Net (loss) / income for the period after taxation	<u>(69,009,402)</u>	<u>207,626,750</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	595,588,626	7,807,153	603,395,779	885,555,538	(53,480,140)	832,075,398
Issue of 455,490 units (2021: 1,794,390 units)						
- Capital value (at net asset value per unit at the beginning of the year)	25,755,363	-	25,755,363	89,662,618	-	89,662,618
- Element of loss	(669,695)	-	(669,695)	16,571,612	-	16,571,612
Total proceeds on issuance of units	25,085,668	-	25,085,668	106,234,230	-	106,234,230
Redemption of 2,901,687 units (2021: 7,775,262 units)						
- Capital value (at net asset value per unit at the beginning of the year)	164,073,860	-	164,073,860	388,516,624	-	388,516,624
- Element of loss	(5,074,908)	-	(5,074,908)	6,075,684	73,571,230	79,646,914
Total payments on redemption of units	(158,998,952)	-	(158,998,952)	(394,592,308)	(73,571,230)	(468,163,538)
Total comprehensive (loss) / income for the year	-	(69,009,402)	(69,009,402)	-	207,626,750	207,626,750
Final distribution for the year ended June 30, 2021 @ Rs. 7.7114 per unit on June 30, 2021	-	-	-	(1,608,834)	(72,768,227)	(74,377,061)
Net assets at the end of the year	461,675,342	(61,202,249)	400,473,093	595,588,626	7,807,153	603,395,779
	(Rupees)			(Rupees)		
Accumulated loss brought forward						
- Realised loss		(88,681,326)			(23,961,057)	
- Unrealised gain / (loss)		96,488,479			(29,519,083)	
		7,807,153			(53,480,140)	
Final distribution for the year ended June 30, 2021 @ Rs. 7.7114 per unit on June 30, 2021		-			(72,768,227)	
Net (loss) / Income for the year after taxation		(69,009,402)			-	
Undistributed (loss) / income carried forward		(61,202,249)			(126,248,367)	
Undistributed income carried forward						
- Realised gain / (loss)		267,716			(88,681,326)	
- Unrealised (loss) / gain		(61,469,965)			96,488,479	
		(61,202,249)			7,807,153	
Net asset value per unit at the beginning of the year		56.5443			49.9683	
Net asset value per unit at the end of the year		48.6897			56.5443	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the year before taxation		(69,009,402)	207,626,750
Adjustments for:			
Unrealised loss / (gain) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		61,469,965	(96,488,479)
Reversal / (charge) against Sindh Worker's Welfare Fund		(16,647,762)	4,237,281
		(24,187,199)	115,375,552
Decrease / (increase) in assets			
Investments - net		176,850,565	254,245,962
Receivable against sale of investments		(545,810)	-
Other receivables		(1,563,349)	(233,121)
		174,741,406	254,012,841
(Decrease) / increase in liabilities			
Payable to the Management Company		(2,618,439)	2,074,408
Payable to the Trustee		(42,562)	(37,407)
Annual fee payable to the Securities and Exchange Commission of Pakistan		(51,024)	(48,503)
Payable against purchase of investments		-	(1,699,286)
Accrued expenses and other liabilities		(11,877,079)	11,292,948
		(14,589,103)	11,582,160
Net cash generated from operating activities		135,965,103	380,970,553
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		25,085,668	104,625,396
Amount paid against redemption of units		(158,998,952)	(468,163,538)
Dividend paid		(3,930,031)	(68,783,084)
Net cash used in financing activities		(137,843,315)	(432,321,226)
Net decrease in cash and cash equivalents during the year		(1,878,211)	(51,350,673)
Cash and cash equivalents at the beginning of the year		105,179,325	156,529,998
Cash and cash equivalents at the end of the year	4	103,301,116	105,179,325

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Value Fund is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on May 19, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on May 13, 2005. The SECP approved the first Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. NBFC/RS/AGIML/AGVF/200/2010 dated March 18, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Value Fund.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as an 'asset allocation scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in equity, debt and money market securities. The investment policy and objectives are explained in the Fund's offering document.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on April 08, 2022.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act. The above mentioned Trust Deed has been registered under the Sindh Trust Act on 17 September, 2021.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

"These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:"

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow:

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund (note 11.1)
- iii. Provision against Federal Excise Duty (note 8.3)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets at fair value through profit or loss' which are measured at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI) or;
- at fair value through profit or loss (FVPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as fair value through profit or loss (FVPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.1.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.1.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.2.1.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.1.6 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.1.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.2.1.8 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

The Fund does not recognize deferred tax liabilities and assets as its income is exempt from tax as explained above.

3.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Revenue recognition

- Gain or loss on sale of investments are recorded in the Income Statement on the date on which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Income on sukuk certificates, term finance certificates and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as non-performing asset under Circular No. 33 of 2012 issued by the SECP for which the profits / income are recorded on receipt basis.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

		2022	2021
4. BANK BALANCES	Note	----- (Rupees) -----	
In savings accounts	4.1	103,301,116	105,179,325
		<u>103,301,116</u>	<u>105,179,325</u>

4.1 These carry profit rates ranging between 5.55% to 11.10% (2021: 5.50% to 7.70%) per annum and include Rs. 102.93 million (2021: Rs. 69.19 million) maintained with Bank Alfalah Limited (a related party).

		2022	2021
5. INVESTMENTS - at fair value through profit or loss	Note	----- (Rupees) -----	
Listed equity securities	5.1	300,421,964	538,711,840
Listed real estate investment trust units	5.2	-	7,758
Term finance certificates	5.3	3,606,448	3,629,344
		<u>304,028,412</u>	<u>542,348,942</u>

5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of		Holding as a percentage of paid up capital of the investee
						Carrying Value	Market value	Unrealised (loss) / gain	net assets of the	total investments of the	
-----Number of shares-----						----- (Rupees) -----					
Automobile assembler											
Pak Suzuki Motor Company	16,000	-	-	16,000	-	-	-	-	-	-	0.00%
						-	-	-	0.00%	0.00%	
Automobile parts and accessories											
THAL LIMITED	18,750	-	-	12,000	6,750	2,853,765	1,819,935	(1,033,830)	0.45%	0.60%	0.02%
Panther Tyres Limited	95,023	-	15,904	110,927	-	-	-	-	0.00%	0.00%	0.00%
						2,853,765	1,819,935	(1,033,830)	0.45%	0.60%	
Cement											
Attock Cement Pakistan Limited	38,800	-	-	38,800	-	-	-	-	-	-	0.00%
Cherat Cement Company Limited	29,500	27,000	-	8,500	48,000	7,790,829	4,465,920	(3,324,909)	1.12%	1.47%	0.02%
D. G. Khan Cement	47,410	47,500	-	61,000	33,910	3,734,411	2,119,375	(1,615,036)	0.53%	0.70%	0.01%
Kohat Cement	20,200	10,000	-	-	30,200	6,256,098	3,929,926	(2,326,172)	0.98%	1.29%	0.02%
Lucky Cement	41,950	2,904	-	21,800	23,054	19,429,060	10,582,708	(8,846,352)	2.64%	3.48%	0.01%
Maple Leaf Cement Factory Limited	260,309	20,000	-	125,000	155,309	7,169,204	4,247,701	(2,921,503)	1.06%	1.40%	0.03%
Pioneer Cement	78,000	26,000	-	68,000	36,000	4,136,454	2,171,880	(1,964,574)	0.54%	0.71%	0.02%
Power Cement Limited	347,500	150,000	-	497,500	-	-	-	-	-	-	0.00%
Fauji Cement	416,000	-	-	416,000	-	-	-	-	0.00%	0.00%	0.00%
						48,516,056	27,517,510	(20,998,546)	6.87%	9.05%	
Chemicals											
Engro Polymer & Chemicals Limited	200,500	19,500	-	170,500	49,500	2,429,995	3,941,685	1,511,690	0.98%	1.30%	0.01%
						2,429,995	3,941,685	1,511,690	0.98%	1.30%	
Commercial banks											
Bank Al-Falah Limited	-	344,500	-	67,500	277,000	9,053,679	8,864,000	(189,679)	2.21%	2.92%	0.02%
Bank Al-Habib Limited	132,500	30,301	-	34,000	128,801	8,987,895	7,478,186	(1,509,709)	1.87%	2.46%	0.01%
Bank of Punjab	991,000	290,000	133,875	597,000	817,875	6,086,510	4,432,883	(1,653,628)	1.11%	1.46%	0.03%
Faysal Bank	408,000	-	-	40,000	368,000	6,244,960	8,486,080	2,241,120	2.12%	2.79%	0.02%
Habib Bank Limited	248,000	9,000	-	98,000	159,000	19,442,495	14,523,060	(4,919,435)	3.63%	4.78%	0.01%
National Bank of Pakistan	44,500	-	-	44,500	-	-	-	-	-	-	0.00%
MCB Bank Limited	106,723	-	-	42,700	64,023	10,232,796	7,873,549	(2,359,248)	1.97%	2.59%	0.01%
Meezan Bank Limited	84,533	-	12,679	7,600	89,612	8,993,236	10,124,364	1,131,127	2.53%	3.33%	0.01%
United Bank Limited	268,000	-	-	140,100	127,900	15,629,380	14,469,327	(1,160,053)	3.61%	4.76%	0.01%
Habib Metropolitan Bank	90,000	-	-	90,000	-	-	-	-	0.00%	0.00%	0.00%
						84,670,952	76,251,448	(8,419,504)	19.04%	25.08%	
Engineering											
Agha Steel Ind. Limited	242,000	10,000	10,350	125,000	137,350	4,372,779	2,153,648	(2,219,131)	0.54%	0.71%	0.02%
Aisha Steel Limited	302,000	-	-	302,000	-	-	-	-	0.00%	0.00%	0.00%

Name of the investee company	As at July 01, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of		Holding as a percentage of paid up capital of the investee	
						Carrying Value	Market value	Unrealised (loss) / gain	net assets of the	total investments of the		
Number of shares						(Rupees)						
International Industries	-	32,000	-	-	32,000	5,830,924	3,319,360	(2,511,564)	0.83%	1.09%	0.02%	
International Steels Limited	-	45,000	-	-	45,000	4,507,650	2,671,200	(1,836,450)	0.67%	0.88%	0.01%	
Mughal Iron & Steel Industries	24,000	81,092	6,870	12,000	99,962	9,008,789	5,761,810	(3,246,980)	1.44%	1.90%	0.04%	
						23,720,142	13,906,018	(9,814,125)	3.47%	4.57%		
Exchange Traded Funds												
Alfalah Consumer Index ETF	-	560,000	-	-	560,000	5,600,850	4,390,400	(1,210,450)	1.10%	1.44%	6.36%	
						5,600,850	4,390,400	(1,210,450)	1.10%	1.44%		
Fertilizer												
Engro Corporation	80,380	6,000	-	12,000	74,380	21,816,500	19,122,354	(2,694,146)	4.77%	6.29%	0.01%	
Engro Fertilizer Limited	-	97,000	-	7,500	89,500	6,962,731	7,933,280	970,549	1.98%	2.61%	0.01%	
Fauji Fertilizer Company	74,400	35,000	-	28,000	81,400	8,602,606	8,971,908	369,302	2.24%	2.95%	0.00%	
Fauji Fertilizer Bin Qasim Limited	113,000	120,000	-	233,000	-	-	-	-	0.00%	0.00%	0.00%	
						37,381,837	36,027,542	(1,354,295)	9.00%	11.85%		
Food and personal care products												
At Tahir Limited	319	-	38	357	-	-	-	-	0.00%	0.00%	0.00%	
						-	-	-	0.00%	0.00%		
Glass & Ceramic												
Balochistan Glass Limited	195,000	-	-	195,000	-	-	-	-	-	-	0.00%	
						-	-	-	0.00%	0.00%		
Miscellaneous												
Synthetic Products Limited	1,413	3,052	113	1,526	3,052	60,773	43,003	(17,770)	0.01%	0.01%	0.00%	
Siddiqsons Tin Plate Ltd.	104,500	-	-	104,500	-	-	-	-	-	-	0.00%	
						60,773	43,003	(17,770)	0.01%	0.01%		
Non Life Insurance												
Adamjee Insurance	174,000	-	-	174,000	-	-	-	-	0.00%	0.00%	0.00%	
						-	-	-	0.00%	0.00%		

Name of the investee company	As at July 01, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of		Holding as a percentage of paid up capital of the investee	
						Carrying Value	Market value	Unrealised (loss) / gain	net assets of the	total investments of the		
Number of shares						(Rupees)						
Oil and gas exploration companies												
Mari Petroleum Co. Ltd	12,039	-	-	2,560	9,479	14,449,693	16,490,995	2,041,303	4.12%	5.42%	0.01%	
Oil & Gas Development Company Limited	185,700	-	-	52,000	133,700	12,705,511	10,518,179	(2,187,332)	2.63%	3.46%	0.00%	
Pakistan Oilfields Limited	36,270	12,620	-	13,500	35,390	13,656,075	14,361,616	705,541	3.59%	4.72%	0.01%	
Pakistan Petroleum Limited	217,556	-	-	91,500	126,056	10,945,442	8,510,041	(2,435,402)	2.12%	2.80%	0.00%	
						51,756,721	49,880,831	(1,875,890)	12.46%	16.41%		
Oil and gas marketing companies												
Hascol Petroleum	3,826	-	-	-	3,826	34,166	16,146	(18,020)	0.00%	0.01%	0.00%	
Pakistan State Oil	38,120	32,000	-	22,700	47,420	9,822,448	8,148,653	(1,673,795)	2.03%	2.68%	0.01%	
Sui Northern Gas Pipelines Limited	3,600	60,000	-	63,600	-	-	-	-	-	-	0.00%	
Hi-Tech Lubricants Ltd	-	119,000	19,200	87,500	50,700	2,867,663	2,010,255	(857,408)	0.50%	0.66%	0.04%	
						12,724,277	10,175,054	(2,549,224)	2.54%	3.35%		
Pharmaceuticals												
AGP Limited	45,500	-	-	45,500	-	-	-	-	-	-	0.00%	
Highnoon (Lab)	11,165	-	691	4,250	7,606	4,149,000	4,030,191	(118,809)	1.01%	1.33%	0.02%	
Ferozsons Laboratories Limited	-	-	-	-	-	-	-	-	-	-	0.00%	
The Searle Company	32,974	-	7,492	11,000	29,466	5,499,296	3,212,383	(2,286,913)	0.80%	1.06%	0.01%	
Citi Pharma Limited	-	285,469	46	162,500	123,015	4,366,937	4,015,210	(351,727)	1.00%	1.32%	0.06%	
						14,015,233	11,257,784	(2,757,449)	2.81%	3.70%		

Name of the investee company	As at July 01, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of		Holding as a percentage of paid up capital of the investee
						Carrying Value	Market value	Unrealised (loss) / gain	net assets of the	total investments of the	
						----- (Rupees) -----					
----- Number of shares -----											
Power generation and distribution											
Hub Power Company	317,091	-	-	102,500	214,591	17,096,465	14,628,668	(2,467,797)	3.65%	4.81%	0.02%
Kot Addu Power	90,000	-	-	90,000	-	-	-	-	0.00%	0.00%	0.00%
						17,096,465	14,628,668	(2,467,797)	3.65%	4.81%	
Refinery											
Cnergyico PK Limited	485,000	85,000	-	185,000	385,000	4,284,071	2,055,900	(2,228,171)	0.51%	0.68%	0.01%
						4,284,071	2,055,900	(2,228,171)	0.51%	0.68%	
Right certificates											
Vanaspati & Allied Industries											
Unity Foods Limited(R3)	-	18,963	-	18,963	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	
Technology & Communication											
Systems Limited	36,775	-	20,775	18,000	39,550	11,078,351	13,045,963	1,967,613	3.26%	4.29%	0.47%
Avanceon Limited	69,600	67,000	15,500	93,600	58,500	4,224,172	4,557,735	333,563	1.14%	1.50%	0.03%
TRG Pakistan	49,000	114,000	-	110,500	52,500	5,274,312	4,059,738	(1,214,574)	1.01%	1.34%	0.07%
Pakistan Telecommunication Company Limite	170,000	-	-	170,000	-	-	-	-	-	-	0.00%
Octopus Digital Limited	-	20,343	-	20,343	-	-	-	-	0.00%	0.00%	0.00%
Air Link Communication Limited	-	61,256	4,594	65,850	-	-	-	-	0.00%	0.00%	#REF!
						20,576,835	21,663,436	1,086,601	5.41%	7.13%	
Textile composite											
Gul Ahmed Textile	200,472	33,000	-	-	233,472	11,780,683	7,893,688	(3,886,995)	1.97%	2.60%	0.05%
Interloop Limited	141,375	68,000	3,641	91,642	121,374	8,526,897	7,403,814	(1,123,083)	1.85%	2.44%	0.01%
Kohinoor Textile	138,802	-	-	81,000	57,802	4,346,710	2,890,100	(1,456,610)	0.72%	0.95%	0.02%
Nishat Mills Limited	146,500	25,000	-	67,500	104,000	9,632,837	7,686,640	(1,946,197)	1.92%	2.53%	0.03%
						34,287,128	25,874,242	(8,412,885)	6.46%	8.51%	
Transport											
Pakistan National Shipping Co.	47,500	-	-	47,500	-	-	-	-	-	-	0.00%
						-	-	-	0.00%	0.00%	
Vanaspati & allied											
Unity Foods Limited	292,253	73,000	-	316,000	49,253	1,895,261	988,508	(906,754)	0.25%	0.33%	0.00%
						1,895,261	988,508	(906,754)	0.25%	0.33%	
As at June 30, 2022						361,870,362	300,421,964	(61,448,398)	75.02%	98.81%	
As at June 30, 2021						442,326,947	538,711,840	96,384,893	89.28%	99.33%	

5.1.1 The above investments include shares having a market value (in aggregate) amounting to Rs. 16.26 million (2021: 25.07 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee Company				
	2022	2021	2022	2021
	Number of shares		Market value	
	----- (Rupees) -----			
Oil and Gas Development Company Limited	120,000	180,000	9,440,400	17,105,400
Hub Power Company Limited	100,000	100,000	6,817,000	7,967,000
			16,257,400	25,072,400

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

On June 27, 2018, the Supreme Court of Pakistan passed a judgement whereby the suits which were already pending or were to be filed in future could only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities was deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Furthermore, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 have not been withheld by the investee companies.

The following is the detail of bonus shares of the Fund withheld by issuing companies

Name of investee Company	2022	2021	2022	2021
	Number		Market value	
			----- (Rupees) -----	
Hascol Petroleum Limited	3,826	3,826	16,261	34,166
Kohinoor Textile Mills Limited	1,260	1,260	63,000	94,752
Mari Petroleum Company Limited	64	64	111,343	97,561
The Searle Company Limited	4,133	3,179	450,580	771,289
Synthetic Products Enterprises Limited	2,797	1,295	39,410	55,689
Pakistan State Oil Company Limited	2,304	2,304	395,919	516,672
Faysal Bank Limited	5,100	5,100	117,606	86,547
			1,194,119	1,656,676

5.2 Listed real estate investment trust units

Name of the investee company	Number of units					As at June 30, 2022			Market value as a percentage of net assets of the Fund	Holding as a percentage of paid up capital of the investee company
	As at July 1, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2022	Carrying value	Market value	Unrealised gain / (loss)		
						----- (Rupees) -----				
Dolmen City REIT (face value of Rs. 10 each)*	704	-	-	704	-	-	-	-	0.00%	3.17%
Total as at June 30, 2022						-	-	-		
Total as at June 30, 2021						7,666	7,758	92		

* Nil figures are due to rounding off

5.3 Term finance certificates

Name of the investee company	Note	Secured / Unsecured	Maturity	Profit Rate	As at July 01, 2021	Purchased during the period	Matured / sold during the period	As at June 30, 2022	Carrying amount as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss)	Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments of the Fund	Facevalue as a percentage of issue size
						(Number of certificates)		(Rupees)						
The Bank of Punjab (December 23, 2016)*		Unsecured	December 23, 2026	6M KIBOR +1.00%	36	-	-	36	3,628,015	3,606,448	(21,566)	0.90%	1.19%	0.14%
Agritech Limited (refer note 5.4.1)	5.3.1	Non - performing			1,141	-	-	1,141	-	-	-	-	-	-
Agritech Limited (IV issue)	5.3.2	Non - performing				-	-	-	5,705,000	-	(5,705,000)	-	-	-
Total as at June 30, 2021									<u>3,628,015</u>	<u>3,606,448</u>	<u>(21,566)</u>			
Total as at June 30, 2021									<u>3,525,850</u>	<u>3,629,344</u>	<u>103,494</u>			

* face value Rs. 99,800 per certificate.

5.3.1 This represents additional TFCs of Agritech Limited (Formerly Pak American Fertilizer Limited) received by the Fund through restructuring agreement reached between lender and Agritech Limited. Under such agreement, outstanding mark-up due on May 29, 2011 amounting to Rs. 7.61 million was settled in the form of zero coupon TFCs valuing Rs. 7.61 million. This investment has been recorded as 100% impaired since these securities have been received in lieu of suspended overdue mark-up to be recognised in income upon realisation.

5.3.2 At the time of purchase / investment, the Term Finance Certificates were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules. However, subsequently they were defaulted or downgraded upon default to non investment grade and became non-compliant with the investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules and with the requirements of the Constitutive Documents. Disclosure of the non-compliance is made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

6 SECURITY DEPOSITS

	Note	2022 (Un-audited) ----- (Rupees) -----	2021 (Audited) ----- (Rupees) -----
Central Depository Company of Pakistan Limited		100,000	100,000
National Clearing Company of Pakistan Limited		<u>2,500,000</u>	<u>2,500,000</u>
		<u>2,600,000</u>	<u>2,600,000</u>

7 OTHER RECEIVABLES

Mark-up / return receivable on:			
- Bank balances		633,781	24,861
- Term finance certificates		12,478	6,822
-Term Deposit Receipts		2,219	2,219
Advance tax	7.1	3,009,993	460,857
Advance against book building of shares		-	1,600,362
		<u>3,658,470</u>	<u>2,095,121</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, several withholding agents deduct tax at source based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under other receivables as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO THE MANAGEMENT COMPANY

	Note	2022	2021
Management remuneration payable	8.1	665,442	1,042,204
Sindh sales tax payable on management remuneration	8.2	703,573	752,553
Federal excise duty payable on management remuneration	8.3	5,888,310	5,888,310
Payable against allocated expenses	8.4	864,590	162,431
Payable against selling and marketing expenses	8.5	2,875,564	5,770,420
Sales load payable		206,070	206,070
		<u>11,203,549</u>	<u>13,821,988</u>

8.1 The Management Company has charged remuneration at the rate of 2% (2021: 2%) of the average net assets of the Fund during the year. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the year, an amount of Rs. 1.383 million (2021: Rs. 2.047 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2.839 million (2021: Rs. 2.089 million) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by Non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 5.89 million (2021: Rs 5.89 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2022 would have been higher by Re 0.72 per unit (2021: Rs 0.55 per unit).

8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company has charged allocated expenses to the fund based on its discretion subject to not being higher than actual expense incurred.

8.5 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2022 ----- (Rupees) -----	2021 -----
Payable to Central Depository Company of Pakistan Limited - Trustee	9.1	66,452	104,121
Sindh sales tax payable on Trustee remuneration	9.2	8,653	13,546
		<u>75,105</u>	<u>117,667</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily net assets of the Fund as follows:

Net Assets (Rs.)	
- up to Rs. 1 billion	0.20% p.a. of Net Assets
- over Rs. 1 billion	Rs. 2 million plus 0.20% p.a. of Net Assets on amount exceeding Rs. 1 billion.

9.2 During the year, an amount of Rs 0.138 million (2021: Rs. 0.205 million) was charged at 13% (2021: 13%) on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.14 million (2021: Rs. 0.21 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2022	2021
		----- (Rupees) -----	
Annual fee payable to the SECP	10.1	<u>106,355</u>	<u>157,379</u>
10.1 'Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.			
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Notes	2022	2021
		----- (Rupees) -----	
Provision against Sindh Workers' Welfare Fund (SWWF)	11.1	-	16,647,762
Auditors' remuneration payable		653,178	854,549
Withholding tax payable		659,896	12,465,164
Brokerage and listing charges payable		50,103	46,856
Sales load payable		147,700	147,700
Printing charges payable		106,112	102,830
Rating fee payable		360,928	360,928
Settlement charges payable		180,613	64,906
Capital value tax payable		2,181	2,181
Others		<u>15,470</u>	<u>8,144</u>
		<u>2,176,181</u>	<u>30,701,020</u>
11.1 Sindh Revenue Board through its letter dated August 12, 2021 has intimated to Mutual Fund Association of Pakistan (MUFAP) that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has been taken up with the SECP by all the Asset Management Companies. In consultation with SECP, Asset Management Companies have reversed the cumulative provision for SWWF recognized in the financial statements of the funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, no provision for SWWF has been recognized in the financial statements of the Fund.			
12 CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments as at June 30, 2022 and June 30, 2021.			
13 PROFIT / MARK-UP INCOME	Note	2022	2021
		----- (Rupees) -----	
Profit / mark-up on:			
- Market Treasury Bills		1,228,091	4,323,861
- Term Finance certificates		380,601	4,274,271
- Bank balances		7,161,546	5,903,980
- Other Income		<u>1,147,846</u>	<u>57,229</u>
		<u>9,918,084</u>	<u>14,559,341</u>
14 AUDITORS' REMUNERATION			
Audit fee		400,000	400,000
Review and other certifications		227,000	227,000
Out of pocket expenses		150,326	72,571
Sindh sales tax		<u>62,186</u>	<u>55,966</u>
		<u>839,512</u>	<u>755,537</u>
15 CASH AND CASH EQUIVALENTS			
Bank balances		<u>103,301,116</u>	<u>105,179,325</u>
16 TAXATION			
The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of the section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income tax Ordinance, 2001. Since the management has paid the required minimum percentage of income earned by the the Fund during the year ended 30 June 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.			
17 TOTAL EXPENSE RATIO (TER)			
The annualised total expense ratio (TER) of the Fund as at 30 June 2022 results is 4.72% (2021: 5.01%) which includes 0.32% (2021: 0.84%) representing Government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "asset allocation scheme".			

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Management Company and Central Depository Company of Pakistan Limited being the Trustee of the Fund. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remunerations to the Management Company and the Trustee of the Fund are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of transactions and balances at period / year end with related parties / connected persons, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

18.1 Unit holders' fund

2022										
As at July 1, 2021	Issued for cash during the year	Bonus / Dividend reinvested during the year	Redeemed during the year	As at June 30, 2022	As at July 1, 2021	Issued for cash during the year	Bonus / Dividend reinvested during the year	Redeemed during the year	As at June 30, 2022	
Units					(Rupees)					
Associated companies / undertakings										
MAB Investment Incorporation	13,981	-	-	-	13,981	790,519	-	-	-	680,707
Key management personnel										
Head of Corporate Sales	5,235	-	-	5,139	96	296,009	-	-	300,000	4,674
Unit holder holding 10% or more units										
PSOCL Workmen Staff Pension Fund	1,283,890	-	-	-	1,283,890	72,596,666	-	-	-	62,512,223
AFTAB FAIZULLAH TAPAL	1,349,904	-	-	-	1,349,904	76,329,381	-	-	-	65,726,425
	2,653,010	-	-	5,139	2,647,871	150,012,575	-	-	300,000	128,924,029
2021										
As at July 1, 2020	Issued for cash during the year	Bonus / Dividend reinvested during the year	Redeemed during the year	As at June 30, 2022	As at July 1, 2020	Issued for cash during the year	Bonus / Dividend reinvested during the year	Redeemed during the year	As at June 30, 2022	
Units					(Rupees)					
Associated companies / undertakings										
Bank Alfalah Limited - Employees' Provident Fund	2,569,616	-	-	2,569,616	-	137,594,714	-	-	174,374,165	-
Alfalah GHP Prosperity Planning Fund	1,864,866	915,657	506,370	725,057	2,561,836	99,857,607	61,033,494	30,670,226	47,250,000	153,312,819
Key management personnel										
Fund Manager	3,519	14,379	4,126	-	22,024	188,431	998,597	249,931	-	1,318,024
Unit holder holding 10% or more units										
Sindh General Provident Investment Fund	32912181	-	963,779	4,875,960	209,484,774	-	58,374,833	-	-	291801339
Sindh Province Pension Fund	3,209,451	-	790,659	-	4,000,110	171,855,831	-	47,889,181	-	239,386,183
	40,559,633	930,036	2,264,934	3,294,673	11,459,930	618,981,357	62,032,091	137,184,171	221,624,165	685,818,365

	2022	2021
	----- (Rupees) -----	
18.2 Other transactions		
Associated companies / undertakings		
Alfaluh GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	10,637,422	15,748,727
Sindh sales tax on remuneration of the Management Company	1,382,863	2,047,335
Allocated expenses	3,298,764	787,389
Selling and marketing expenses	6,267,214	10,132,283
Sales load	73	-
Bank Alfalah Limited		
Profit on bank balances	6,495,306	5,700,784
Bank charges	10,350	30,678
Sales load	670,613	147,700
Purchase of 344,500 shares: (2021: NIL)	11,259,901	-
Sale of 67,500 shares (2021: 164,000)	2,399,053	9,723,120
Alfaluh GHP Income Fund		
Term finance certificates - sold	-	34,944,000
Pakistan Investment Bonds - sold	-	-
Market Treasury Bills - sold	14,938,455	198,870,866
Market Treasury Bills - purchased	-	74,215,979
Alfaluh GHP Money Market Fund		
Market Treasury Bills - sold	-	49,185,400
Market Treasury Bills - purchased	-	83,150,135
Alfaluh GHP Cash Fund		
Market Treasury Bills - purchased	-	84,393,185
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,063,749	1,574,875
Sindh sales tax on remuneration of the Trustee fee	138,291	204,734
Settlement charges	60,899	386,229
18.3 Other balances		
Associated companies / undertakings		
Alfaluh GHP Investment Management Limited - Management Company		
Management remuneration payable	665,442	1,042,204
Sindh sales tax payable on management remuneration	703,573	752,553
Federal excise duty payable on remuneration of the Management Company	5,888,310	5,888,310
Payable against allocated expenses	864,590	162,431
Payable against selling and marketing expenses	2,875,564	5,770,420
Sales load payable	206,070	206,070
Bank Alfalah Limited		
Bank balance	103,451,478	69,185,042
Sales load payable	147,700	147,700
Profit receivable	109,948	2,622
	2022	2021
	----- (Rupees) -----	
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	66,452	104,121
Sindh sales tax payable on Trustee remuneration	8,653	13,546
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022 all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	103,301,116	-	103,301,116
Investments	-	304,028,412	304,028,412
Security deposits	2,600,000	-	2,600,000
Dividend and other receivables	648,478	-	648,478
	<u>106,549,594</u>	<u>304,028,412</u>	<u>410,578,006</u>
Financial liabilities			
Payable to the Alfalah GHP Investment Management Limited - Management Company	11,203,549	-	11,203,549
Payable to Central Depository Company of Pakistan Limited - Trustee	75,105	-	75,105
Accrued expenses and other liabilities	2,123,897	-	2,123,897
Dividend Payable	99,524	-	99,524
	<u>13,502,075</u>	<u>-</u>	<u>13,502,075</u>
Particulars	2021		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	105,179,325	-	105,179,325
Investments	-	542,348,942	542,348,942
Security deposits	2,600,000	-	2,600,000
Dividend and other receivables	1,634,264	-	1,634,264
	<u>109,413,589</u>	<u>542,348,942</u>	<u>651,762,531</u>
Financial liabilities			
Payable to the Alfalah GHP Investment Management Limited - Management Company	13,821,988	-	13,821,988
Payable to Central Depository Company of Pakistan Limited - Trustee	117,667	-	117,667
Accrued expenses and other liabilities	1,585,913	-	1,585,913
Dividend Payable	4,029,555	-	4,029,555
	<u>-</u>	<u>19,555,123</u>	<u>19,555,123</u>

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Funds's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal risk management policies and investment guidelines established by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments as at June 30, 2022 is as follows:

	2022	2021
	-----Rupees-----	
Variable rate instruments (financial asset)		
Bank balances	103,301,116	105,179,325
Term finance certificates	3,606,448	3,629,344
	<u>106,907,564</u>	<u>108,808,669</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 1.07 million (2021: Rs. 1.08 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

Presently the Fund does not have any fixed rate instruments

The composition of the Fund's investment portfolio, KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for the financial instruments recognised in the statement of assets and liabilities is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

20.1.2 Interest rate risk (Continued)

2022					
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(%)	(Rupees)				
On-balance sheet financial instruments					
Financial assets					
Bank balances	7.70% to 16.60%	103,301,116	-	-	103,301,116
Investments	12.17%-16.44%	-	-	3,606,448	3,606,448
Security deposits		-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	545,810	545,810
Other receivable		-	-	648,478	648,478
		103,301,116	-	3,606,448	304,216,252
Financial liabilities					
Payable to the Alfalah GHP Investment Management Limited - Management Company		-	-	11,203,549	11,203,549
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	75,105	75,105
Accrued expenses and other liabilities		-	-	2,123,897	2,123,897
Dividend Payable		-	-	99,524	99,524
		-	-	13,502,075	13,502,075
On-balance sheet gap (a)		103,301,116	-	3,606,448	290,714,177
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		103,301,116	-	3,606,448	290,714,177
Cumulative interest rate sensitivity gap		103,301,116	103,301,116	106,907,564	

2021					
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(%)	(Rupees)				

On-balance sheet financial instruments

Financial assets

Bank balances	5.50% - 7.70%	105,179,325	-	-	-	105,179,325
Investments	8.60% - 8.69%	-	3,629,344	-	538,719,598	542,348,942
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivables		-	-	-	1,634,264	1,634,264
		105,179,325	3,629,344	-	542,953,862	651,762,531

Financial liabilities

Payable to the Alfalah GHP Investment Management Limited - Management Company		-	-	-	13,821,988	13,821,988
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	117,667	117,667
Accrued expenses and other liabilities		-	-	-	1,585,913	1,585,913
Dividend Payable		-	-	-	4,029,555	4,029,555
		-	-	-	19,555,123	19,555,123

On-balance sheet gap (a)

105,179,325	3,629,344	-	523,398,739	632,207,408

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a+b)

105,179,325	3,629,344	-	523,398,739	632,207,408

Cumulative interest rate sensitivity gap

105,179,325	108,808,669	108,808,669

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investment in equity securities classified as 'at fair value through profit or loss'. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Trust Deed. The NBFC Regulations also limit:

a) Investment in individual equity securities to the lower of:

- 10% of net assets of the Fund or the index weight of the security subject to the limit of 15% percent, whichever is higher; and
- 10% of the issued capital of the investee company

b) Exposure to any one sector upto 30% of the net assets of the Fund or index weight of the security whichever is higher, subject to a maximum of 35%.

In case of 1% increase / decrease in KSE 100 index on June 30, 2022, with all other variables held constant, the net income / loss and the net assets of the Fund would increase / decrease by Rs 3 million (2021: Rs 5,387 million) as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- Rupees -----				
Bank balances	103,301,116	103,301,116	105,179,325	105,179,325
Investments	304,028,412	3,606,448	542,348,942	3,629,344
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividend and other receivables	648,478	648,478	1,634,264	1,634,264
	<u>410,578,006</u>	<u>110,156,042</u>	<u>651,762,531</u>	<u>113,042,933</u>

The difference in the balance as per the Statement of Assets and Liabilities and maximum exposure is due to the fact that investments in listed equity securities, listed real estate investment trust units and Government securities of Rs. 300.4 million (2021: Rs.538.720 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2022 and June 30, 2021.

20.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of dividends receivable on equity securities and investment in term finance certificates and sukuk certificates. Credit risk on dividend receivable is minimal due to statutory protection.

20.2.2.1 Bank balances

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Name of Bank	Rating agency	Rating	2022	2021
			Percentage of total bank balance	
Habib Bank Limited	VIS	A1+ / AAA	0.01%	0.01%
National Bank of Pakistan	PACRA	A1+ / AAA	0.04%	0.04%
Bank Alfalah Limited	PACRA	A1+ / AA+	99.64%	65.78%
Allied Bank Limited	PACRA	A1+ / AAA	0.07%	0.05%
Bank Al Habib Limited	PACRA	A1+ / AAA	0.01%	0.01%
JS Bank Limited	PACRA	A1+ / AA-	0.02%	0.01%
Habib Metropolitan Bank Limited	PACRA	A1+ / AA+	0.02%	0.02%
Zarai Taraqati Bank Limited	VIS	A1+ / AAA	0.00%	0.10%
Soneri Bank Limited	PACRA	A1+ / AA-	0.06%	0.06%
Silk Bank Limited	VIS	A2 / A-	0.00%	0.63%
The Bank of Punjab	PACRA	A1+ / AA+	0.11%	33.29%
Central Depository Company	N/A	N/A	0.00%	0.00%
Faysal Bank Limited	PACRA	A1+		
			100%	100%

20.2.2.2 Investment in debt instruments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2022 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	2022	2021
			Percentage of total balance	
The Bank of Punjab	PACRA	A1+ / AA+	100%	100%
			100%	100%

Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2022.

20.2.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

20.3 Liquidity risk (Continued)

2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	With no fixed maturity	Total
----- Rupees -----							
Financial assets							
Bank balances	103,301,116	-	-	-	-	-	103,301,116
Investments	-	-	-	3,606,448	-	300,421,964	304,028,412
Security deposits	-	-	-	-	-	2,600,000	2,600,000
Receivable against sale of investment	545,810	-	-	-	-	-	545,810
Dividend and other receivables	648,478	-	-	-	-	-	648,478
	104,495,404	-	-	3,606,448	-	303,021,964	411,123,815
Financial liabilities							
Payable to the Alfalah GHP Investment Management Limited - Management Company	11,203,549	-	-	-	-	-	11,203,549
Payable to Central Depository Company of Pakistan Limited - Trustee	75,105	-	-	-	-	-	75,105
Accrued expenses and other liabilities	2,123,897	-	-	-	-	-	2,123,897
Dividend Payable	99,524	-	-	-	-	-	99,524
	13,502,075	-	-	-	-	-	13,502,075
Net financial assets	90,993,329	-	-	3,606,448	-	303,021,964	397,621,740
----- Rupees -----							
2021	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	With no fixed maturity	Total
Financial assets							
Bank balances	105,179,325	-	-	-	-	-	105,179,325
Investments	-	-	-	-	3,629,344	538,719,598	542,348,942
Security deposits	-	-	-	-	-	2,600,000	2,600,000
Dividend and other receivables	1,634,264	-	-	-	-	-	1,634,264
	106,813,589	-	-	-	3,629,344	541,319,598	651,762,531
Financial liabilities							
Payable to the Alfalah GHP Investment Management Limited - Management Company	13,821,988	-	-	-	-	-	13,821,988
Payable to Central Depository Company of Pakistan Limited - Trustee	117,667	-	-	-	-	-	117,667
Accrued expenses and other liabilities	1,585,913	-	-	-	-	-	1,585,913
Dividend Payable	4,029,555	-	-	-	-	-	4,029,555
	19,555,123	-	-	-	-	-	19,555,123
Net financial assets	87,258,466	-	-	-	3,629,344	541,319,598	632,207,408

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022 and June 30, 2021, the Fund held the following financial instruments measured at fair values:

Financial assets 'at fair value through profit or loss'

Investments

2022			
Level 1	Level 2	Level 3	Total
(Rupees)			
Listed equity securities	300,421,964	-	300,421,964
Term finance certificates	-	3,606,448	3,606,448
300,421,964	3,606,448	-	304,028,412

Financial assets 'at fair value through profit or loss'

Investments

2021			
Level 1	Level 2	Level 3	Total
(Rupees)			
Listed equity securities	538,711,840	-	538,711,840
Listed real estate investment trust units	7,758	-	7,758
Term finance certificates	-	3,629,344	3,629,344
538,719,598	3,629,344	-	542,348,942

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

24 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

25 GENERAL

25.1 Figures have been rounded off to the nearest rupee.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on August 25, 2022.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	419	3,663,723	178,385,556	45%
Associated Co./ Directors				0%
Insurance Co.				0%
Retirement & Other Funds	17	3,732,461	181,732,368	45%
Others	10	828,824	40,355,168	10%
	446	8,225,007	400,473,092	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1926	5,247,523	296,717,494	49%
Associated Co./ Directors				0%
Insurance Co.				0%
Retirement & Other Funds	91	3,722,402	210,480,612	35%
Others	59	1,701,279	96,197,638	16%
	2076	10,671,204	603,395,744	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022
	%
Arif Habib Limited	11
Al Habib Capital Markets Limited	10
Ismail Iqbal Securities (Pvt.) Limited	8
Cedar Capital (Private) Limited	8
MULTILINE SECURITIES LIMITED	7
Foundation Securities Limited	6
EFG Hermes Pakistan Limited	6
BMA Capital Management Limited	6
Inter Market Securities Limited	5
JS Global Capital Limited	4

	30 June 2021
	%
Al Habib Capital Markets Limited	11
Foundation Securities Limited	9
Shajar Capital Pakistan Private Limited	8
Arif Habib Limited	7
Next Capital Limited	6
EFG Hermes Pakistan Limited	6
Taurus Securities Limited	5
BMA Capital Management Limited	5
Topline Securities (Pvt) Limited	5
JS Global Capital Limited	4

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGVF

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
	(Rupees in '000)				
Net Assets	400,473	603,396	832,075	1,276,525	2,137,367
NAV per unit	48.6897	56.5443	49.9683	50.5829	61.9813
Selling price per unit	50.3403	58.4612	51.6622	52.2977	72.8543
Redemption price per unit	48.6897	56.5443	49.9683	50.5829	61.9813
Highest selling price per unit	56.7807	68.4639	98.8316	66.4491	87.9451
Highest redemption price per unit	54.9189	66.2191	60.0667	64.2703	85.0615
Lowest selling price per unit	49.4530	51.6622	44.5942	51.4357	60.3693
Lowest redemption price per unit	47.8315	49.9683	43.1320	49.7492	58.3899
Total interim 1st distribution per unit	Nil	7.71	0.83	Nil	Nil
Total interim 2nd distribution per unit	Nil	Nil	0.26	Nil	Nil
Interim 1st distribution date	Nil	25-Jun-21	44,008.00	Nil	Nil
Interim 2nd distribution date	Nil	Nil	44,012.00	Nil	Nil
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	Nil	Nil	Nil	Nil	Nil
Annualized returns	-13.89%	28.45%	0.94%	-8.80%	-12.04%
Income distribution	Nil	15.44%	0.02	Nil	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **8.0%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Value Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
The Hub Power Company Limited							
EOGM	30-Aug-21	Announcement of Financial Results for the year ended June 2021	297,091	0.02%	✓		
Kot Addu Power Company Limited							
EOGM	17-Aug-21	Announcement of Financial Results for the year ended June 2021	90,000	0.01%	✓		
Fauji Cement Company Limited							
EOGM	28-Oct-21	Approved financial results of the first quarter ended on September 30, 2021	366,000	0.03%	✓		
		Considered the amalgamation of Askari cement limited with and into FCCL through a scheme arrangement					
Fauji Cement Company Limited							
EOGM	26-Feb-22	Approved, adopted and agreed the scheme of arrangement of amalgamation of Askari cement limited and Fauji Cement Company Limited	258,000	0.02%	✓		
		Special resulation to increase authorized share capiatl by 25 billion rupees by the creation of 1 billion ordinary shares					
Bank Alfalah Limited							
AGM	29-Mar-22	Received, adopted & considered audited annual accounts for the year ended December 31, 2021	311,000	0.02%	✓		
		Approved payment of final cash dividend at the rate of Rs. 2 per share i.e. 20% for the year ended December 31, 2021					
		Appointed auditors of the bank for the year 2022 & fix their remuneration					
Habib Metropolitan Bank Limited							
AGM	28-Mar-22	Received, adopted & considered audited annual accounts for the year ended December 31, 2021	1,000	0.00%	✓		
		Approved payment of final cash dividend at the rate of Rs. 3 per share i.e. 30% for the year ended December 31, 2021					
		Appointed auditors of the bank for the year 2022 & fix their remuneration					
Mari Petroleum Company Limited							
EOGM	25-Apr-22	Approved financial results of the nine months period ended March 31, 2022	9,479	0.01%	✓		
Mari Petroleum Company Limited							
EOGM	22-Jun-22	Election of Directors	9,415	0.01%	✓		
		Considered matters other than financial results					



Alfalah GHP Prosperity Planning Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalsh GHP Prosperity Planning Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Fund of Funds Scheme

Investment Objective

Alfalsh GHP Prosperity Planning Fund is an Open-ended Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Collective Investment Scheme in line with the risk tolerance of the investor.

Money Market Review:-

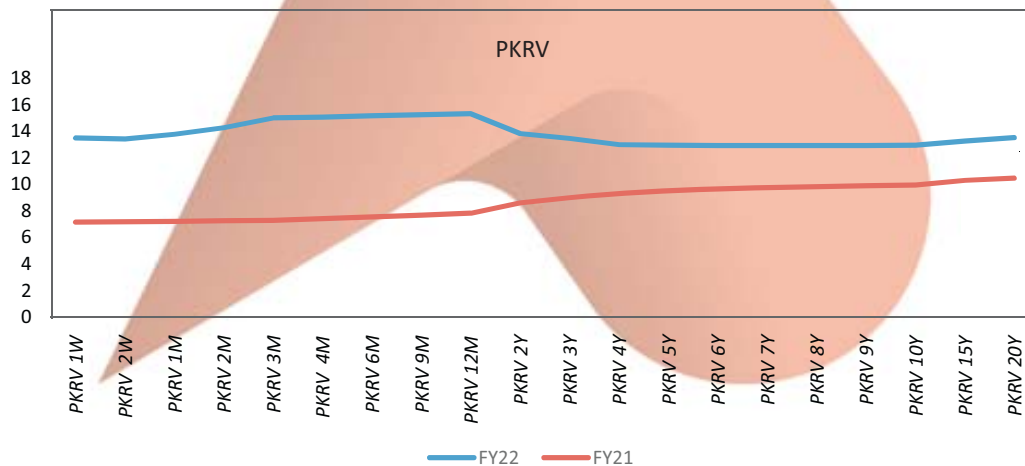
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



Equity Market Review

During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

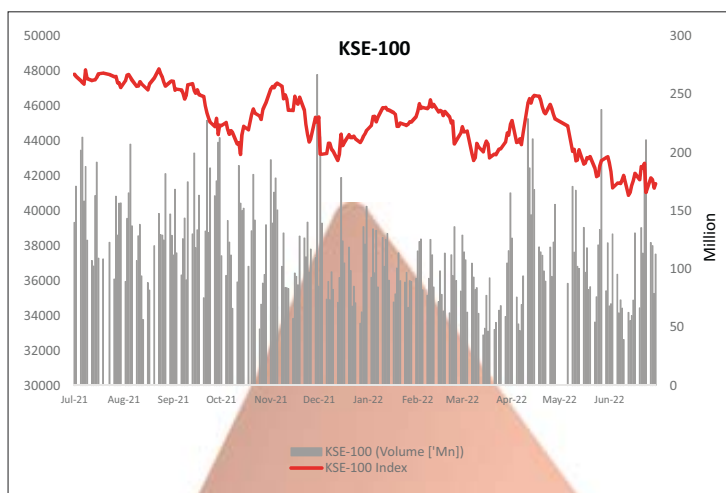
The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index

the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mm from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

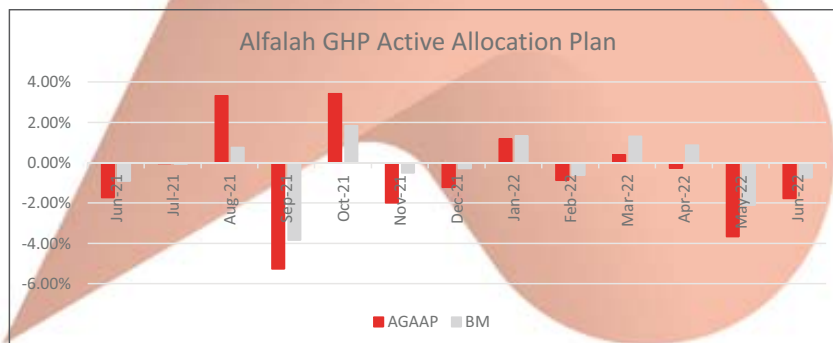
Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.



Active Allocation Plan

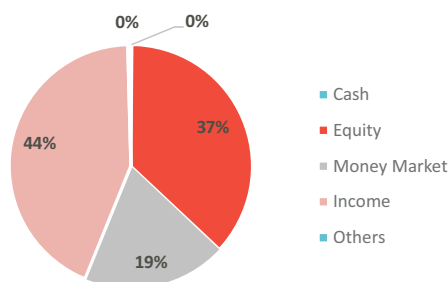
During the period under review, Alfalah GHP Prosperity Planning Fund - Active posted a negative return of -6.84% as compared to its benchmark negative return of 2.15%.

AGPPF-Active Return Vs Benchmark:



Assets Allocation/Portfolio quality

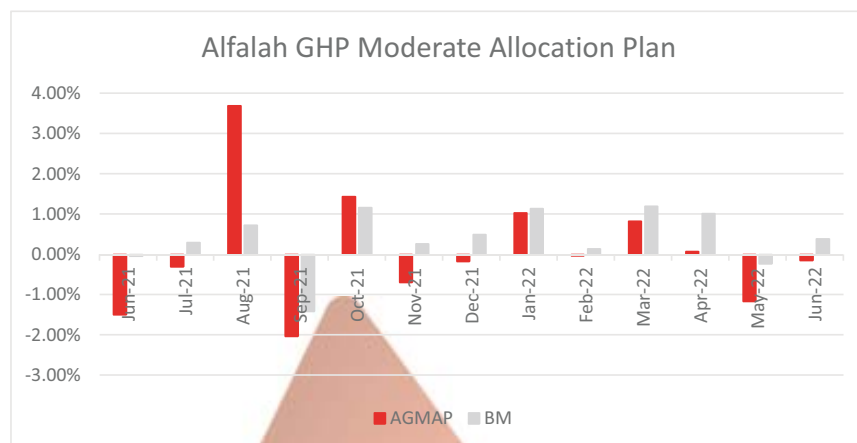
Asset Allocation - Active (as at 30 Jun 2022)



Moderate Allocation Plan

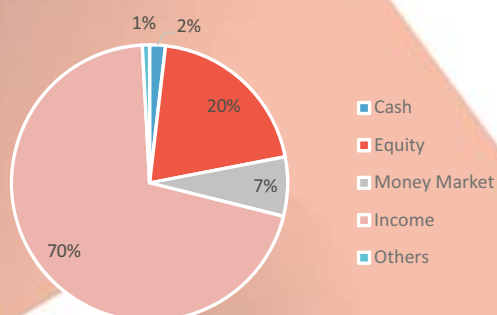
During the period under review, Alfalah GHP Prosperity Planning Fund - Moderate posted a return of 2.40% as compared to its benchmark of 5.26%.

AGPPF-Moderate Return Vs Benchmark:



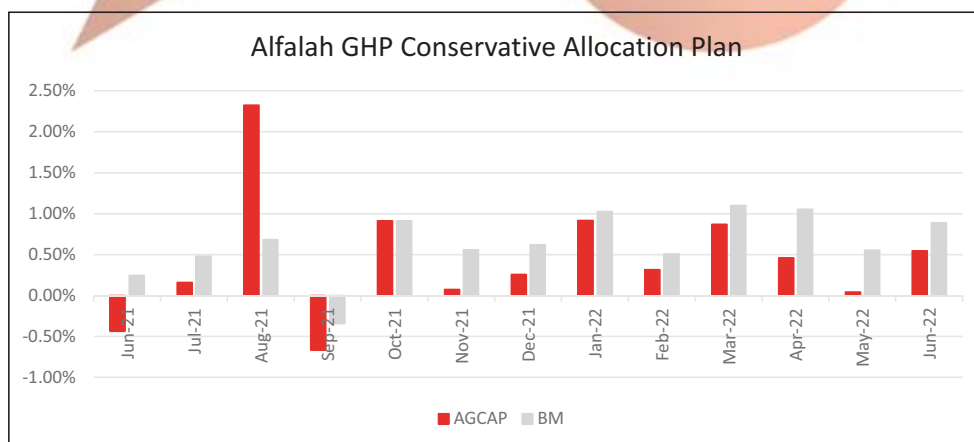
Assets Allocation/Portfolio quality:

Asset Allocation - Moderate (as at 30 Jun 2022)



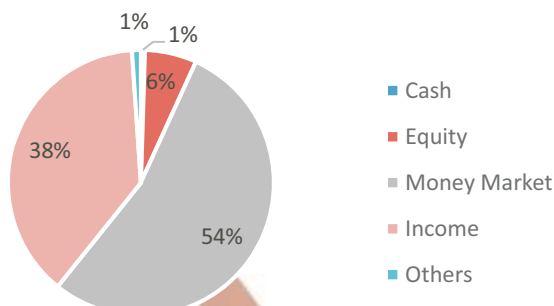
Conservative Allocation Plan:

During the period under review, Alfalah GHP Prosperity Planning Fund - Conservative posted a return of 6.39% as compared to its benchmark of 8.36%.



Assets Allocation/Portfolio quality:

Asset Allocation - Conservative
(as at 30 Jun 2022)



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP PROSPERITY PLANNING FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 23, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Prosperity Planning Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Prosperity Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2022 amounted to Rs. 540.057 million and bank balances aggregated to Rs. 3.051 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: - Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; - Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and - Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 29 September, 2022
UDIN:

ALFALAH GHP PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022				2021			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Assets									
Bank balances	4	180,555	279,741	2,590,301	3,050,597	2,467,100	1,198,259	3,126,470	6,791,829
Investments	5	166,741,488	202,911,631	170,403,540	540,056,659	179,660,680	198,540,741	174,061,104	552,262,525
Mark-up receivable on bank balances		3,356	8,218	12,168	23,742	5,218	-	-	5,218
Advance and prepayments	6	670,486	2,157,253	1,336,800	4,164,539	102,472	115,259	110,253	327,984
Total assets		167,595,885	205,356,843	174,342,809	547,295,537	182,235,470	199,854,259	177,297,827	559,387,556
Liabilities									
Payable to Allalaha GHP Investment Management Limited - Management Company	7	335,481	266,706	136,181	738,368	358,056	360,669	227,705	946,430
Payable to Central Depository Company of Pakistan Limited - Trustee	8	53,866	49,609	33,718	137,193	42,805	39,382	47,110	129,297
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	35,227	39,758	35,776	110,761	33,589	38,316	38,877	110,782
Accrued expenses and other liabilities	10	506,468	4,042,885	1,273,587	5,822,940	2,895,539	7,045,788	5,288,287	15,229,614
Total liabilities		931,042	4,398,958	1,479,262	6,809,262	3,329,989	7,484,155	5,601,979	16,416,123
Net assets attributable to unit holders		166,664,843	200,957,885	172,863,547	540,486,275	178,905,481	192,370,104	171,695,848	542,971,433
Unit holders' fund (as per statement attached)		166,664,843	200,957,885	172,863,547	540,486,275	178,905,481	192,370,104	171,695,848	542,971,433
Contingencies and commitments	11								
Number of units in issue		1,788,805	1,939,245	1,767,632		1,788,790	1,855,399	1,752,405	
Net asset value per unit		93.1710	103.6268	97.7938		100.0148	103.6812	97.9772	

The annexed notes from 1 to 20 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

		2021				2020			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note		(Rupees)				(Rupees)			
Assets									
4	Bank balances	2,467,100	1,198,259	3,126,470	6,791,829	2,492,409	1,923,733	3,219,456	7,635,598
5	Investments	179,660,680	198,540,741	174,061,104	552,262,525	139,662,919	184,090,165	202,267,567	526,020,651
6	Preliminary expenses and floatation cost	-	-	-	-	2,629	154,343	41,338	198,310
	Mark-up receivable on bank balances	5,218	-	-	5,218	13,444	6,905	7,085	27,434
	Prepayments and other receivables	102,472	115,259	110,253	327,984	88,551	113,686	108,514	310,751
	Total assets	182,235,470	199,854,259	177,297,827	559,387,556	142,259,952	186,288,832	205,643,960	534,192,744
Liabilities									
7	Payable to Alfalah GHP Investment Management Limited - Management Company	358,056	360,669	227,705	946,430	308,071	313,163	177,487	798,721
8	Payable to Central Depository Company of Pakistan Limited - Trustee	42,805	39,382	47,110	129,297	31,804	30,143	38,823	100,770
9	Annual fee payable to the Securities and Exchange Commission of Pakistan	33,589	38,316	38,877	110,782	30,222	36,001	46,439	112,662
10	Accrued expenses and other liabilities	2,895,539	7,045,788	5,288,287	15,229,614	1,896,212	6,568,473	4,233,638	12,698,323
	Total liabilities	3,329,989	7,484,155	5,601,979	16,416,123	2,266,309	6,947,780	4,496,387	13,710,476
Net assets attributable to unit holders		178,905,481	192,370,104	171,695,848	542,971,433	139,993,643	179,341,052	201,147,573	520,482,268
Unit holders' fund (as per statement attached)		178,905,481	192,370,104	171,695,848	542,971,433	139,993,643	179,341,052	201,147,573	520,482,268
Contingencies and commitments									
		(Number of units)				(Number of units)			
Number of units in issue		1,788,790	1,855,399	1,752,405	1,427,191	1,743,863	2,044,495		
		(Rupees)				(Rupees)			
Net asset value per unit		100.0148	103.6812	97.9772	98.0903	102.8413	98.3850		

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

FOR THE YEAR ENDED JUNE 30, 2022

The annexed notes from 1 to 20 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan
Net (loss) / income for the year after taxation	(12,235,167)	12,287,509	4,069,857	4,122,199	38,862,315	25,310,063
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(12,235,167)	12,287,509	4,069,857	4,122,199	38,862,315	25,310,063
						81,666,537

The annexed notes from 1 to 20 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022					
	Active Allocation Plan		Conservative Allocation Plan		Moderate Allocation Plan	
	Capital value	(Accumulated loss)	Capital value	Undistributed income	Capital value	Undistributed income
Net assets at the beginning of the year	191,134,452	(12,228,971)	178,905,481	22,405,971	192,370,104	3,689,235
Issuance of units: AAP: 19,025 (2021: 362,027) CAP: 203,419 (2021: 136,666) MAP: 38,617 (2021: 469,934) - Capital value (at net asset value per unit at the beginning of the year) - Element of (loss) / income	1,902,581 (683)	-	1,902,581 (683)	21,090,726 76	5,743,130 76	-
Total proceeds on issuance of units	1,901,898	-	1,901,898	21,090,802	5,743,130	-
Redemption of units: AAP: 19,010 (2021: 428) CAP: 119,573 (2021: 25,130) MAP: 43,390 (2021: 762,024) - Capital value (at net asset value per unit at the beginning of the year) - Element of (loss) / income	1,901,174 6,195	-	1,901,174 6,195	12,397,531 87	4,251,370 87	-
Total payments on redemption of units	1,907,369	-	1,907,369	12,397,618	4,283,802	-
Total comprehensive (loss) / income for the year	-	(12,235,167)	-	12,287,509	-	4,069,857
Final distribution for the year ended June 30, 2022 @ Rs 6,6795 per unit (Conservative allocation plan) on June 28, 2022 Final distribution for the year ended June 30, 2022 @ Rs 2,5436 per unit (Moderate allocation plan) on June 28, 2022	-	-	-	(12,392,912)	-	-
Net assets at the end of the year	191,128,981	(24,464,138)	166,664,843	22,300,568	169,472,261	3,391,286
(Accumulated loss) brought forward - Realised (loss) / income - Unrealised income	(18,907,772)	-	21,379,905	1,026,066	1,233,010	2,456,225
Accounting income available for distribution - Relating to capital gains - Excluding capital gains	6,678,801	-	22,405,971	-	3,689,235	-
Net loss for the year	-	(12,235,167)	-	12,287,509	-	4,069,857
Final distribution for the year ended June 30, 2021 @ Re 25.5514 per unit (Active allocation plan) on June 30, 2021 Final distribution for the year ended June 30, 2021 @ Rs 9.1594 per unit (Conservative allocation plan) on June 30, 2021 Final distribution for the year ended June 30, 2021 @ Rs 13.0099 per unit (Moderate allocation plan) on June 30, 2021	-	-	-	(12,392,912)	-	-
(Accumulated loss) / undistributed income carried forward - Realised income - Unrealised loss	(24,464,138)	-	22,300,568	-	(4,367,806)	3,391,286
Net assets value per unit at the beginning of the year	(10,601,454)	-	25,349,866	-	10,640,014	-
Net assets value per unit at the end of the year	(13,862,684)	-	22,300,568	-	(7,248,728)	3,391,286
	100.0148	-	103.6812	-	97.9772	-
	93.1710	-	103.6268	-	97.7938	-

The annexed notes from 1 to 20 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2021					
	Active Allocation Plan			Conservative Allocation Plan		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at the beginning of the year	154,642,063	(14,648,420)	139,993,643	158,376,970	20,964,082	179,341,052
Issuance of units:						
AAP: 362,027 (2020: 1,459) CAP: 136,666 (2020: 115,146)						
MAP: 469,934 (2020:126,439)						
- Capital value (at net asset value per unit at the beginning of the year)	35,511,337	-	35,511,337	14,054,909	-	14,054,909
- Element of income	1,063,214	-	1,063,214	244,482	-	244,482
Total proceeds on issuance of units	36,574,551	-	36,574,551	14,299,391	-	14,299,391
Redemption of units:						
AAP: 428 (2020: 168,956) CAP: 25,130 (2020: 83,888)						
MAP: 762,024 (2020: 701,498)						
- Capital value (at net asset value per unit at the beginning of the year)	41,983	-	41,983	2,584,402	-	2,584,402
- Element of (income) / loss	(39)	10,530	10,491	68,454	107,930	176,384
Total payments on redemption of units	41,944	10,530	52,474	2,652,856	107,930	2,760,786
Total comprehensive income for the year	-	38,862,315	38,862,315	-	17,494,159	17,494,159
Final distribution for the year ended June 30, 2021 @ Re 25.5514 per unit (Active allocation plan) on June 30, 2021	(40,218)	(36,432,336)	(36,472,554)	-	-	-
Final distribution for the year ended June 30, 2021 @ Rs 9.1594 per unit (Conservative allocation plan) on June 30, 2021	-	-	-	(59,372)	(15,944,340)	(16,003,712)
Final distribution for the year ended June 30, 2021 @ Rs 13.6649 per unit (Moderate allocation plan) on June 30, 2021	(40,218)	(36,432,336)	(36,472,554)	(59,372)	(15,944,340)	(16,003,712)
Net assets at the end of the year	191,134,452	(12,228,971)	178,905,481	169,964,133	22,405,971	192,370,104
(Accumulated loss) / undistributed income brought forward						
- Realised income	483,600		25,640,277			9,557,196
- Unrealised loss	(15,132,020)		(4,676,195)			(5,153,414)
Accounting income available for distribution			20,964,082			4,403,782
- Relating to capital gains	12,080,770		3,279,461			10,878,980
- Excluding capital gains	26,771,015		14,106,768			7,984,885
Final distribution for the year ended June 30, 2021 @ Re 25.5514 per unit (Active allocation plan) on June 30, 2021	(36,432,336)		-			-
Final distribution for the year ended June 30, 2021 @ Rs 9.1594 per unit (Conservative allocation plan) on June 30, 2021	-		(15,944,340)			-
Final distribution for the year ended June 30, 2021 @ Rs 13.6649 per unit (Moderate allocation plan) on June 30, 2021	-		-			(19,578,412)
(Accumulated loss) / undistributed income carried forward	(12,228,971)		22,405,971			3,689,235
(Accumulated loss) / undistributed income carried forward						
- Realised (loss) / income	(18,907,772)		21,379,905			1,233,010
- Unrealised income / (loss)	(6,678,801)		1,076,066			2,456,225
Net assets value per unit at the beginning of the year	98.0003		102.8413			98.3850
Net assets value per unit at the end of the year	100.0148		103.6812			97.9772

The annexed notes from 1 to 20 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

Note	2022				2021			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the year before taxation	(12,235,167)	12,287,509	4,069,857	4,122,199	38,862,315	17,494,159	25,310,063	81,666,537
Adjustments for:								
Amortisation of preliminary expenses and floatation costs	-	-	-	-	2,629	154,343	41,338	198,310
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net (Reversal of provision) / provision for Sindh Workers' Welfare Fund	13,862,684	3,049,298	7,248,728	24,160,710	(6,678,801)	(1,026,066)	(2,456,225)	(10,161,092)
5.2	(2,102,997)	(1,872,403)	(3,418,305)	(7,393,705)	793,108	357,024	516,532	1,666,664
10.1	(475,480)	13,464,404	7,900,280	20,889,204	32,979,251	16,979,460	23,411,708	73,370,419
(Increase) / decrease in assets								
Investments - net	(943,492)	(7,420,188)	(3,591,164)	(11,954,844)	(33,318,960)	(13,424,510)	30,662,688	(16,080,782)
Mark-up receivable on bank balances	1,862	(8,218)	(12,168)	(18,524)	8,226	6,905	7,085	22,216
Advance and prepayments	(568,014)	(2,041,994)	(1,226,547)	(3,836,555)	(13,921)	(1,573)	(1,739)	(17,233)
(Decrease) / Increase in liabilities								
Payable to Alfalah GHP Investment Management Limited - Management Company	(22,575)	(93,963)	(91,524)	(208,062)	49,985	47,506	50,218	147,709
Payable to Central Depository Company of Pakistan Limited - Trustee	11,061	10,227	(13,392)	7,896	11,001	9,239	8,287	28,527
Annual fee payable to the Securities and Exchange Commission of Pakistan	1,638	1,442	(3,101)	(21)	3,367	2,315	(7,562)	(1,880)
Accrued expenses and other liabilities	(286,074)	(1,130,500)	(596,395)	(2,012,969)	206,219	120,291	538,117	864,627
Net cash (used in) / generated from operating activities								
	(295,950)	(1,212,794)	(704,412)	(2,213,156)	270,572	179,351	589,060	1,038,983
	(2,281,074)	2,781,210	2,365,989	2,866,125	(74,832)	3,739,633	54,668,802	58,333,603
CASH FLOWS FROM FINANCING ACTIVITIES								
Amounts received against issuance of units - net of refund of capital	1,901,898	21,090,802	5,749,450	28,742,150	36,534,333	14,240,019	47,746,182	98,520,534
Amounts paid against redemption of units	(1,907,369)	(12,397,618)	(4,283,802)	(18,588,789)	(52,474)	(2,760,786)	(82,929,558)	(85,742,818)
Dividend paid	-	(12,392,912)	(4,367,806)	(16,760,718)	(36,432,336)	(15,944,340)	(19,578,412)	(71,955,088)
Net cash (used in) / generated from financing activities								
	(5,471)	(3,699,728)	(2,902,158)	(6,607,357)	49,523	(4,465,107)	(54,761,788)	(59,177,372)
Net decrease in cash and cash equivalents during the year								
Cash and cash equivalents at beginning of the year	(2,286,545)	(918,518)	(536,169)	(3,741,232)	(25,309)	(725,474)	(92,986)	(843,769)
	2,467,100	1,198,259	3,126,470	6,791,829	2,492,409	1,923,733	3,219,456	7,635,598
Cash and cash equivalents at end of the year								
4	180,555	279,741	2,590,301	3,050,597	2,467,100	1,198,259	3,126,470	6,791,829

The annexed notes from 1 to 20 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed executed under the Trust Act, 1882 entered into on July 07, 2015 between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) under the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/SMCW/AGPPF/30/2015 dated July 30, 2015 and Offering Document was approved by SECP vide its letter No. SCD/AMCW/AGPPF/29/2015 dated July 30, 2015.

The Trust Act, 1882 had been repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act and on September 17, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'Fund of Funds' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The investment objectives and policy are explained in the Fund's offering document. Presently, the following allocation plans are offered:
- Alfalah GHP Active Allocation Plan;
 - Alfalah GHP Conservative Allocation Plan; and
 - Alfalah GHP Moderate Allocation Plan
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) (2021: AM2+) to the Management Company on March 3, 2022.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting standards that are effective in the current year

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting standards that are not yet effective

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements is Classification and valuation of investments (notes 3.2.1 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments held 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentational currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentational currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.2 Classification and subsequent measurement

3.3.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Based on the business model of the entity

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

3.3.2.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

- a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.3.3 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.3.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gain or losses arising on sale of investments classified as financial assets 'at fair value through profit or loss' are recognized in the income statement in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances is recognised on accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4. BANK BALANCES

Note	2022				2021			
	Active Allocation Plan	Conservative Allocation	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation	Moderate Allocation Plan	Total

Savings accounts	4.1	180,555	279,741	2,590,301	3,050,597	2,467,100	1,198,259	3,126,470	6,791,829

- 4.1 These accounts carry profit at the rates ranging between 5.50% to 16.60% (2021: 5.50% to 7.90%) per annum. These include bank balance of Rs. 2.776 million (2021: Rs. 6.165 million) maintained with Bank Alfalah Limited (a related party), carrying profit at the rate of 16.60% (2021: 7.70%) per annum.

5. INVESTMENTS

Note	2022				2021			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total

At fair value through profit or loss	(Rupees)				(Rupees)			

Units of open-ended mutual funds	5.1	166,741,488	202,911,631	170,403,540	540,056,659	179,660,680	198,540,741	174,061,104	552,262,525

5.1 Financial assets at fair value through profit or loss - Units of open-ended mutual funds

Active Allocation Plan

Particulars	As at July 1, 2021	Purchases during the year	Sales during the year	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments

Alfalah GHP Alpha Fund*	1,445,789	741,730	1,383,982	803,537	46,790,474	39,437,605	(7,352,869)	23.66%	23.65%
Alfalah GHP Stock Fund*	606,180	249,162	608,221	247,121	26,711,544	22,383,237	(4,328,307)	13.43%	13.42%
Alfalah GHP Sovereign Fund*	-	143,940	-	143,940	16,194,871	15,367,733	(827,138)	9.22%	9.22%
Alfalah GHP Money Market Fund*	33,000	1,150,200	857,144	326,056	32,290,609	32,074,760	(215,849)	19.25%	19.24%
Alfalah GHP Income Fund*	95	492,319	89,298	403,116	46,945,630	45,625,278	(1,320,352)	27.38%	27.36%
Alfalah GHP Income Multiplier Fund	402,760	9,202	192,222	219,740	11,671,044	11,852,875	181,831	7.11%	7.11%

As at June 30, 2022	180,604,172	166,741,488	(13,862,684)	100.05%	100%

As at June 30, 2021	172,981,879	179,660,680	6,678,801	100.43%	100%

* These represent investments held in related parties i.e. funds under common management.

Conservative Allocation Plan

Particulars	As at July 1, 2021	Purchases during the year	Sales during the year	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments

Alfalah GHP Alpha Fund*	395,536	233,366	469,929	158,973	9,136,989	7,802,408	(1,334,581)	3.88%	3.85%
Alfalah GHP Cash Fund*	107,443	5,905	113,213	135	67,016	67,016	90	0.03%	0.03%
Alfalah GHP Stock Fund*	129,408	111,499	184,162	56,745	6,070,268	5,139,708	(930,560)	2.56%	2.53%
Alfalah GHP Sovereign Fund*	231,797	75,086	20,135	286,748	30,919,404	30,614,520	(304,884)	15.23%	15.09%
Alfalah GHP Money Market Fund*	441,755	981,621	292,690	1,130,686	111,593,259	111,227,645	(365,614)	55.35%	54.82%
Alfalah GHP Income Fund*	89,135	217,674	13,190	293,619	33,573,493	33,232,272	(341,221)	16.54%	16.38%
Alfalah GHP Income Multiplier Fund	532,495	11,512	269,110	274,897	14,600,500	14,827,972	227,472	7.38%	7.30%

As at June 30, 2022	205,960,929	202,911,631	(3,049,298)	100.97%	100%

As at June 30, 2021	197,514,675	198,540,741	1,026,066	103.20%	100%

* These represent investments held in related parties i.e. funds under common management.

Particulars	As at July 1, 2021	Purchases during the year	Sales during the year	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
(No. of Units)					(Rupees)			%	
Afalalah GHP Alpha Fund*	720,504	316,634	611,660	425,478	24,552,227	20,882,490	(3,669,737)	12.08%	12.25%
Afalalah GHP Cash Fund*	15,894	873	16,767	-	-	-	-	-	-
Afalalah GHP Stock Fund*	215,243	165,007	221,541	158,709	16,742,183	14,375,223	(2,366,960)	8.32%	8.44%
Afalalah GHP Sovereign Fund*	301,008	174,973	26,566	449,415	48,806,851	47,981,751	(825,100)	27.76%	28.16%
Afalalah GHP Money Market Fund*	124,045	396,091	397,316	122,820	12,130,417	12,081,978	(48,439)	6.99%	7.09%
Afalalah GHP Income Fund*	2,569	478,694	75,855	405,408	46,671,018	45,884,615	(786,403)	26.54%	26.93%
Afalalah GHP Income Multiplier Fund*	1,018,401	22,668	499,776	541,293	28,749,572	29,197,483	447,911	16.89%	17.13%
As at June 30, 2022					177,652,268	170,403,540	(7,248,728)	98.58%	100%
As at June 30, 2021					171,604,879	174,061,104	2,456,225	101.38%	100%

5.2 Net unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets 'at fair value through profit or loss'

6 ADVANCE AND PREPAYMENTS

6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2022, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on debt amounts to Rs. 4.14 million (2021: 0.296 million).

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7. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

		2022				2021			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note		(Rupees)				(Rupees)			
Management remuneration payable	7.1	10,604	44	1,419	12,067	10,692	-	742	11,434
Sindh Sales Tax payable on management remuneration	7.2	1,882	2,088	2,424	6,395	1,898	-	1,609	3,507
Payable against allocated expenses	7.3	65,196	-	-	65,196	87,668	96,095	93,016	276,779
Federal excise duty payable on management remuneration	7.4	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Sales load payable		252,242	257,650	121,465	631,357	252,241	257,650	121,465	631,356
		335,481	266,706	136,181	738,368	358,056	360,669	227,705	946,430

7.1 The Management Company has charged remuneration at the rate of 1% (2021: 1%) of average annual net assets of the fund during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.

7.2 During the year, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (June 30, 2021: 13%)

7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, the Management Company has charged allocated expenses to the fund based on its discretion subject to not being higher than actual expense incurred.

7.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.023 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

Had the provision for FED not been recorded in these financial statements, the net asset value of the Fund as at June 30, 2022 would have been higher by Re 0.0031 per unit (2021: Re 0.0031), Re 0.0037 per unit (2021: Re 0.0037) and Re 0.0062 per unit (2021: Re 0.0062) for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		2022				2021			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note		(Rupees)				(Rupees)			
Remuneration of the trustee	8.1	47,071	43,202	29,851	120,124	37,281	34,147	41,670	113,098
Sindh Sales Tax payable on remuneration of the Trustee	8.2	6,795	6,407	3,867	17,069	5,524	5,235	5,440	16,199
		53,866	49,609	33,718	137,193	42,805	39,382	47,110	129,297

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

Net Assets (Rs.)	Tariff
Up to Rs 1,000 million	0.10% p.a. of net assets
From Rs 1,000 million and above	Rs 1 million plus 0.075% p.a. of net assets exceeding Rs 1 billion

- 8.2 During the year, an amount of Rs. 0.05 million (2021: Rs. 0.05 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

2022				2021			
Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
(Rupees)				(Rupees)			

Annual fee payable	35,227	39,758	35,776	110,761	33,589	38,316	38,877	110,782

- 9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2021: 0.02%) of average annual net assets of the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2022				2021			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Provision for Sindh Workers' Welfare Fund	-	-	-	-	2,102,997	1,872,403	3,418,305	7,393,705
Rating fee payable	186,187	122,488	485,819	794,494	303,171	183,068	485,820	972,059
Printing charges payable	79,492	-	26,793	106,285	89,446	-	72,013	161,459
Auditors' remuneration payable	188,654	79,627	67,226	335,507	125,003	99,527	204,025	428,555
Withholding tax payable	49,472	3,747,510	639,238	4,436,220	263,197	4,730,615	559,146	5,552,958
Capital gain tax payable	-	1,929	8,854	10,783	-	68,892	503,320	572,212
Listing fee	2,663	48	2,480	5,191	11,725	-	2,480	14,205
Sales load payable	-	91,283	43,178	134,461	-	91,283	43,178	134,461
	506,468	4,042,885	1,273,587	5,822,941	2,895,539	7,045,788	5,288,287	15,229,614

- 10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 and June 30, 2021.

12. AUDITORS' REMUNERATION	2022				2021			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Annual audit fee	121,542	148,478	60,144	330,164	59,402	75,942	85,144	220,488
Review and other certifications	70,550	92,637	61,791	224,978	44,550	56,674	61,236	162,460
Out of pocket expenses	30,701	40,921	19,996	91,618	14,344	18,929	23,592	56,865
	222,793	282,036	141,931	646,760	118,296	151,545	169,972	439,813
Sindh Sales Tax on services	17,823	22,563	11,354	51,740	9,464	12,124	13,598	35,186
	240,616	304,599	153,285	698,500	127,760	163,669	183,570	474,999

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 are 0.35%, 0.37% and 0.31% (2021: 0.75%, 0.55% and 0.58%) which includes 0.02%, 0.03% and 0.021% (2021: 0.50%, 0.22% and 0.29%) representing government levies on the Fund such as provision for sales taxes, federal excise duties, annual fee to the SECP, etc. in Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds.

14. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remunerations to the Management Company and the Trustee of the Fund are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of transactions and balances at period / year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

5.1 Unit Holders' Fund

		2022									
	Note	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvest- ment	Redeemed/ conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022
(Units)						(Rupees)					
- Active Allocation Plan											
Associated companies / undertakings											
Bank Alfalah Limited - Employees Gratuity Fund	15.1.1	1,334,801	-	-	-	1,334,801	133,499,855	-	-	-	124,364,744
- Conservative Allocation Plan											
Unit holder holding 10% or more units											
Additional Registrar (Judicial) / Deputy Registrar Judicial	15.1.1	1,833,600	-	82,689	-	1,916,289	190,109,848	-	8,573,272	-	198,578,897
- Moderate Allocation Plan											
Unit holder holding 10% or more units											
Attock Cement Pakistan Limited - Provident Fund	15.1.1	635,219	-	16,490	-	651,709	33,114,236	-	1,615,745	-	63,733,100
Attock Cement Pakistan Limited - Pension Fund	15.1.1	380,344	-	9,874	-	390,218	37,265,040	-	967,442	-	38,160,879
Attock Cement Pakistan Limited - Gratuity Fund	15.1.1	337,979	-	8,774	-	346,753	33,114,236	-	859,680	-	33,910,294

		2021									
	Note	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvest- ment	Redeemed/ conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2021
(Units)						(Rupees)					
- Active Allocation Plan											
Associated companies / undertakings											
Bank Alfalah Limited - Employees Gratuity Fund	15.1.1	1,065,450	-	269,351	-	1,334,801	104,510,310	-	27,184,332	-	133,499,855
- Conservative Allocation Plan											
Unit holder holding 10% or more units											
Additional Registrar (Judicial) /											
Deputy Registrar Judicial	15.1.1	1,726,987	-	106,613	-	1,833,600	177,605,588	-	11,072,714	-	190,109,848
- Moderate Allocation Plan											
Unit holder holding 10% or more units											
Attock Cement Pakistan Limited - Provident Fund	15.1.1	557,752	-	77,467	-	635,219	54,874,431	-	7,621,630	-	62,236,979
Attock Cement Pakistan Limited - Pension Fund	15.1.1	333,960	-	46,384	-	380,344	32,856,655	-	4,563,522	-	37,265,040
Attock Cement Pakistan Limited - Gratuity Fund	15.1.1	166,884	129,877	41,218	-	337,979	16,418,882	14,282,852	4,055,198	-	33,114,236

15.1.1 This reflects the position of related party / connected persons status as at June 30, 2022.

15.2 Other transactions

2022				2021			
Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
(Rupees)				(Rupees)			

Associated companies / undertakings

Alfalah GHP Investment Management Limited

- Management Company

Remuneration of the Management (	544	2,658	7,965	11,167	331	704	-	1,035
Sindh Sales Tax on remuneration of the Management Company	74	351	1,012	1,437	44	92	-	136
Allocated expenses	198,774	225,565	195,068	619,407	167,936	194,840	194,195	556,971

2022				2021			
Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
(Rupees)				(Rupees)			

Bank Alfalah Limited

Profit / mark-up income on bank balances	28,360	75,244	191,965	295,569	108,191	126,602	153,499	388,292
Bank charges	-	-	-	-	25	25	25	75
Sales load	-	-	-	-	-	-	-	-

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	123,960	137,197	122,299	383,456	117,787	133,584	139,087	390,458
Sindh Sales Tax on remuneration of	16,113	17,829	15,862	49,804	15,312	17,366	18,081	50,759

15.3 Other balances

2022				2021			
Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
(Rupees)				(Rupees)			

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	10,604	44	1,419	12,067	10,692	-	742	11,434
Sindh Sales Tax payable on management remuneration	1,882	2,088	2,424	6,395	1,898	-	1,609	3,507
Payable against allocated expenses	65,196	-	-	65,196	87,668	96,095	93,016	276,779
Federal excise duty payable on management remuneration	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Sales load payable	252,242	257,650	121,465	631,357	252,241	257,650	121,465	631,356

Bank Alfalah Limited

Bank balances	120,776	214,859	2,548,636	2,884,271	2,221,074	957,703	2,985,982	6,164,759
Sales load payable	-	91,283	43,178	134,461	-	91,283	43,178	134,461

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	47,071	43,202	29,851	120,124	37,281	34,147	41,670	113,098
Sindh Sales Tax payable on Trustee	6,795	6,407	3,867	17,069	5,524	5,235	5,440	16,199

16. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2022			2021		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	(Rupees)			(Rupees)		
Financial assets						
Bank balances	3,050,597	-	3,050,597	6,791,829	-	6,791,829
Investments	-	540,056,659	540,056,659	-	552,262,525	552,262,525
Mark-up receivable on bank balances	23,742	-	23,742	5,218	-	5,218
Advance and Prepayments	4,139,962	-	4,139,962	304,305	-	304,305
	<u>7,214,301</u>	<u>540,056,659</u>	<u>547,270,960</u>	<u>7,101,352</u>	<u>552,262,525</u>	<u>559,363,877</u>

Particulars	2022			2021		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	(Rupees)			(Rupees)		
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	738,368	-	738,368	946,430	-	946,430
Payable to Central Depository Company of Pakistan Limited - Trustee	137,193	-	137,193	129,297	-	129,297
Accrued expenses and other liabilities	1,375,938	-	1,375,938	1,710,739	-	1,710,739
	<u>2,251,499</u>	<u>-</u>	<u>2,251,499</u>	<u>2,786,466</u>	<u>-</u>	<u>2,786,466</u>

17. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

17.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

17.1.2 Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2022, is as follows:

	Note	2022	2021
Variable rate instruments (financial assets)		-----Rupees-----	
Bank balances	4	<u>3,050,597</u>	<u>6,791,829</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 28,945 (2021: Rs. 67,918) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2022					Total
	Effective interest rate	Exposed to interest risk			Not exposed to interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
(Rupees)						
Financial assets						
Bank balances	5.5% - 16.60%	3,050,597	-	-	-	3,050,597
Investments		-	-	-	540,056,659	540,056,659
Mark-up receivable on bank balances		-	-	-	23,742	23,742
Advance and prepayments		-	-	-	4,139,962	4,139,962
Sub-total		3,050,597	-	-	544,220,363	547,270,960
Financial liabilities						
Payable to the Management Company		-	-	-	738,368	738,368
Payable to the Trustee		-	-	-	137,193	137,193
Accrued expenses and other liabilities		-	-	-	1,375,938	1,375,938
Sub-total		-	-	-	2,251,499	2,251,499
On-balance sheet gap		3,050,597	-	-	541,968,864	545,019,461
Total interest rate sensitivity gap		3,050,597	-	-	541,968,864	545,019,461
Cumulative interest rate sensitivity gap		3,050,597	3,050,597	3,050,597		

Particulars	2021					Total
	Effective interest rate	Exposed to interest risk			Not exposed to interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
(Rupees)						
Financial assets						
Bank balances	5.5% - 7.90%	6,791,829	-	-	-	6,791,829
Investments		-	-	-	552,262,525	552,262,525
Mark-up receivable on bank balances		-	-	-	5,218	5,218
Other receivables		-	-	-	304,305	304,305
Sub-total		6,791,829	-	-	552,572,048	559,363,877
Financial liabilities						
Payable to the Management Company		-	-	-	946,430	946,430
Payable to the Trustee		-	-	-	129,297	129,297
Accrued expenses and other liabilities		-	-	-	1,710,739	1,710,739
Sub-total		-	-	-	2,786,466	2,786,466
On-balance sheet gap		6,791,829	-	-	549,785,582	556,577,411
Total interest rate sensitivity gap		6,791,829	-	-	538,314,235	541,208,477
Cumulative interest rate sensitivity gap		6,791,829	6,791,829	6,791,829		

17.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds which are categorized as equity schemes. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2022. The analysis is based on the assumption that PSX index increased / decreased by 1%, with all other variables held constant.

As at June 30, 2022, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

	2022	2021
	-----Rupees-----	
Investments and net assets	1,100,207	2,607,653
Income statement	1,100,207	2,607,653

17.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

17.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- (Rupees) -----		----- (Rupees) -----	
Bank balances	3,050,597	3,050,597	6,791,829	6,791,829
Investments	540,056,659	-	552,262,525	-
Mark-up receivable on bank balances	23,742	23,742	5,218	5,218
Other receivables	4,139,962	4,139,962	304,305	304,305
	<u>547,270,960</u>	<u>7,214,301</u>	<u>559,363,877</u>	<u>7,101,352</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 540.57 million (2021: Rs 552.26 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2022 and June 30, 2021.

17.2.2 Credit quality of financial assets

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Name of bank	Rating Agency	Rating (Short Term / Long Term)	2022	2021
			%age of total bank balance	
JS Bank Limited	PACRA	A1+ / AA-	-	3.09%
Bank Alfalah Limited	PACRA	A1+ / AA+	94.63%	90.76%
Allied Bank Limited	PACRA	A1+ / AAA	2.04%	0.93%
National Bank of Pakistan	PACRA	A1+ / AAA	3.34%	5.22%
			<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA as of June 30, 2022.

17.2.3 Open end mutual fund - Quoted

The Fund had investments at June 30, 2022 with open end mutual funds having following ratings:

Name of open end mutual funds	Rating Agency	Rating	2022	2021
			Percentage of total balance	
Alfalah GHP Alpha Fund	Not Rated	Not Rated	14.26%	27.76%
Alfalah GHP Cash Fund	PACRA	AA(f)	0.01%	11.17%
Alfalah GHP Stock Fund	Not Rated	Not Rated	8.78%	19.46%
Alfalah GHP Sovereign Fund	PACRA	AA-(f)	17.36%	10.30%
Alfalah GHP Money Market Fund	PACRA	AA+(f)	27.30%	10.65%
Alfalah GHP Income Fund	PACRA	A+(f)	19.18%	1.88%
Alfalah GHP Income Multiplier Fund	PACRA	A+(f)	13.11%	18.78%
			100.00%	100.00%

17.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

	2022						Total
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	
	(Rupees)						
Financial assets							
Bank balances	3,050,597	-	-	-	-	-	3,050,597
Investments	-	-	-	-	-	540,056,659	540,056,659
Profit receivable	23,742	-	-	-	-	-	23,742
	3,074,339	-	-	-	-	540,056,659	543,130,998
Financial liabilities							547,270,960
Payable to Alfalah GHP Investment Management Limited - Management Company	738,368	-	-	-	-	-	738,368
Payable to Central Depository Company of Pakistan Limited - Trustee	137,193	-	-	-	-	-	137,193
Accrued expenses and other liabilities	1,375,938	-	-	-	-	-	1,375,938
	2,251,499	-	-	-	-	-	2,251,499
Net financial assets	822,840	-	-	-	-	540,056,659	540,879,499

2021						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	6,791,829	-	-	-	-	6,791,829
Investments	-	-	-	-	552,262,525	552,262,525
Profit receivable on bank balances	5,218	-	-	-	-	5,218
Other receivable	304,035	-	-	-	-	304,035
	7,101,082	-	-	-	552,262,525	559,363,607
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	946,430	-	-	-	-	946,430
Payable to Central Depository Company of Pakistan Limited - Trustee	129,297	-	-	-	-	129,297
Accrued expenses and other liabilities	1,710,739	-	-	-	-	1,710,739
	2,786,466	-	-	-	-	2,786,466
Net financial assets	4,314,616	-	-	-	552,262,525	556,577,141

17.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022, the Fund held the following financial instruments measured at fair values:

2022			
Level 1	Level 2	Level 3	Total
Rupees			
Financial assets 'at fair value through profit or loss' - net			
- Open end mutual funds - Quoted	-	540,056,659	-
	540,056,659		540,056,659
2021			
Level 1	Level 2	Level 3	Total
Rupees			
Financial assets 'at fair value through profit or loss' - net			
- Open end mutual funds - Quoted	-	552,262,525	-
	552,262,525		552,262,525

17.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

The Fund's objective when managing net assets attributable to unit holders is to safe guard the Fund's ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

18. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure I to the financial statements.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

20. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Active Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	9	47,320	4,408,825	3%
Retirement & Other Funds	4	1,741,487	162,256,027	97%
	13	1,788,806	166,664,852	100%

Conservative Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	34	22,956	2,378,908	1%
Others	1	1,916,289	198,578,929	99%
	35	1,939,245	200,957,837	100%

Moderate Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	44	200,879	19,644,716	11%
Retirement & Other Funds	8	1,566,752	153,218,778	89%
	52	1,767,631	172,863,493	100%

Active Allocation Plan

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	48	47,304	4,731,064	3%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	11	1,741,487	174,174,444	97%
Others	0	-	-	0%
	59	1,788,790	178,905,508	100%

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

Conservative Allocation Plan

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	121	21,799	2,260,181	1%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	4	1,833,600	190,109,841	99%
	125	1,855,399	192,370,022	100%

Moderate Allocation Plan

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	159	230,132	22,579,594	13%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	14	1,522,273	149,359,072	87%
Others	0	-	-	0%
	173	1,752,405	171,938,666	100%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGPPF

	30 June 2022			30 June 2021		
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan
Net Assets	166,665	200,958	172,863	178,905	192,370	171,696
NAV per unit	93.1710	103.6268	97.7938	100.0148	103.6812	97.9772
Selling price per unit	95.2767	104.7978	99.4514	102.2751	104.8528	99.6379
Redemption price per unit	93.1710	103.6268	97.7938	100.0148	103.6812	97.9772
Highest selling price per unit	107.1529	111.6078	109.5622	132.6557	115.2550	116.2564
Highest redemption price per unit	104.7848	110.3607	108.3380	129.7239	113.9672	114.3187
Lowest selling price per unit	94.1776	104.6073	98.9679	101.7601	104.2863	99.6379
Lowest redemption price per unit	92.0962	103.4384	97.3184	99.5111	103.1210	97.9772
Total interim distribution per unit	NIL	NIL	NIL	NIL	NIL	NIL
Interim distribution date	NIL	NIL	NIL	NIL	NIL	NIL
Final distribution per unit	NIL	6.6795	2.5436	25.5514	9.1594	13.6694
Final distribution date	NIL	June 28, 2022	June 28, 2022	June 30, 2021	June 30, 2021	June 30, 2021
Annualized returns	-6.84%	6.39%	2.40%	27.74%	9.71%	13.42%
Income distribution	0.00%	6.44%	2.60%	25.55%	8.83%	13.95%
Weighted avg. portfolio duration	NIL	NIL	NIL	NIL	NIL	NIL

AAP - Return since inception is 3.45%

CAP - Return since inception is 6.47%

MAP - Return since inception is 5.47%

"The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Alfalah
GHP Islamic Prosperity
Planning Fund**

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Phase VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfaluh GHP Islamic Prosperity Planning Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Shariah Compliant Fund of Funds Scheme

Investment Objective

Alfaluh GHP Islamic Prosperity Planning Fund is an Open-ended Shariah Complaint Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah complaint Mutual funds in line with the risk tolerance of the investor.

Accomplishment of Objective

The Fund has achieved its objective of generating higher return by investing in a mix of underlying fixed income and equity based mutual funds within the guidelines provided under NBFC rules.

Money Market Review:-

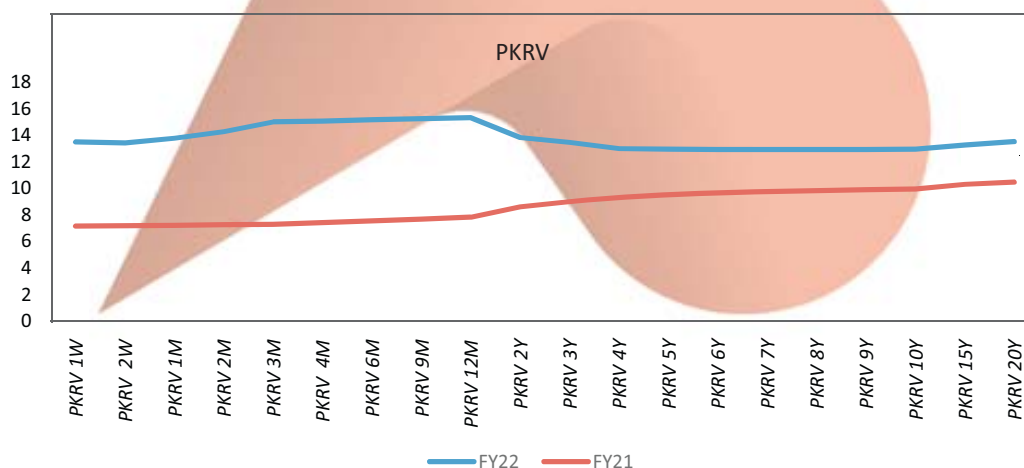
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



Equity Market Review

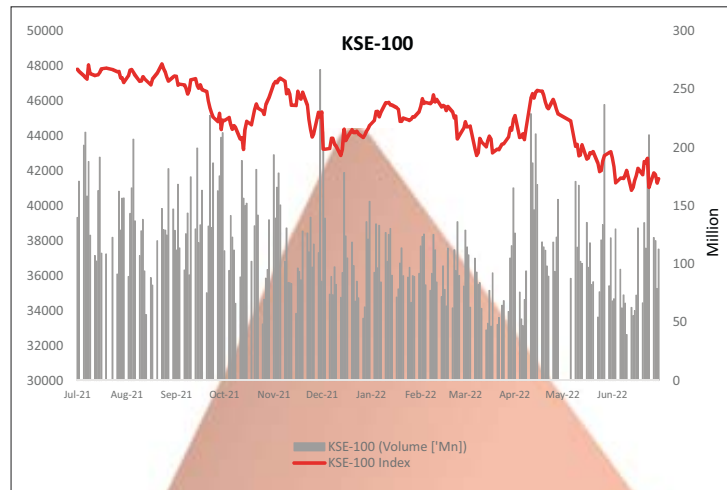
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

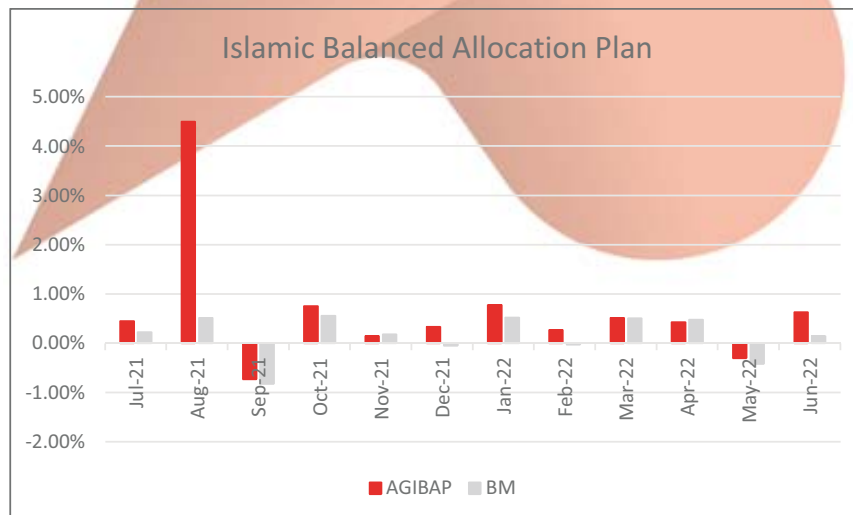
Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

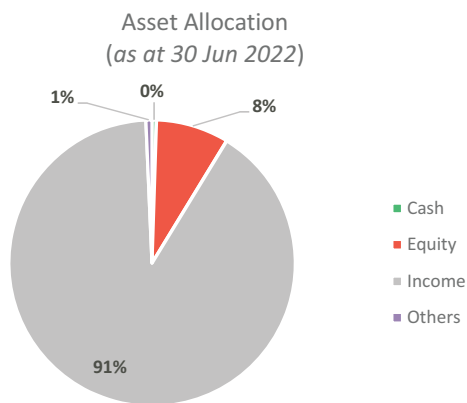
Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.



Islamic Balance Fund:

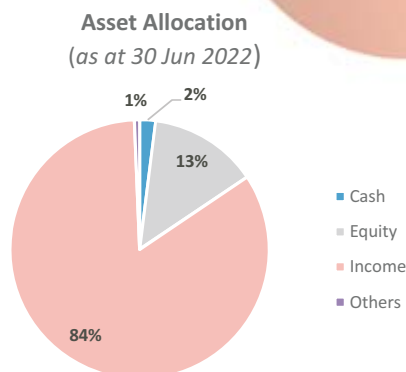
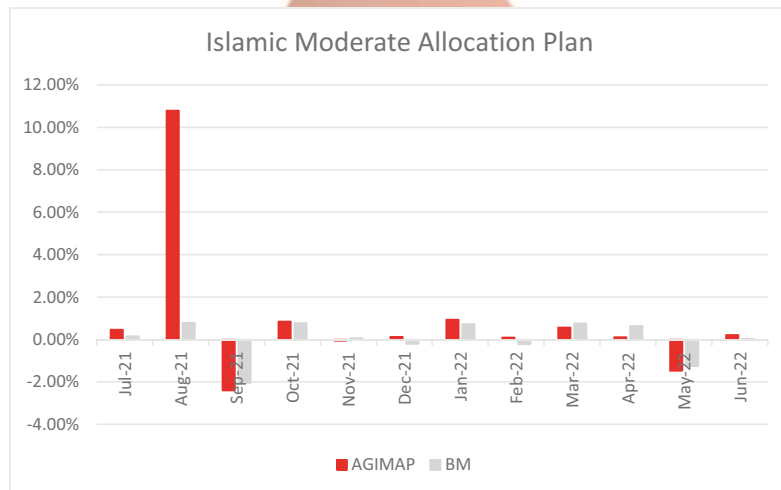
During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Balanced posted a return of 7.97% as compared to its benchmark of 1.86%.

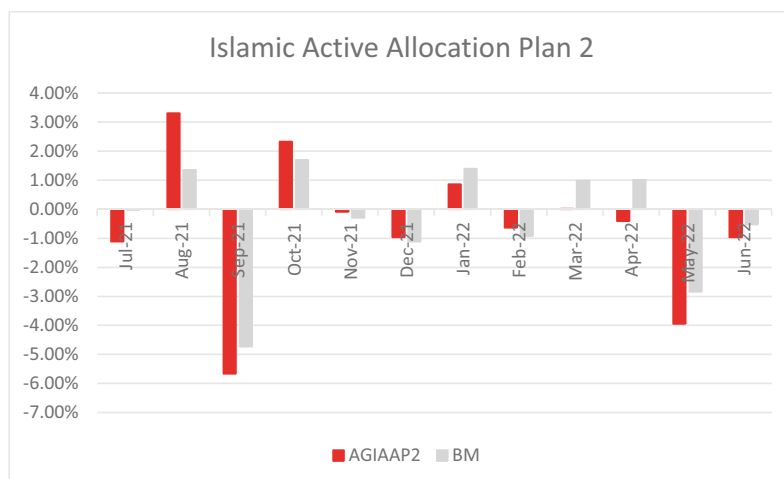




Islamic Moderate Fund:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active posted a return of 10.25% as compared to its benchmark of 0.24%.

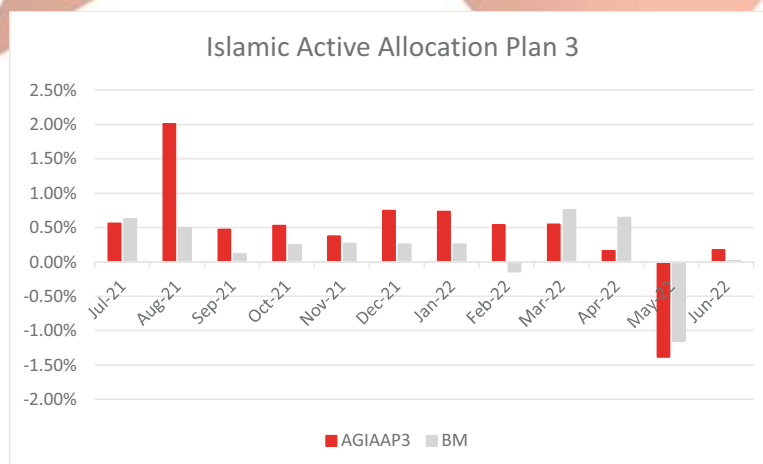
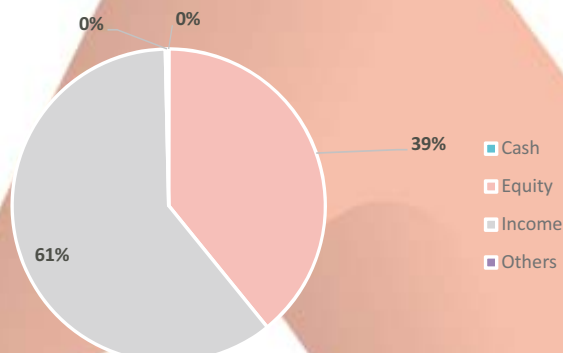




Islamic Active Fund - II:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active II posted a negative return of 7.30% as compared to its benchmark of -4.07%.

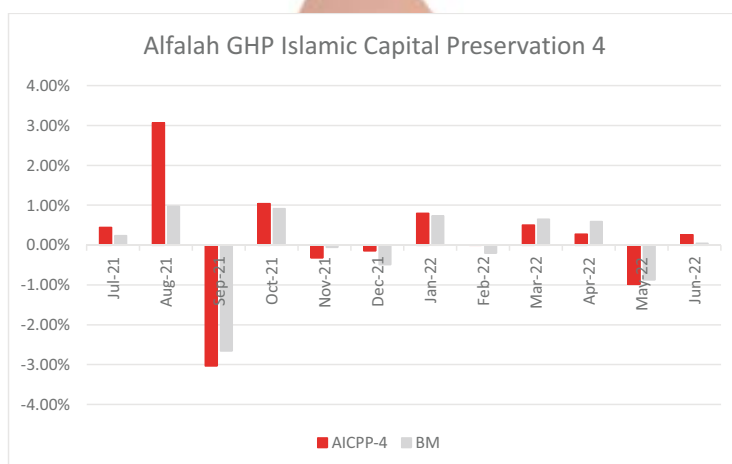
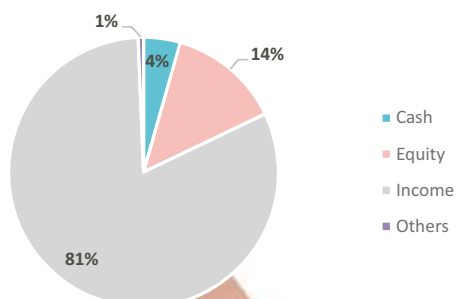
Asset Allocation
(as at 30 Jun 2022)



Islamic Active Fund - III:

During the period under review, Alfalah GHP Prosperity Planning Fund - Active III posted a return of 5.59% as compared to its benchmark of 2.42%.

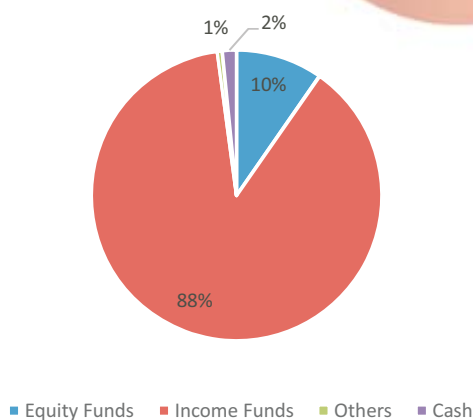
Asset Allocation
(as at 30 Jun 2022)

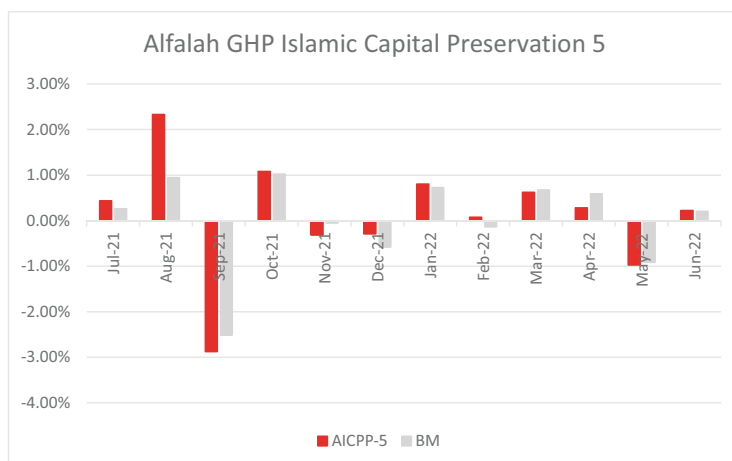


Alfalah Islamic Capital Preservation Plan 4

The fund generated a return of 1.86% against the benchmark which generated -0.16%.

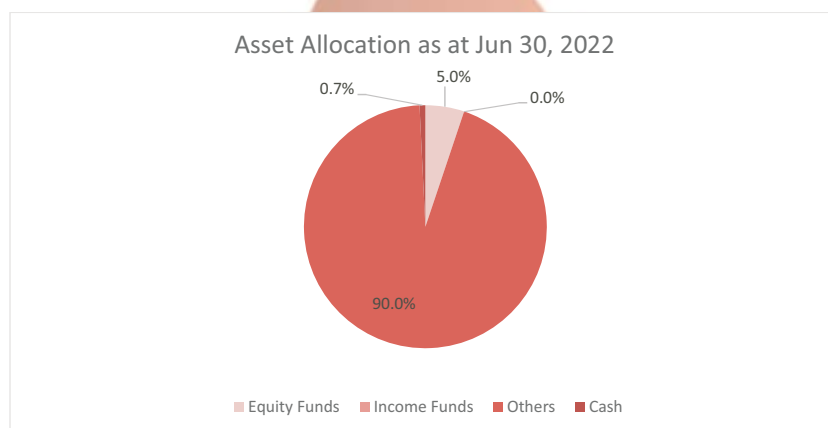
Asset Allocation as at jun 30, 2022





Alfalah Islamic Capital Preservation Plan 5

The fund generated a return of 1.36% against the benchmark which generated 0.20%.



➤ **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

➤ **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

➤ **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

➤ **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

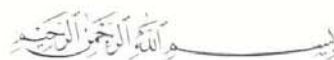
Karachi: September 23, 2022





Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Prosperity Planning Fund ('AGIPPF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have checked following avenues presented to us by the Management in which AGIPPF made Investment during the period from July 1, 2021 to June 30, 2022.

Investment Head	Investment Avenue
Shariah Compliant Funds	Alfalsh GHP Islamic Dedicated Equity Fund Alfalsh GHP Islamic Income Fund

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2022, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.



Mufti Shaikh Noman
Shariah Advisor



Mufti Javed Ahmad
Shariah Board Member

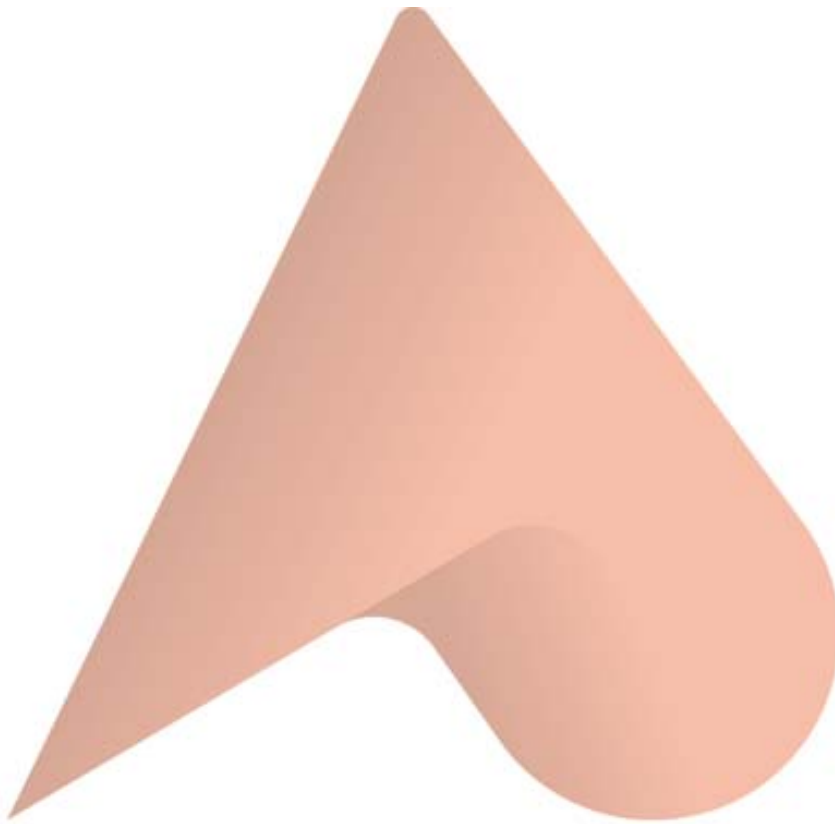
Alfalsh GHP Investment Management Ltd
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahgip.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalsh GHP Islamic Prosperity Planning Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 26, 2022

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Prosperity Planning Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Alfalah GHP Islamic Prosperity Planning Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2022**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matter	How the matter was addressed in our audit
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of equity securities) held by the Fund represent 99.52% of the total assets of the Fund as at the year end. In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

-: 3 :-

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

-: 4 :-

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Chartered Accountants

Date: 29 September 2022

Karachi

UDIN:

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

		2022						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note-----		(Rupees) -----						
Assets								
Bank balances	4	1,063,706	854,716	239,473	2,248,534	506,486	962,265	5,875,180
Investments	5	68,689,822	177,318,687	340,018,154	67,342,836	43,185,209	22,496,518	719,051,226
Profit receivable on bank balances		16,145	42,806	17,349	67,918	25,474	44,378	214,070
Advances, prepayments and other receivables	6	338,627	1,229,348	1,015,815	372,965	230,815	130,512	3,318,082
Total assets		70,108,300	179,445,557	341,290,791	70,032,253	43,947,984	23,633,673	728,458,558
Liabilities								
Payable to Alfalah GHP Investment Management Limited - Management Company	7	442,845	265,105	167,145	177,329	220,850	148,890	1,422,164
Payable to Central Depository Company of Pakistan Limited - Trustee	8	4,396	19,350	22,993	4,479	4,122	1,620	56,960
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	14,527	41,251	73,858	14,362	9,448	5,017	158,462
Payable against redemption of units		-	1	-	-	-	-	1
Dividend payable		-	-	-	-	-	-	-
Accrued and other liabilities	10	4,268,799	3,271,224	500,434	773,836	293,074	617,031	9,724,398
Total liabilities		4,730,567	3,596,931	764,429	970,006	527,494	772,558	11,361,985
Net assets attributable to unit holders		65,377,733	175,848,626	340,526,362	69,062,247	43,420,490	22,861,115	717,096,573
Unit holders' funds (as per the statement attached)		65,377,733	175,848,626	340,526,362	69,062,247	43,420,490	22,861,115	717,096,573
Contingencies and commitments								
Number of units in issue	11	630,294	1,746,890	3,777,352	785,508	435,244	229,321	
		(Rupees) -----						
Net asset value per unit		103.7259	100.6639	90.1495	87.9206	99.7612	99.6905	

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

2021							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note ----- (Rupees) -----							
Assets							
Bank balances	4 5,286,725	5,619,575	1,394,936	3,732,844	2,807,040	1,861,862	20,702,982
Investments	5 71,276,204	222,584,233	405,843,000	72,162,259	52,319,068	24,718,271	848,903,035
Profit receivable on bank balances	4,411	34,418	213,650	9,403	6,784	18,752	287,418
Advances, prepayments and other receivables	6 -	207,550	83	39,808	2,730	-	250,171
Total assets	76,567,340	228,445,776	407,451,669	75,944,314	55,135,622	26,598,885	870,143,606
Liabilities							
Payable to Alfalah GHP Investment Management Limited - Management Company	7 418,744	246,699	130,887	276,902	79,220	97,579	1,250,031
Payable to Central Depository Company of Pakistan Limited - Trustee	8 82,384	21,828	27,267	36,332	5,056	19,028	191,895
Annual fee payable to the Securities and Exchange Commission of Pakistan	9 14,293	46,935	78,417	15,311	13,071	5,684	173,711
Payable against redemption of units	-	92,430	-	-	600,404	68,953	761,787
Dividend payable	-	16,994	-	-	938,280	855	956,129
Accrued and other liabilities	10 12,792,379	15,945,579	13,001,362	1,964,092	2,601,195	1,198,305	47,502,912
Total liabilities	13,307,800	16,370,465	13,237,933	2,292,637	4,237,226	1,390,404	50,836,465
Net assets attributable to unit holders	63,259,540	212,075,311	394,213,736	73,651,677	50,898,396	25,208,481	819,307,141
Unit holders' funds (as per the statement attached)	63,259,540	212,075,311	394,213,736	73,651,677	50,898,396	25,208,481	819,307,141
Contingencies and commitments	11						
Number of units in issue	18 612,287	2,114,368	4,053,825	840,771	510,471	252,984	
----- (Rupees) -----							
Net asset value per unit	103.3169	100.3020	97.2449	87.6002	99.7087	99.6445	

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

For the year ended June 30, 2022							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note----- (Rupees) -----							
Income							
Profit on bank balances	108,008	36,044	55,133	63,818	31,443	42,163	336,609
Unrealised gain / (loss) on revaluation of investments classified as financial assets "at fair value through profit or loss" - 5	(2,000,517)	(2,838,264)	(29,164,090)	(1,447,614)	(1,043,782)	(266,173)	(36,760,440)
Gain on sale of investments - net	(1,721,224)	(1,701,949)	(17,777,085)	(72,655)	(1,698,955)	(1,042,314)	(24,014,182)
Dividend income	4,827,324	14,596,500	15,781,826	5,234,054	3,086,982	1,617,230	45,143,915
Total income	1,213,591	10,092,331	(31,104,216)	3,777,603	375,688	350,906	(15,294,098)
Expenses							
Remuneration of Alfalah GHP Investment Management Limited							
- Management Company 7.1	3,748	3,872	2,118	23,391	4,595	5,030	42,754
Sindh sales tax on remuneration of the Management Company 7.2	488	503	275	3,039	610	650	5,565
Remuneration of Central Depository Company of Pakistan							
- Trustee 8.1	52,260	144,469	258,462	50,670	32,914	17,482	556,257
Sindh sales tax on remuneration of the Trustee 8.2	6,816	18,781	33,595	6,565	4,291	2,266	72,314
Annual fee to the Securities and Exchange Commission of Pakistan 9	14,552	41,276	73,834	14,386	9,473	5,042	158,563
Amortisation of preliminary expenses and floatation costs 6	-	-	-	-	-	-	-
Shariah advisory fee	9,123	24,536	47,426	9,638	6,054	3,191	99,968
Auditors' remuneration 12	97,925	263,372	509,066	103,455	65,148	34,299	1,073,265
Annual listing fee	2,509	6,748	13,042	2,650	1,671	878	27,498
Annual rating fee	-	-	-	-	-	-	-
Printing charges	1,870	8,336	12,470	2,095	2,987	1,092	28,850
Bank charges	5,000	-	-	-	-	-	5,000
Allocated expenses 7.3	82,015	231,819	414,939	80,809	182,954	72,983	1,065,519
Total expenses	276,306	743,712	1,365,227	296,698	310,698	118,557	1,557,562
Operating income / (loss) for the year	937,285	9,348,619	(32,469,443)	3,480,905	64,991	207,993	(18,429,651)
Reversal for Sindh Workers' Welfare Fund 10.1	5,685,667	6,624,802	4,852,445	538,600	689,280	166,768	18,557,562
Net income for the year before taxation	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912
Taxation 14	-	-	-	-	-	-	-
Net income for the year after taxation	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912
Allocation of net income for the year							
Net income for the year after taxation	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912
Income already paid on units redeemed	(894,652)	(2,800,649)	-	(362,338)	(108,237)	(25,233)	(4,191,110)
	5,728,300	13,172,772	(27,616,998)	3,657,167	646,034	349,528	(4,063,198)
Accounting income available for distribution							
- Relating to capital gains	(3,721,741)	(4,540,213)	-	(1,520,269)	(2,742,737)	(1,308,487)	(13,833,447)
- Excluding capital gains	9,450,041	17,712,985	(27,616,998)	5,177,436	3,388,771	1,658,015	9,770,249
	5,728,300	13,172,772	(27,616,998)	3,657,167	646,034	349,528	(4,063,198)

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

For the year ended June 30, 2021							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note----- (Rupees)-----							
Income							
Profit on bank balances	97,301	388,015	109,659	214,955	140,543	55,391	1,005,864
Unrealised gain / (loss) on revaluation of investments classified as financial assets "at fair value through profit or loss" - 5	4,106,241	4,480,366	36,285,994	7,634,229	(3,296,824)	(1,735,574)	47,474,432
Gain / (loss) on sale of investments - net	2,048,512	2,597,223	11,652,085	1,864,888	125,920	35,136	18,323,764
Dividend income	5,601,374	16,432,870	39,177,676	6,990,060	6,427,556	3,036,238	77,665,774
Total income / (loss)	11,853,428	23,898,474	87,225,414	16,704,132	3,397,195	1,391,191	144,469,834
Expenses							
Remuneration of Alfalah GHP Investment Management Limited							
- Management Company 7.1	848	-	864	70,261	19,723	10,700	102,396
Sindh sales tax on remuneration of the Management Comp 7.2	110	-	112	9,134	2,564	1,391	13,311
Remuneration of Central Depository Company of Pakistan							
- Trustee 8.1	50,266	164,265	274,411	51,713	46,980	19,870	607,505
Sindh sales tax on remuneration of the Trustee 8.2	6,535	21,354	35,673	6,723	6,107	2,583	78,975
Annual fee to the Securities and Exchange Commission of Pakistan 9	14,318	46,935	78,417	15,336	13,071	5,684	173,761
Amortisation of preliminary expenses and floatation costs 6	-	54,753	-	-	-	-	54,753
Shariah advisory fee	6,603	22,201	33,551	6,571	8,331	2,858	80,115
Auditors' remuneration 12	87,036	287,556	436,168	85,780	107,004	36,128	1,039,672
Annual listing fee	1,820	6,205	15,147	1,540	3,438	737	28,887
Annual rating fee	-	-	-	-	-	-	-
Printing charges	1,982	7,573	12,432	2,600	1,953	1,070	27,610
Bank charges	1,250	800	75	849	1,072	25	4,071
Allocated expenses 7.3	70,434	234,677	392,010	75,321	65,240	28,413	866,095
Total expenses	241,202	846,319	1,278,860	325,828	275,483	109,459	3,077,151
Operating income for the year	11,612,226	23,052,155	85,946,554	16,378,304	3,121,712	1,281,732	141,392,683
Provision for Sindh Workers' Welfare Fund 10.1	(232,245)	(461,043)	(1,718,931)	(327,566)	(62,434)	(25,635)	(2,827,854)
Net income for the year before taxation	11,379,981	22,591,112	84,227,623	16,050,738	3,059,278	1,256,097	138,564,829
Taxation 14	-	-	-	-	-	-	-
Net income for the year after taxation	11,379,981	22,591,112	84,227,623	16,050,738	3,059,278	1,256,097	138,564,829
Allocation of net income for the year							
Net income for the year after taxation	11,379,981	22,591,112	84,227,623	16,050,738	3,059,278	1,256,097	138,564,829
Income already paid on units redeemed	(2,003,909)	(2,860,903)	(5,216,312)	(1,777,551)	(830,916)	(198,573)	(12,888,164)
	9,376,072	19,730,209	79,011,311	14,273,187	2,228,362	1,057,524	125,676,665
Accounting income available for distribution							
- Relating to capital gains	6,154,753	7,077,589	47,938,079	9,499,117	-	-	70,669,538
- Excluding capital gains	3,221,319	12,652,620	31,073,232	4,774,070	2,228,362	1,057,524	55,007,127
	9,376,072	19,730,209	79,011,311	14,273,187	2,228,362	1,057,524	125,676,665

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	For the year ended June 30, 2022						
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservatio n Plan IV	Islamic Capital Preservatio n Plan V	Total
	(Rupees)						
Net income for the year before taxation	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	For the year ended June 30, 2021						
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservati on Plan	Islamic Capital Preservation Plan V	Total
	(Rupees)						
Net income for the year before taxation	11,379,981	22,591,112	84,227,623	16,050,738	3,059,278	1,256,097	138,564,829
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	11,379,981	22,591,112	84,227,623	16,050,738	3,059,278	1,256,097	138,564,829

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Islamic Moderate Allocation Plan			Islamic Balanced Allocation Plan			Islamic Active Allocation Plan II		
	For the year ended June 30, 2022			For the year ended June 30, 2022			For the year ended June 30, 2022		
	Capital Value	Accumulated loss	Total	Capital Value	Undistrib-uted income	Total	Capital Value	Accumulated loss	Total
	Rupees			Rupees			Rupees		
Net assets at the beginning of the year	94,145,135	(30,885,595)	63,259,540	132,225,053	79,850,258	212,075,311	556,005,463	(161,791,727)	394,213,736
Issuance of units (refer note 18)									
- Capital value (at net asset value per unit at the beginning of the year / period)	21,993,998	-	21,993,998	10,209,438	-	10,209,438	2,954,883	-	2,954,883
- Element of income	1,550,694	-	1,550,694	1,325	-	1,325	25,915	-	25,915
Total proceeds on issuance of units	23,544,692	-	23,544,692	10,210,763	-	10,210,763	2,980,798	-	2,980,798
Redemption of units (refer note 18)									
- Capital value (at net asset value per unit at the beginning of the year)	20,133,570	-	20,133,570	47,068,213	-	47,068,213	29,840,468	-	29,840,468
- Element of income / (loss)	1,093,236	894,652	1,987,888	459	2,800,649	2,801,108	(789,293)	-	(789,293)
Total payments on redemption of units	(21,226,806)	(894,652)	(22,121,458)	(47,068,672)	(2,800,649)	(49,869,321)	(29,051,175)	-	(29,051,175)
Total comprehensive income for the year	-	6,622,952	6,622,952	-	15,973,421	15,973,421	-	(27,616,998)	(27,616,998)
Final distribution for the year ended June 30, 2022 @									
Rs 10.1737 per unit (Islamic Moderate Allocation Plan),	(456,141)	(5,471,852)	(5,927,993)	-	-	-	-	-	-
Rs 7.6181 per unit (Islamic Balanced Allocation Plan),	-	-	-	(933)	(12,540,615)	(12,541,548)	-	-	-
Rs 4.5627 per unit (Islamic Active Allocation Plan III),	-	-	-	-	-	-	-	-	-
Rs 1.5049 per unit (Islamic Capital Preservation Plan IV) and	-	-	-	-	-	-	-	-	-
Rs 1.5035 per unit (Islamic Capital Preservation Plan V)	-	-	-	-	-	-	-	-	-
on June 30, 2022	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	(456,141)	1,151,100	694,959	(933)	3,432,806	3,431,873	-	(27,616,998)	(27,616,998)
Net assets at the end of the year	96,006,880	(30,629,147)	65,377,733	95,366,211	80,482,415	175,848,626	529,935,086	(189,408,725)	340,526,361
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		(34,991,836)			75,369,892			(198,077,721)	
- Unrealised loss		4,106,241			4,480,366			36,285,994	
		(30,885,595)			79,850,258			(161,791,727)	
Accounting income available for distribution									
- Relating to capital gains		(3,721,741)			(4,540,213)			-	
- Excluding capital gains		9,450,041			17,712,985			(27,616,998)	
		5,728,300			13,172,772			(27,616,998)	
Distribution during the year		(5,471,852)			(12,540,615)			-	
Undistributed (loss) / income carried forward		(30,629,147)			80,482,415			(189,408,725)	
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income		(28,628,630)			83,320,679			(160,244,635)	
- Unrealised gain / loss		(2,000,517)			(2,838,264)			(29,164,090)	
		(30,629,147)			80,482,415			(189,408,725)	
	(Rupees)			(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		103.3169			100.3020			97.2449	
Net asset value per unit at the end of the year		103.7259			100.6638			90.1495	

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Islamic Active Allocation Plan III For the year ended June 30, 2022			Islamic Capital Preservation Plan IV For the year ended June 30, 2022			Islamic Capital Preservation Plan V For the year ended June 30, 2022			Total
	Capital Value	Accumulated loss	Total	Capital Value	Undistrib-uted income	Total	Capital Value	Undistrib-uted income/ (Accumulated loss)	Total	
	Rupees			Rupees			Rupees			Rupees
Net assets at the beginning of the year	147,034,403	(73,382,726)	73,651,677	50,820,579	77,817	50,898,396	25,245,503	(37,022)	25,208,481	819,307,141
Issuance of units (refer note 18)										
- Capital value (at net asset value per unit at the beginning of the year / period)	3,363,496	-	3,363,496	2,629,318	-	2,629,318	299,631	-	299,631	41,450,764
- Element of income	600	-	600	16,548	-	16,548	263	-	263	1,595,345
Total proceeds on issuance of units	3,364,096	-	3,364,096	2,645,866	-	2,645,866	299,894	-	299,894	43,046,109
Redemption of units (refer note 18)										
- Capital value (at net asset value per unit at the beginning of the year)	8,201,143	-	8,201,143	10,130,104	-	10,130,104	2,657,519	-	2,657,519	118,031,017
- Element of income / (loss)	1	362,338	362,339	(9,108)	108,237	99,129	(1,151)	25,233	24,082	4,485,254
Total payments on redemption of units	(8,201,144)	(362,338)	(8,563,482)	(10,120,996)	(108,237)	(10,229,233)	(2,656,368)	(25,233)	(2,681,601)	(122,516,271)
Total comprehensive income for the year	-	4,019,505	4,019,505	-	754,271	754,271	-	374,761	374,761	127,912
Final distribution for the year ended June 30, 2020 @ Rs 10.1737 per unit (Islamic Moderate Allocation Plan), Rs 7.6181 per unit (Islamic Balanced Allocation Plan), 0	-	-	-	-	-	-	-	-	-	(5,927,993)
Rs 4.5627 per unit (Islamic Active Allocation Plan III), Rs 1.5049 per unit (Islamic Capital Preservation Plan IV) & Rs 1.5035 per unit (Islamic Capital Preservation Plan V) on June 30, 2021	(207)	(3,409,342)	(3,409,549)	-	-	-	-	-	-	(3,409,549)
	-	-	-	(16,125)	(632,685)	(648,810)	-	-	-	(648,810)
	-	-	-	-	-	-	(156)	(340,264)	(340,420)	(340,420)
Net income for the year less distribution	(207)	610,163	609,956	(16,125)	121,586	105,461	(156)	34,497	34,341	(22,740,407)
Net assets at the end of the year	142,197,149	(73,134,902)	69,062,247	43,329,324	91,166	43,420,490	22,888,873	(27,758)	22,861,115	717,096,573
(Accumulated loss) / undistributed income brought forward										
- Realised (loss) / income		(81,016,955)			3,374,641			1,698,552		
- Unrealised loss		7,634,229			(3,296,824)			(1,735,574)		
		(73,382,726)			77,817			(37,022)		
Accounting income available for distribution										
- Relating to capital gains		(1,520,269)			(2,742,737)			(1,308,487)		
- Excluding capital gains		5,177,436			3,388,771			1,658,015		
		3,657,167			646,034			349,528		
Distribution during the year		(3,409,342)			(632,685)			(340,264)		
Undistributed (loss) / income carried forward		(73,134,901)			91,166			(27,758)		
(Accumulated loss) / undistributed income carried forward										
- Realised (loss) / income		(71,687,287)			1,134,948			238,415		
- Unrealised loss		(1,447,614)			(1,043,782)			(266,173)		
		(73,134,901)			91,166			(27,758)		
	(Rupees)			(Rupees)			(Rupees)			
Net asset value per unit at the beginning of the year	87.6002			99.7087			99.6445			
Net asset value per unit at the end of the year	87.9206			99.7612			99.6905			

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Islamic Moderate Allocation Plan			Islamic Balanced Allocation Plan			Islamic Active Allocation Plan II		
	For the year ended June 30, 2021			For the year ended June 30, 2021			For the year ended June 30, 2021		
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total
	Rupees			Rupees			Rupees		
Net assets at the beginning of the year	103,631,689	(33,532,754)	70,098,935	152,836,230	78,115,358	230,951,588	537,184,309	(186,995,464)	350,188,845
Issuance of units (refer note 18)									
- Capital value (at net asset value per unit at the beginning of the year / period)	15,210,153	-	15,210,153	15,401,299	-	15,401,299	42,987,069	-	42,987,069
- Element of income	1,013,448	-	1,013,448	189,075	-	189,075	3,836,244	-	3,836,244
Total proceeds on issuance of units	16,223,601	-	16,223,601	15,590,374	-	15,590,374	46,823,313	-	46,823,313
Redemption of units (refer note 18)									
- Capital value (at net asset value per unit at the beginning of the year)	24,969,201	-	24,969,201	36,155,341	-	36,155,341	28,000,540	-	28,000,540
- Element of income	740,954	2,003,909	2,744,863	44,440	2,860,903	2,905,343	1,222	5,216,312	5,217,534
Total payments on redemption of units	(25,710,155)	(2,003,909)	(27,714,064)	(36,199,781)	(2,860,903)	(39,060,684)	(28,001,762)	(5,216,312)	(33,218,074)
Total comprehensive income for the year	-	11,379,981	11,379,981	-	22,591,112	22,591,112	-	84,227,623	84,227,623
Final distribution for the year ended June 30, 2021 @									
Rs 12.0278 per unit (Islamic Moderate Allocation Plan),	-	(6,728,913)	(6,728,913)	-	-	-	-	-	-
Rs 9.1196 per unit (Islamic Balanced Allocation Plan),	-	-	-	(1,770)	(17,995,309)	(17,997,079)	-	-	-
Rs 15.0438 per unit (Islamic Active Allocation Plan II),	-	-	-	-	-	-	(397)	(53,807,574)	(53,807,971)
Rs 13.2285 per unit (Islamic Active Allocation Plan III),	-	-	-	-	-	-	-	-	-
Rs 5.0917 per unit (Islamic Capital Preservation Plan IV) and	-	-	-	-	-	-	-	-	-
Rs 5.0202 per unit (Islamic Capital Preservation Plan V)	-	-	-	-	-	-	-	-	-
on June 30, 2021	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	-	4,651,068	4,651,068	(1,770)	4,595,803	4,594,033	(397)	30,420,049	30,419,652
Net assets at the end of the year	94,145,135	(30,885,595)	63,259,540	132,225,053	79,850,258	212,075,311	556,005,463	(161,791,727)	394,213,736
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		(30,448,801)			81,720,857			(162,546,000)	
- Unrealised loss		(3,083,953)			(3,605,499)			(24,449,464)	
		(33,532,754)			78,115,358			(186,995,464)	
Accounting income available for distribution									
- Relating to capital gains		6,154,753			7,077,589			47,938,079	
- Excluding capital gains		3,221,319			12,652,620			31,073,232	
		9,376,072			19,730,209			79,011,311	
Distribution during the year		(6,728,913)			(17,995,309)			(53,807,574)	
Undistributed (loss) / income carried forward		(30,885,595)			79,850,258			(161,791,727)	
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income		(34,991,836)			75,369,892			(198,077,721)	
- Unrealised gain / loss		4,106,241			4,480,366			36,285,994	
		(30,885,595)			79,850,258			(161,791,727)	
	(Rupees)			(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		98.5484			99.4139			90.0817	
Net asset value per unit at the end of the year		103.3169			100.3020			97.2449	

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Islamic Active Allocation Plan III			Islamic Capital Preservation Plan IV			Islamic Capital Preservation Plan V			
	For the year ended June 30, 2021			For the year ended June 30, 2021			For the year ended June 30, 2021			
	Capital Value	Accumulated loss	Total	Capital Value	Undistrib- uted income	Total	Capital Value	Undistrib- uted income/ (Accumulate d loss)	Total	Total
	Rupees			Rupees			Rupees			Rupees
Net assets at the beginning of the year	146,904,163	(77,942,773)	68,961,390	85,671,386	366,321	86,037,707	28,878,377	118,217	28,996,594	835,235,059
Issuance of units (refer note 18)										
- Capital value (at net asset value per unit at the beginning of the year / period)	8,656,666	-	8,656,666	1,906,508	-	1,906,508	2,343,237	-	2,343,237	86,504,932
- Element of income	758,724	-	758,724	11,877	-	11,877	42,166	-	42,166	5,851,534
Total proceeds on issuance of units	9,415,390	-	9,415,390	1,918,385	-	1,918,385	2,385,403	-	2,385,403	92,356,466
Redemption of units (refer note 18)										
- Capital value (at net asset value per unit at the beginning of the year)	9,285,150	-	9,285,150	36,757,301	-	36,757,301	5,976,096	-	5,976,096	141,143,629
- Element of income	-	1,777,551	1,777,551	11,707	830,916	842,623	37,599	198,573	236,172	13,724,086
Total payments on redemption of units	(9,285,150)	(1,777,551)	(11,062,701)	(36,769,008)	(830,916)	(37,599,924)	(6,013,695)	(198,573)	(6,212,268)	(154,867,715)
Total comprehensive income for the year	-	16,050,738	16,050,738	-	3,059,278	3,059,278	-	1,256,097	1,256,097	138,564,829
Final distribution for the year ended June 30, 2020 @										
Rs 12.0278 per unit (Islamic Moderate Allocation Plan),	-	-	-	-	-	-	-	-	-	(6,728,913)
Rs 9.1196 per unit (Islamic Balanced Allocation Plan),	-	-	-	-	-	-	-	-	-	(17,997,079)
Rs 15.0438 per unit (Islamic Active Allocation Plan II),	-	-	-	-	-	-	-	-	-	(53,807,971)
Rs 13.2285 per unit (Islamic Active Allocation Plan III),	-	(9,713,140)	(9,713,140)	-	-	-	-	-	-	(9,713,140)
Rs 5.0917 per unit (Islamic Capital Preservation Plan IV) at	-	-	-	(184)	(2,516,866)	(2,517,050)	-	-	-	(2,517,050)
Rs 5.0202 per unit (Islamic Capital Preservation Plan V) at	-	-	-	-	-	-	(4,582)	(1,212,763)	(1,217,345)	(1,217,345)
on June 30, 2021										
Net income for the year less distribution	-	6,337,598	6,337,598	(184)	542,412	542,228	(4,582)	43,334	38,752	46,583,331
Net assets at the end of the year	147,034,403	(73,382,726)	73,651,677	50,820,579	77,817	50,898,396	25,245,503	(37,022)	25,208,481	819,307,141
(Accumulated loss) / undistributed income brought forward										
- Realised (loss) / income	(73,068,154)				1,631,137			520,987		
- Unrealised loss	(4,874,619)				(1,264,816)			(402,770)		
	(77,942,773)				366,321			118,217		
Accounting income available for distribution										
- Relating to capital gains	9,499,117				-			-		
- Excluding capital gains	4,774,070				2,228,362			1,057,524		
	14,273,187				2,228,362			1,057,524		
Distribution during the year	(9,713,140)				(2,516,866)			(1,212,763)		
Undistributed (loss) / income carried forward	(73,382,726)				77,817			(37,022)		
(Accumulated loss) / undistributed income carried forward										
- Realised (loss) / income	(81,016,955)				3,374,641			1,698,552		
- Unrealised loss	7,634,229				(3,296,824)			(1,735,574)		
	(73,382,726)				77,817			(37,022)		
	(Rupees)			(Rupees)			(Rupees)			
Net asset value per unit at the beginning of the year	81.2741			100.2739			100.2583			
Net asset value per unit at the end of the year	87.6002			99.7087			99.6445			

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

For the year ended June 30, 2022							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
Note ----- (Rupees) -----							
6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912	
-	-	-	-	-	-	-	
2,000,517 (5,685,667)	2,838,264 (6,624,803)	29,164,090 (4,852,445)	1,447,614 (538,600)	1,043,782 (689,280)	266,173 (166,768)	36,760,440 (18,557,563)	
2,937,802	12,186,882	(3,305,354)	4,928,519	1,108,773	474,166	18,330,788	
585,865 (11,734) - (338,627) 235,504	42,427,282 (8,388) - (1,021,798) 41,397,096	36,660,756 196,302 - (1,015,732) 35,841,326	3,371,809 (58,515) - (333,157) 2,980,137	8,090,077 (18,690) - (228,085) 7,843,302	1,955,580 (25,626) - (130,512) 1,799,442	93,091,369 73,349 - (3,067,911) 90,096,806	
Trustee	24,101 (77,988)	18,406 (2,478)	36,258 (4,274)	(99,573) (31,853)	141,630 (933)	51,311 (17,408)	172,133 (134,934)
	234	(5,684)	(4,559)	(949)	(3,623)	(667)	(15,248)
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	(92,429)	-	-	(600,404)	(68,953)	(761,786)
	-	(16,994)	-	-	-	(856)	(17,850)
	(2,837,913)	(6,049,552)	(7,648,483)	(651,655)	(1,618,842)	(414,506)	(19,220,951)
	(2,891,566)	(6,148,731)	(7,621,059)	(784,030)	(2,082,172)	(451,079)	(19,978,636)
281,740	47,435,247	24,914,913	7,124,625	6,869,903	1,822,529	88,448,958	
23,088,551 (22,121,458) (5,471,852) (4,504,759)	10,209,830 (49,869,321) (12,540,615) (52,200,106)	2,980,798 (29,051,175) - (26,070,377)	3,363,889 (8,563,482) (3,409,342) (8,608,935)	2,629,741 (10,229,233) (1,570,965) (9,170,457)	299,738 (2,681,600) (340,264) (2,722,126)	42,572,548 (122,516,270) (23,333,038) (103,276,760)	
(4,223,019)	(4,764,859)	(1,155,463)	(1,484,310)	(2,300,554)	(899,597)	(14,827,802)	
5,286,725	5,619,575	1,394,936	3,732,844	2,807,040	1,861,862	20,702,982	
4	1,063,706	854,716	239,473	2,248,534	506,486	962,265	5,875,180

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	For the year ended June 30, 2021						
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note-----	(Rupees) -----						
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation	11,379,981	22,591,112	84,227,623	16,050,738	3,059,278	1,256,097	138,564,829
Adjustments for:							
Amortisation of preliminary expenses and floatation costs	-	54,753	-	-	-	-	54,753
Unrealised loss on revaluation of investments classified as financial assets "at fair value through profit or loss" - net	(4,106,241)	(4,480,366)	(36,285,994)	(7,634,229)	3,296,824	1,735,574	(47,474,432)
Provision for Sindh Workers' Welfare Fund	232,245	461,043	1,718,931	327,566	62,434	25,635	2,827,854
	7,505,985	18,626,542	49,660,560	8,744,075	6,418,536	3,017,306	93,973,004
Decrease in assets							
Investments - net	7,846,775	18,469,870	(20,813,317)	(4,656,965)	30,446,504	932,727	32,225,594
Profit receivable on bank balances	7,836	674,839	17,206	97,747	26,919	147,729	972,276
Receivable against sale of investments	-	-	-	-	-	-	-
Advances, prepayments and other receivables	-	-	3,617	-	(2,079)	-	1,538
	7,854,611	19,144,709	(20,792,494)	(4,559,218)	30,471,344	1,080,456	33,199,408
Increase / (decrease) in liabilities							
Payable to Alfalah GHP Investment Management Limited - Management Company	(121,019)	(7,229)	(324)	(16,269)	(5,859)	(4,142)	(154,842)
Payable to Central Depository Company of Pakistan Limited - Trustee	3,750	(735)	3,721	5,777	(771)	3,309	15,051
Annual fee payable to the Securities and Exchange Commission of Pakistan	(16,593)	(8,651)	3,284	(21,366)	(10,950)	(3,448)	(57,724)
Payable against redemption of units	-	-	-	-	-	-	-
Units to be issued against Pre-IPO subscription	-	-	-	-	-	-	-
Payable against redemption of units	-	92,430	-	-	576,194	-	668,624
Accrued and other liabilities	1,397,196	3,898,060	7,108,718	346,497	549,765	175,755	13,475,991
	1,263,334	3,973,875	7,115,399	314,639	1,108,379	171,474	13,947,100
Net cash flows generated from operating activities	16,623,930	41,745,126	35,983,465	4,499,496	37,998,259	4,269,236	141,119,512
CASH FLOWS FROM FINANCING ACTIVITIES							
Amount received on issuance of units - net of refund of capital	16,223,601	15,588,604	46,822,916	9,415,390	1,918,201	2,380,821	92,349,533
Amount paid on redemption of units	(27,714,064)	(39,060,684)	(33,218,074)	(11,062,701)	(37,599,924)	(6,212,268)	(154,867,715)
Dividend paid	(6,728,913)	(17,995,309)	(53,807,574)	(9,713,140)	(2,133,594)	(1,211,908)	(91,590,438)
Net cash flows used in financing activities	(18,219,376)	(41,467,389)	(40,202,732)	(11,360,451)	(37,815,317)	(5,043,355)	(154,108,620)
Net increase / (decrease) in cash and cash equivalents during the year	(1,595,446)	277,737	(4,219,267)	(6,860,955)	182,942	(774,119)	(12,989,108)
Cash and cash equivalents at beginning of the year	6,882,171	5,341,838	5,614,203	10,593,799	2,624,098	2,635,981	33,692,090
Cash and cash equivalents at end of the year	4 5,286,725	5,619,575	1,394,936	3,732,844	2,807,040	1,861,862	20,702,982

The annexed notes 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on March 15, 2016 between Alfalah GHP Investment Management Limited (Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was registered by the Securities and Exchange Commission of Pakistan (the SECP) under the Non Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. SCD/AMCW/AGIML/437/2016 dated April 25, 2016 and the Offering Document of the Fund was approved by the SECP vide its letter No. SCD/AMCW/AGIPPF/449/2016 dated May 02, 2016.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'Fund of Funds scheme' pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the Trust Deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The duration of the fund is perpetual, however, allocation plans may have a set time frame. The Fund invests in units of other mutual funds, bank deposits. The investment objectives and policy are explained in the Fund's offering document. Presently, the Fund offers following allocation plans:
- Alfalah GHP Islamic *Moderate Allocation Plan (MAP): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
 - Alfalah GHP Islamic Balanced Allocation Plan (BAP) is perpetual.
 - Alfalah GHP Islamic Active Allocation Plan II (AAP II): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
 - Alfalah GHP Islamic Active Allocation Plan III (AAP III): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
 - Alfalah Islamic Capital Preservation Plan IV (CPP IV): The initial maturity of plan was (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
 - Alfalah Islamic Capital Preservation Plan V (CPP V): The initial maturity of plan was (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- * The management has renamed Alfalah GHP Islamic Active Allocation Plan to Alfalah GHP Islamic Moderate Allocation Plan.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act. The above mentioned Trust Deed has been registered under the Sindh Trust Act on 17 September 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The directors of the Management Company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2021. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund (note 10.1)
- iii. Provision against Federal Excise Duty (note 7.4)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for investments held 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.1.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.2.1.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted around that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.1.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

The Fund does not recognize deferred tax liabilities and assets as its income is exempt from tax as explained above.

3.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances and other income is recognized on accrual basis.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

3.14 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non- Banking Finance Companies and Notified Entities Regulations, 2008.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES

2022						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note (Rupees)						

In Savings accounts	4.1	1,063,706	854,716	239,473	2,248,534	506,486	962,265	5,875,180

2021						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note (Rupees)						

In Savings accounts	4.1	5,286,725	5,619,575	1,394,936	3,732,844	2,807,040	1,861,862	20,702,982

- 4.1 These carry profit rates ranging from 5.5% to 15.20% (2021: 2.11% to 7.00%) per annum and includes Rs 17.73 million (2021: Rs 17.73 million) placed with Bank Alfalah Limited (a related party), carrying profit at the rate of 5.5% (2021: 2.11%) per annum.

5 INVESTMENTS - Fair value through profit or loss

2022						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note (Rupees)						

Open end mutual funds	5.1	68,689,822	177,318,687	340,018,154	67,342,836	43,185,209	22,496,518	719,051,226

2021						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note (Rupees)						

Financial assets at fair value through profit or loss

Open end mutual funds	5.1	71,276,204	222,584,233	405,843,000	72,162,259	52,319,068	24,718,271	848,903,035

5.1 Financial assets 'at fair value through profit or loss' - Units of open-ended mutual funds

Islamic Moderate Allocation Plan

Particulars	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	(No. of Units)			(Rupees)			(%)		
Alfalah GHP Islamic Income Fun	447,176	374,713	244,677	577,212	59,336,028	59,103,243	(232,785)	90.40%	86.04%
Alfalah GHP Islamic Dedicated E	320,868	206,822	377,433	150,257	11,354,311	9,586,579	(1,767,732)	14.66%	13.96%
Total as at June 30, 2022					70,690,339	68,689,822	(2,000,517)	105.06%	100.00%
Total as at June 30, 2021					67,169,963	71,276,204	4,106,241	112.67%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Islamic Balanced Allocation Plan

Particulars	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
(No. of Units)				(Rupees)			(%)		
Alfalah GHP Islamic Income Fun	1,769,670	539,736	722,320	1,587,086	162,518,638	162,516,027	(2,611)	92.42%	91.65%
Alfalah GHP Islamic Dedicated E	524,062	319,961	612,011	232,012	17,638,313	14,802,660	(2,835,652)	8.42%	8.35%
Total as at June 30, 2022					180,156,951	177,318,687	(2,838,264)	100.84%	100.00%
Total as at June 30, 2021					218,103,867	222,584,233	4,480,366	104.95%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Islamic Active Allocation Plan II

Particulars	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----			----- (%) -----		
Alfalah GHP Islamic Income Fun	833,615	2,624,613	1,442,139	2,016,089	208,517,026	206,445,463	(2,071,563)	60.63%	60.72%
Alfalah GHP Islamic Dedicated E	4,020,249	1,758,556	3,685,228	2,093,576	160,665,218	133,572,691	(27,092,527)	39.23%	39.28%
Total as at June 30, 2022					369,182,244	340,018,154	(29,164,090)	99.86%	100.00%
Total as at June 30, 2021					369,557,006	405,843,000	36,285,994	102.95%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Islamic Active Allocation Plan III

Particulars	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
----- (No. of Units) -----				----- (Rupees) -----				----- (%) -----	
Alfalah GHP Islamic Income Fun	116,625	733,925	286,328	564,221	58,010,534	57,777,416	(233,118)	83.66%	85.80%
Alfalah GHP Islamic Dedicated E	755,301	297,628	903,003	149,926	10,779,916	9,565,420	(1,214,496)	13.85%	14.20%
Total as at June 30, 2022					68,790,450	67,342,836	(1,447,614)	97.51%	100.00%
Total as at June 30, 2021					64,528,030	72,162,259	7,634,229	97.98%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Islamic Capital Preservation Plan IV

Particulars	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
					</				

* These represent investments held in related parties i.e. funds under common management.

Islamic Capital Preservation Plan V

Particulars	As at July 01, 2021	Purchased during the year	Sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----			----- (%) -----		
Alfalah GHP Islamic Income Fun	98,211	166,387	56,354	208,244	21,360,034	21,324,099	(35,935)	93.28%	94.79%
Alfalah GHP Islamic Dedicated E	184,104	76,825	242,553	18,376	1,402,656	1,172,419	(230,238)	5.13%	5.21%
Total as at June 30, 2022					22,762,690	22,496,518	(266,173)	98.41%	100.00%
Total as at June 30, 2021					26,453,845	24,718,271	(1,735,574)	98.06%	100.00%

* These represent investments held in related parties i.e. funds under common management.

6 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLE

Note

		2022						
		Islamic Moderate Allocation	Islamic Balanced Allocation	Islamic Active Allocation	Islamic Active Allocation	Islamic Capital Preservation	Islamic Capital Preservation	Total
		(Rupees)						
Advance tax	6.1	-	1,021,797	1,015,492	372,965	228,085	130,512	2,768,851
Others		338,627	207,551	83	-	2,730	-	549,231
		338,627	1,229,348	1,015,815	372,965	230,815	130,512	3,318,082
		2021						
		Islamic Moderate	Islamic Balanced	Islamic Active	Islamic Active	Islamic Capital	Islamic Capital	Total
		(Rupees)						
Advance tax		-	-	-	39,808	-	-	39,808
Others		-	207,551	83	-	2,730	-	210,364
		-	207,550	83	39,808	2,730	-	250,172

- 6.1** As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However several withholding agents deduct tax at source based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company.

Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under 'advances, prepayments and other receivable' as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

		2022						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		(Rupees)						
Management remuneration payable	7.1	103,251	37,744	213	113,288	1,778	42,935	299,209
Sindh sales tax payable on management remuneration	7.2	24,239	15,988	25	20,052	1,221	5,564	67,089
Payable against allocated expenses	7.3	46,080	92,931	166,907	43,989	157,851	60,391	568,149
Federal excise duty payable on management remuneration	7.4	83,821	83,234	-	-	-	-	167,055
Sales load payable		185,454	35,207	-	-	-	-	220,661
Others		-	1	-	-	60,000	40,000	100,001
		442,845	265,105	167,145	177,329	220,850	148,890	1,422,164

		2021						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
		(Rupees)						
Management remuneration payable		93,919	36,053	209	96,709	1,495	43,136	271,521
Sindh sales tax payable on management remuneration		24,612	15,768	25	20,086	1,170	5,596	67,257
Payable against allocated expenses		30,937	76,424	130,653	160,106	16,555	8,847	423,522
Federal excise duty payable on management remuneration		83,821	83,234	-	-	-	-	167,055
Sales load payable		185,455	35,220	-	1	-	-	220,676
Others		-	-	-	-	60,000	40,000	100,000
		418,744	246,699	130,887	276,902	79,220	97,579	1,250,031

- 7.1 The Management Company has charged remuneration at the rate of 1.25% (2021: 1.25%) of the average annual net assets of the Plans during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the current year, an amount of Rs 0.006 million (2021: Rs 0.014 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.006 million (2021: Rs 0.029 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expenses.
- 7.4 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by Non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.08 million (2021: Rs 0.08 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Plans as at 30 June 2022 would have been higher by Re 0.14 per unit (2021: Re 0.14 per unit) and Re 0.04 (2021: Re 0.04) for Islamic Moderate Allocation Plan and Islamic Balanced Allocation Plan respectively.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		2022						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		(Rupees)						
Trustee remuneration payable	8.1	3,890	15,096	20,342	3,964	3,739	1,440	48,471
Sindh sales tax payable on								
Trustee remuneration	8.2	506	4,254	2,651	515	383	180	8,489
		4,396	19,350	22,993	4,479	4,122	1,620	56,960
		2021						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
		(Rupees)						
Trustee remuneration payable		64,091	17,288	24,121	32,136	4,471	18,084	160,191
Sindh sales tax payable on								
Trustee remuneration		18,293	4,540	3,146	4,196	585	944	31,704
		82,384	21,828	27,267	36,332	5,056	19,028	191,895

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Revised Tariff	Previous Tariff	
	Average net asset value	Tariff per annum
0.07% of daily net assets of the Fund	Up to Rs 1 billion	0.10% per annum of net assets
	Over Rs 1 billion	Rs 1 million plus 0.075% per annum of net assets exceeding Rs 1 billion

The same level of trustee fee was charged during the year ended June 30, 2022.

- 8.2 During the current year, an amount of Rs 0.04 million (2021: Rs 0.03 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.26 million (2021: Rs 0.19 million) was paid to the Trustee which acts as a collecting agent.

9 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

10 ACCRUED AND OTHER LIABILITIES

2022						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
(Rupees)						
-	-	-	-	-	-	-
88,516	119,325	21,753	37,600	13,940	14,412	295,546
107,286	114,964	315,428	240,873	104,100	41,135	923,786
1,156,572	2,653,407	5,802	311,284	122,304	105,114	4,354,483
44,364	51,176	-	7,578	2,647	2,803	108,568
92,130	142,752	157,451	89,183	17,705	16,620	515,841
85,545	40,257	-	87,202	32,377	55,411	300,792
2,694,386	149,343	-	116	1	381,536	3,225,382
4,268,799	3,271,224	500,434	773,836	293,074	617,031	9,724,398

2021						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
(Rupees)						
5,685,667	6,624,802	4,852,445	538,600	689,279	166,769	18,557,562
85,989	118,429	22,834	40,244	12,076	13,878	293,450
118,895	195,469	432,063	186,924	99,624	36,926	1,069,901
4,027,593	8,609,894	7,520,271	968,428	1,748,534	525,123	23,399,843
44,638	51,546	-	12,659	2,684	2,772	114,299
92,130	142,752	157,451	89,182	17,705	16,620	515,840
89,941	53,357	16,298	128,055	31,293	54,681	373,625
2,647,526	149,330	-	-	-	381,536	3,178,392
12,792,379	15,945,579	13,001,362	1,964,092	2,601,195	1,198,305	47,502,912

10.1 Sindh Revenue Board through its letter dated August 12, 2021 has intimated to Mutual Fund Association of Pakistan (MUFAP) that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has been taken up with the SECP by all the Asset Management Companies. In consultation with SECP, Asset Management Companies have reversed the cumulative provision for SWWF recognized in the financial statements of the funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, no provision for SWWF has been recognized in the financial statements of the Fund.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

12 AUDITORS' REMUNERATION

	For the year ended June 30, 2022						
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
	(Rupees)						
Audit fee	49,737	133,770	258,562	52,546	33,134	17,442	545,192
Review and other certifications	25,719	69,173	133,703	27,172	17,132	9,019	281,918
Sindh sales tax	7,027	18,898	36,528	7,423	4,675	2,461	77,012
Out of pocket expenses	15,442	41,531	80,273	16,314	10,207	5,377	169,143
	97,925	263,372	509,066	103,455	65,148	34,299	1,073,265

For the year ended June 30, 2021							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
Audit fee	37,551	146,598	250,074	36,660	54,744	19,565	545,192
Review and other certifications	34,058	83,360	91,194	33,647	30,707	8,952	281,918
Sindh sales tax	6,447	21,300	32,309	6,354	7,926	2,676	77,012
Out of pocket expenses	8,980	36,298	62,591	9,119	13,627	4,935	135,550
	87,036	287,556	436,168	85,780	107,004	36,128	1,039,672

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 are 0.38%, 0.36%, 0.37%, 0.41%, 0.66% and 0.57% (2021: 0.66%, 0.56%, 0.76%, 0.86%, 0.52% and 0.48%) which includes 0.03%, 0.03%, 0.03%, 0.03%, 0.03% and 0.03% (2021: 0.35%, 0.23%, 0.47%, 0.48%, 0.13% and 0.12%) representing government levies on Islamic Moderate Allocation Plan, Islamic Balanced Allocation Plan, Islamic Active Allocation Plan II, Islamic Active Allocation Plan III, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Shariah Compliant Fund of Funds scheme.

14 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

15.1 Unit Holders' Fund

Unit Holders' Fund	2022									
	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvest- ment	Redeemed/ conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022
	(Number of units)					(Rupees)				
- Islamic Moderate Allocation Plan										
Unit holder holding 10% or more units										
Gurmani Foundation	316,377	-	22,781	44,199	294,959	32,687,055	-	2,353,697	5,000,000	30,594,872
Individual	249,596	-	19,074	-	268,670	2,135,906	-	1,970,665	-	27,867,960
- Islamic Balanced Allocation Plan										
Key management personnel										
Head of Operations & Registrar Services	-	1	-	-	1	-	53	-	-	51
Unit holder holding 10% or more units										
Gurmani Foundation	654,559	-	30,247	186,035	498,771	65,653,577	-	3,033,871	20,000,000	50,208,177
Individual	258,800	-	13,759	-	272,559	25,958,158	-	1,380,091	-	27,436,798
- Islamic Active Allocation Plan II										
Associated companies / undertakings										
Bank Alfalah Limited - Employees Gratuity Fund	1,762,336	-	-	-	1,762,336	171,378,188	-	-	-	158,779,040
Unit holder holding 10% or more units										
PSCOL Staff Provident Fund	502,997	-	-	-	502,997	48,913,893	-	-	-	45,317,918
PSCOL Employees Provident Fund	502,997	-	-	-	502,997	48,913,893	-	-	-	45,317,918
Individual	586,917	-	-	-	586,917	57,074,685	-	-	-	52,878,726
- Islamic Active Allocation Plan III										
Associated companies / undertakings										
Bank Alfalah Limited - Employees Gratuity Fund	664,946	-	34,634	-	699,580	58,249,403	-	3,033,948	-	61,507,422
-Islamic Capital Preservation Plan IV										
Unit holder holding 10% or more units										
Gurmani Foundation	230,130	-	2,952	-	233,082	22,945,919	-	294,374	-	23,252,492
Individual	107,034	-	-	-	107,034	10,672,202	-	-	-	10,677,818
-Islamic Capital Preservation Plan V										
Unit holder holding 10% or more units										
Individual	224,667	-	2,881	-	227,548	22,386,812	-	287,119	-	22,684,358

2021										
As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2021	
(Number of units)				(Rupees)						
- Islamic Moderate Allocation Plan										
Unit holder holding 10% or more units										
Gurmani Foundation	287,986	-	28,391	-	316,377	28,380,551	-	2,944,257	-	32,687,091
Barrett Hodgson Pakistan (Private) Limited	114,409	-	-	114,409	-	11,274,821	-	-	12,533,913	-
Individual	228,999	-	20,597	-	249,596	25,567,485	-	2,135,906	-	25,787,485
- Islamic Balanced Allocation Plan										

	2021									
	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2021
	(Number of units)					(Rupees)				
Key management personnel										
Head of Operations & Registrar Services	120	-	-	120	-	11,930	-	-	12,337	-
Unit holder holding 10% or more units										
Gurmani Foundation	607,655	-	46,904	-	654,559	60,409,347	-	4,710,340	-	65,653,577
Individual	243,332	-	15,468	-	258,800	24,190,581	-	1,553,362	-	25,958,158
- Islamic Active Allocation Plan II										
Associated companies / undertakings										
Bank Alfalah Limited - Employees Gratuity Fund	1,528,052	-	234,284	-	1,762,336	137,649,494	-	22,987,708	-	171,378,188
Unit holder holding 10% or more units										
PSCOL Staff Provident Fund	436,129	-	66,868	-	502,997	39,287,234	-	6,561,036	-	48,913,893
PSCOL Employees Provident Fund	436,129	-	66,868	-	502,997	39,287,234	-	6,561,036	-	48,913,893
Individual	530,031	-	56,886	-	586,917	47,746,084	-	5,581,576	-	57,074,685
- Islamic Active Allocation Plan III										
Associated companies / undertakings										
Bank Alfalah Limited - Employees Gratuity Fund	578,390	-	86,556	-	664,946	47,008,121	-	7,651,237	-	58,249,403
-Islamic Capital Preservation Plan IV										
Unit holder holding 10% or more units										
Gurmani Foundation	220,608	-	9,522	-	230,130	22,121,225	-	954,779	-	22,945,963
Individual	107,034	-	-	-	107,034	10,732,717	-	-	-	10,672,221
-Islamic Capital Preservation Plan V										
Unit holder holding 10% or more units										
Individual	215,495	-	9,172	-	224,667	21,605,162	-	954,779	-	22,386,831

15.2 Other transactions

	For the year ended June 30, 2022						Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
	(Rupees)						
Associated companies / undertakings							
Alfalah GHP Investment Management							
Limited - Management Company							
Remuneration of the Management Company	3,748	3,872	2,118	23,391	4,595	5,030	42,754
Sindh sales tax on remuneration of the Management Company	488	503	275	3,039	610	650	5,565
Allocated expenses	82,015	231,819	414,939	80,809	182,954	72,983	1,065,519
Sales load							
Bank Alfalah Limited							
Profit on bank balances	43,235	24,447	12,952	14,341	15,797	981	111,753

	For the year ended June 30, 2022						Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
Other related party							

(Rupees)

**Central Depository Company of Pakistan
Limited - Trustee**

Remuneration of the Trustee	52,260	144,469	258,462	50,670	32,914	17,482	556,257
Sindh sales tax on remuneration of the Trustee	6,816	18,781	33,595	6,565	4,291	2,266	72,314

	For the year ended June 30, 2021						Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
Associated companies / undertakings							

(Rupees)

**Alfalsh GHP Investment Management
Limited - Management Company**

Remuneration of the Management Company	848	-	864	70,261	19,723	10,700	102,396
Sindh sales tax on remuneration of the Management Company	110	-	112	9,134	2,564	1,391	13,311
Allocated expenses	70,434	234,677	392,010	75,321	65,240	28,413	866,095
Sales load	-	-	73	-	-	-	73

Bank Alfalah Limited

Profit on bank balances	43,694	33,528	67,928	84,382	42,425	8,511	280,468
Bank charges	-	-	25	-	25	25	75

Other related party

**Central Depository Company of Pakistan
Limited - Trustee**

Remuneration of the Trustee	50,266	164,265	274,411	51,713	46,980	19,870	607,505
Sindh sales tax on remuneration of the Trustee	6,535	21,354	35,673	6,723	6,107	2,583	78,975

15.3 Other balances

	For the year ended June 30, 2022						Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
Associated companies / undertakings							

(Rupees)

**Alfalsh GHP Investment Management Limited -
Management Company**

Management remuneration payable	103,251	37,744	213	113,288	1,778	42,935	299,209
Sindh sales tax payable on management remuneration	24,239	15,988	25	20,052	1,221	5,564	67,089
Payable against allocated expenses	46,080	92,931	166,907	43,989	157,851	60,391	568,149
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	-	167,055
Sales load payable	185,454	35,207	-	-	-	-	220,661
Others	-	1	-	-	60,000	40,000	100,001

	For the year ended June 30, 2022						Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
Bank Alfalah Limited							
Bank balances	444,737	462,817	217,351	1,414,835	363,169	626,071	3,528,979
Profit receivable on bank balance	16,145	10,345	1,022	20,052	16,901	14,399	78,864

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	3,890	15,096	20,342	3,964	3,739	1,440	48,471
Sindh sales tax payable on Trustee remuneration	506	4,254	2,651	515	383	180	8,489

	For the year ended June 30, 2021						Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
Associated companies / undertakings							

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	93,919	36,053	209	96,709	1,495	43,136	271,521
Sindh sales tax payable on management remuneration	24,612	15,768	25	20,086	1,170	5,596	67,257
Payable against allocated expenses	30,937	76,424	130,653	160,106	16,555	8,847	423,522
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	-	167,055
Formation cost payable	-	-	-	-	-	40,000	40,000
Sales load payable	185,455	35,220	-	1	-	-	220,676
Others	-	-	-	-	60,000	-	60,000

Bank Alfalah Limited

Bank balances	4,687,863	5,866,747	1,102,777	2,896,159	2,700,667	475,590	17,729,803
Profit receivable on bank balance	2,176	1,519	205,113	5,711	2,798	15,610	232,927

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	64,091	17,288	24,121	32,136	4,471	18,084	160,191
Sindh sales tax payable on Trustee remuneration	18,293	4,540	3,146	4,196	585	944	31,704

16 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2022			2021		
	At amortised Cost	At fair value through profit or loss	Total	At amortised Cost	At fair value through profit or loss	Total
Financial assets						
Bank balances	5,875,180	-	5,875,180	20,702,982	-	20,702,982
Investments	-	719,051,226	719,051,226	-	848,903,035	848,903,035
Profit receivable on bank balances	214,070	-	214,070	287,418	-	287,418
Receivable against sale of investments	-	-	-	-	-	-
Advances, prepayments and other receivables	3,318,082	-	3,318,082	210,280	-	210,280
	<u>9,407,332</u>	<u>719,051,226</u>	<u>728,458,558</u>	<u>21,200,680</u>	<u>848,903,035</u>	<u>870,103,715</u>

Particulars	2022			2021		
	At amortised Cost	At fair value through profit or loss	Total	At amortised Cost	At fair value through profit or loss	Total
(Rupees)						
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited						
- Management Company	1,422,164	-	1,422,164	1,250,031	-	1,250,031
Payable to Central Depository Company of Pakistan Limited						
- Trustee	56,960	-	56,960	191,895	-	191,895
Payable against redemption of units	1	-	1	761,787	-	761,787
Dividend payable	-	-	-	956,129	-	956,129
Accrued and other liabilities	5,369,915	-	5,369,915	5,545,507	-	5,545,507
	<u>6,849,040</u>	<u>-</u>	<u>6,849,040</u>	<u>8,705,349</u>	<u>-</u>	<u>8,705,349</u>

17 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, profit rate risk and price risk.

17.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

17.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

	Note	2022	2021
Variable rate instruments (financial assets)		-----Rupees-----	
Bank balances	4	<u>5,875,180</u>	<u>20,702,982</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.059 million (2021: Rs 0.207 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	As at June 30, 2022					
	Profit yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
On-balance sheet financial instruments	%	(Rupees)				
Financial assets						
Bank balances	5.5% to 15.2%	5,875,180	-	-	-	5,875,180
Investments		-	-	-	719,051,226	719,051,226
Profit receivable on bank balances		-	-	-	214,070	214,070
Receivable against sale of investments		-	-	-	-	-
Advances, prepayments and other receivables		-	-	-	3,318,082	3,318,082
Sub total		5,875,180	-	-	722,583,378	728,458,558
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	1,422,164	1,422,164
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	56,960	56,960
Payable against redemption of units		-	-	-	1	1
Dividend payable		-	-	-	-	-
Accrued and other liabilities		-	-	-	5,369,915	5,369,915
Sub total		-	-	-	6,849,040	6,849,040
On-balance sheet gap		5,875,180	-	-	715,734,338	721,609,518
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total profit rate sensitivity gap		5,875,180	-	-	715,734,338	721,609,518
Cumulative profit rate sensitivity gap		5,875,180	-	-		

Particulars	As at June 30, 2021					
	Profit yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%					

Particulars	As at June 30, 2021					
	Profit yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees)				

Financial liabilities

Payable to Alfalah GHP Investment Management

Limited - Management Company	-	-	-	1,250,031	1,250,031

Payable to Central Depository Company of

Pakistan Limited - Trustee	-	-	-	191,895	191,895

Payable against redemption of units

	-	-	-	761,787	761,787

Dividend payable

	-	-	-	956,129	956,129

Accrued and other liabilities

	-	-	-	5,545,507	5,545,507

Sub total

	-	-	-	8,705,349	8,705,349

On-balance sheet gap

	20,702,982	-	-	840,695,384	861,398,366

Off-balance sheet financial instruments

	-	-	-	-	-

Off-balance sheet gap

	-	-	-	-	-

Total profit rate sensitivity gap

	20,702,982	-	-	840,695,384	861,398,366

Cumulative profit rate sensitivity gap

	20,702,982	-	-		

17.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds which are categorized as equity schemes. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2022. The analysis is based on the assumption that PSX index increased / decreased by 1%, with all other variables held constant.

As at June 30, 2022, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

	2022	2021
	Rupees	
<i>Effect due to increase / decrease in KMI 30 index</i>		
Investment and net assets	172,972,624	4,909,131
Income statement	172,972,624	4,909,131

17.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

17.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees)				
Bank balances	5,875,180	5,875,180	20,702,982	20,702,982
Investments	719,051,226	-	848,903,035	-
Profit receivable on bank balances	214,070	214,070	287,418	287,418
Advances, prepayments and other receivables	3,318,082	3,318,082	210,280	210,280
	<u>728,458,558</u>	<u>9,407,332</u>	<u>870,103,715</u>	<u>21,200,680</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 719.05 million (2021: Rs 848.90 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2022 and June 30, 2021.

17.2.2 Credit quality of financial assets

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Name of bank	Rating agency	Rating	2022	2021
			%age of total bank balance	
Bank Alfalah Limited	PACRA	A1+ / AA+	60.07%	85.63%
BankIslami Pakistan Limited	PACRA	A1 / A+	12.48%	7.90%
Dubai Islamic Bank Limited	VIS	A-1+ / AA	9.34%	4.19%
Meezan Bank Limited	VIS	A-1+ / AAA	0.68%	1.33%
National Bank of Pakistan	PACRA	A1+ / AAA	14.85%	0.72%
Silk Bank Limited	VIS	A-2 / A-	0.17%	0.19%
Soneri Bank Limited	PACRA	A1+ / AA-	2.40%	0.04%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

17.2.3 Open end mutual fund

The Fund had investments as at June 30, 2022 with open end mutual funds having following ratings:

Name of open end mutual funds	Rating agency	Rating	2022	2021
			Percentage of total investments	
Alfalah GHP Islamic Income Fund	PACRA	AA-(f)	75.94%	42.17%
Alfalah GHP Islamic Dedicated Equity Fund	Not Rated	Not Rated	24.06%	57.83%
			<u>100.00%</u>	<u>100.00%</u>

17.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total

----- Rupees -----

Financial assets

Bank balances	5,875,180	-	-	-	5,875,180
Investments	719,051,226	-	-	-	719,051,226
Profit receivable on bank balances	214,070	-	-	-	214,070
Advances, prepayments and other receivables	3,318,082	-	-	-	3,318,082
	728,458,558	-	-	-	728,458,558

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company	1,422,164	-	-	-	1,422,164
Payable to Central Depository Company of Pakistan Limited - Trustee	56,960	-	-	-	56,960
Payable against redemption of units	1	-	-	-	1
Dividend payable	-	-	-	-	-
Accrued and other liabilities	5,369,915	-	-	-	5,369,915
	6,849,040	-	-	-	6,849,040

Net financial assets

721,609,518	-	-	-	721,609,518

2021	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total

----- Rupees -----

Financial assets

Bank balances	20,702,982	-	-	-	20,702,982
Investments	848,903,035	-	-	-	848,903,035
Profit receivable on bank balances	287,418	-	-	-	287,418
Advances, prepayments and other receivables	210,280	-	-	-	210,280
	870,103,715	-	-	-	870,103,715

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company	1,250,031	-	-	-	1,250,031
Payable to Central Depository Company of Pakistan Limited - Trustee	191,895	-	-	-	191,895
Payable against redemption of units	761,787	-	-	-	761,787
Dividend payable	956,129	-	-	-	956,129
Accrued and other liabilities	5,545,507	-	-	-	5,545,507
	8,705,349	-	-	-	8,705,349

Net financial assets

861,398,366	-	-	-	861,398,366

17.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022, the Fund held the following financial instruments measured at fair values:

	2022			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial Assets 'at fair value through profit or loss'				
Open end mutual funds	-	719,051,226	-	719,051,226
	2021			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial Assets 'at fair value through profit or loss'				
Open end mutual funds	-	848,903,035	-	848,903,035

17.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitors capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

18 UNITS OUTSTANDING

UNITS OUTSTANDING

For the year ended June 30, 2022							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
As at July 1	612,287	2,114,368	4,053,825	840,771	510,471	252,984	8,384,706
Add: issuance of units	212,879	101,787	30,386	38,396	26,370	3,007	412,825
Less: redemption of units	(194,872)	(469,265)	(306,859)	(93,659)	(101,597)	(26,670)	(1,192,922)
As at June 30, 2022	630,294	1,746,890	3,777,352	785,508	435,244	229,321	7,604,609

For the year ended June 30, 2021							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
As at July 1	711,315	2,323,132	3,887,459	848,504	858,027	289,219	8,917,656
Add: issuance of units	154,342	154,921	477,201	106,512	19,013	23,372	935,361
Less: redemption of units	(253,370)	(363,685)	(310,835)	(114,245)	(366,569)	(59,607)	(1,468,311)
As at June 30, 2021	612,287	2,114,368	4,053,825	840,771	510,471	252,984	8,384,706

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

20 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

21 GENERAL

21.1 Rounding off

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Islmaic Moderate Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	32	335,058	34,753,798	53%
Retirement & Other Funds	1	96	30,595,563	47%
Others	5	295,239	28,373	0%
	38	630,393	65,377,733	100%

Balance Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	492	1,199,657	120,762,091	69%
Retirement & Other Funds	4	48,329	4,865,013	3%
Others	7	498,903	50,221,522	29%
	503	1,746,889	175,848,626	100%

Islmaic Active Allocation PlanII

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	22	888,683	80,114,236	24%
Retirement & Other Funds	4	2,768,330	249,563,535	73%
Others	2	120,340	10,848,591	3%
	28	3,777,352	340,526,362	100%

Islmaic Active Allocation Plan III

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	7	78,284	6,882,783	10%
Retirement & Other Funds	2	707,175	62,175,278	90%
Others	1	48	4,187	0%
	10	785,507	69,062,247	100%

Islmaic Capital Preservation Plan IV

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	84	201,551	20,107,073	46%
Retirement & Other Funds	1	2	222	0%
Others	4	233,690	23,313,195	54%
	89	435,244	43,420,490	100%

Islmaic Capital Preservation Plan V

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	31	229,264	22,855,387	100%
Retirement & Other Funds	2	57	5,728	0%
	33	229,321	22,861,115	100%

Islmaic Moderate Allocation Plan

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	200	294,381	30,414,503	47%
Retirement & Other Funds	18	1,523	157,389	0%
Others	5	316,383	32,687,663	50%
	223	612,287	63,259,555	97%

Balance Allocation Plan

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1513	1,414,806	141,907,866	81%
Retirement & Other Funds	17	44,923	4,505,914	3%
Others	28	654,638	65,661,509	37%
	1558	2,114,368	212,075,290	121%

Islmaic Active Allocation PlanII

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	219	1,080,922	105,114,111	31%
Retirement & Other Funds	13	2,762,174	268,607,370	79%
Others	12	210,729	20,492,336	6%
	244	4,053,825	394,213,818	116%

Islmaic Active Allocation Plan III

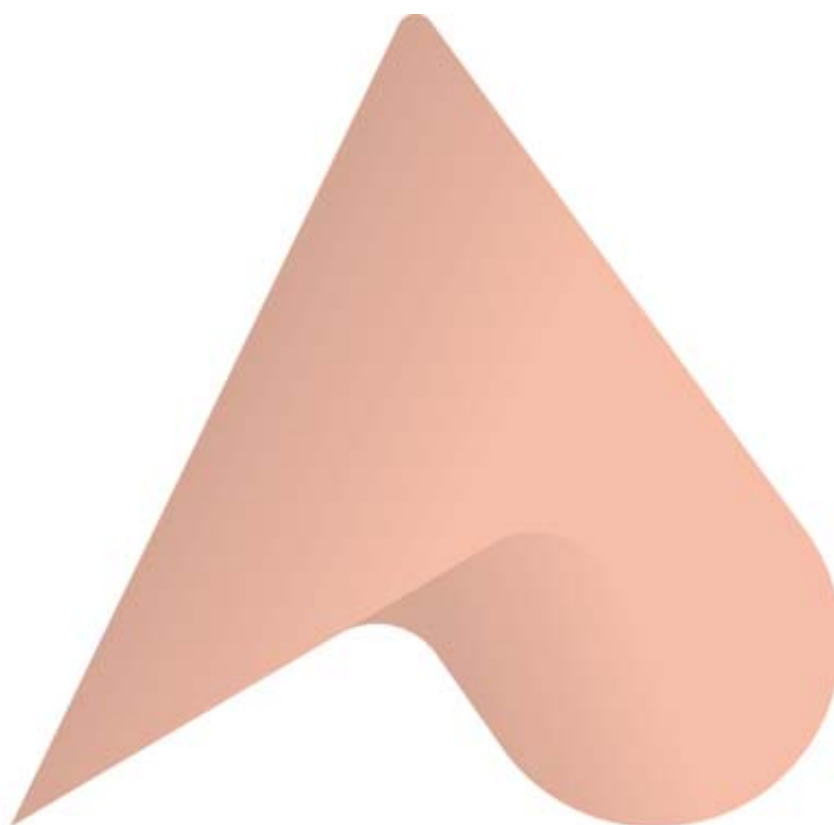
Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	136	109,944	9,631,157	14%
Retirement & Other Funds	4	698,791	61,214,213	89%
Others	6	32,036	2,806,339	4%
	146	840,771	73,651,708	107%

Islmaic Capital Preservation Plan IV

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	141	267,205	26,642,616	61%
Retirement & Other Funds	2	2	219	0%
Others	8	243,264	24,255,548	56%
	151	510,471	50,898,383	117%

Islmaic Capital Preservation Plan V

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	52	226,657	22,585,144	99%
Retirement & Other Funds	4	26,327	2,623,334	11%
	56	252,984	25,208,479	110%



(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGIPPF

30 June 2022						
	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V
Net Assets	75,755	206,383	369,159	71,943	47,333	25,048
NAV per unit	103.7259	100.6639	90.1495	87.9206	99.7612	99.6905
Selling price per unit	106.6562	102.0858	N/A	N/A	N/A	N/A
Redemption price per unit	103.7259	100.6639	88.7973	85.7226	99.7612	99.6905
Highest selling price per unit	119.9332	109.9228	N/A	N/A	N/A	N/A
Highest redemption price per unit	116.6382	108.3918	99.0438	92.7973	103.9026	103.0860
Lowest selling price per unit	106.2719	101.7748	N/A	N/A	N/A	N/A
Lowest redemption price per unit	103.3522	100.3573	87.6922	85.4858	99.1751	98.4790
Total interim distribution per unit	10.1737	7.6181	Nil	4.5627	1.5049	1.5035
Interim distribution date	24-Jun-22	24-Jun-22	Nil	24-Jun-22	24-Jun-22	24-Jun-22
Final distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution date	Nil	Nil	Nil	Nil	Nil	Nil
Annualized returns	10.25%	7.97%	-7.30%	5.55%	1.86%	1.36%
Income distribution	9.85%	7.60%	Nil	5.21%	1.51%	1.51%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A

30 June 2021						
	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V
	63,260	212,075	394,214	73,652	50,898	25,208
NAV per unit	103.3169	100.3020	97.2449	87.6002	99.7087	99.6445
Selling price per unit	106.2356	101.7188	N/A	N/A	N/A	N/A
Redemption price per unit	103.3169	100.3020	95.7862	85.4102	99.7087	99.6445
Highest selling price per unit	120.2134	111.5738	N/A	N/A	N/A	N/A
Highest redemption price per unit	116.9107	110.0198	113.7988	101.2267	106.8190	106.8779
Lowest selling price per unit	101.8665	101.0792	N/A	N/A	N/A	N/A
Lowest redemption price per unit	99.0679	99.6714	89.6575	79.9089	99.7087	99.6445
Total interim distribution per unit	12.0278	9.1196	15.0438	13.2285	5.0917	5.0202
Interim distribution date	25-Jun-21	25-Jun-21	25-Jun-21	25-Jun-21	25-Jun-21	25-Jun-21
Final distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution date	Nil	Nil	Nil	Nil	Nil	Nil
Annualized returns	17.00%	10.06%	24.50%	23.91%	4.49%	4.36%
Income distribution	12.20%	9.17%	16.70%	16.28%	5.08%	5.01%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A

30 June 2020						
	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V
	70,099	230,952	350,189	68,961	86,038	28,997
NAV per unit	98.5484	99.4139	90.0817	81.2741	100.2739	100.2582
Selling price per unit	101.3324	100.8181	N/A	N/A	N/A	N/A
Redemption price per unit	98.5484	99.4139	88.7305	79.2422	100.2739	100.2582
Highest selling price per unit	105.6006	104.0323	92.6319	94.4054	103.2990	103.4726
Highest redemption price per unit	102.6993	102.5833	94.0425	96.8260	103.9197	103.4726
Lowest selling price per unit	100.9602	99.9209	86.5046	86.7560	100.0000	100.0000
Lowest redemption price per unit	98.0297	98.5292	87.8219	88.9805	100.0000	100.0000
Total interim distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution per unit	5.4490	8.8238	0.3125	12.6758	7.3595	7.8755
Final distribution date	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-19	30-Jun-19
Annualized returns	5.94	5.03	-0.65	-1.99	7.43	7.95
Income distribution	5.55%	8.89%	0.34%	13.63%	7.35%	7.86%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGIPPF

30 June 2019							
	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Islamic Active Allocation Plan
Net Assets	293,683	367,701	410,898	602,314	173,752	55,876	849,867
NAV per unit	98.1864	99.2760	90.6267	92.9739	100.1956	100.1816	97.9444
Selling price per unit	100.9602	100.6783	N/A	N/A	N/A	N/A	N/A
Redemption price per unit	98.1864	99.2760	89.2673	90.6496	100.1956	100.1816	97.9444
Highest selling price per unit	105.6006	104.0323	92.6319	94.4054	103.2990	103.4726	110.4329
Highest redemption price per unit	102.6093	102.5833	94.0425	96.8260	103.9197	103.4726	104.7139
Lowest selling price per unit	100.9602	99.9209	86.5046	86.7560	100.0000	100.0000	94.4505
Lowest redemption price per unit	98.0297	98.5292	87.8219	88.9805	100.0000	100.0000	92.8732
Total interim distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution per unit	4.5953	3.3133	Nil	Nil	3.7162	3.4161	Nil
Final distribution date	30-Jun-19	30-Jun-19	N/A	N/A	30-Jun-19	30-Jun-19	Nil
Annualized returns	4.94	3.18	-1.93	-2.41	3.91	3.60	-8.05%
Income distribution	4.6917	3.3323	Nil	Nil	3.7162	3.4161	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A	N/A

30 June 2018		
Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III
1,369,278	1,730,856	980,740
105.4376	92.4122	95.2688
106.9269	N/A	N/A
105.4376	91.0260	92.8871
107.7997	104.5352	103.6085
106.2982	99.1216	98.2429
104.0610	92.3887	95.9923
102.6116	88.0158	91.0211
Nil	Nil	Nil
Nil	Nil	Nil
Nil	Nil	Nil
Nil	Nil	Nil
N/A	N/A	N/A
0.52%	-8.36%	-4.44%
Nil	Nil	Nil
N/A	N/A	N/A

IAAP - Return since inception is **6.92%**

BAP - Return since inception is **3.79%**

IAAP II - Return since inception is **2.13%**

IAAP III - Return since inception is **4.21%**

ICP IV - Return since inception is **4.44%**

ICP V - Return since inception is **4.85%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Alfalah
GHP Islamic
Dedicated Equity Fund**

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Phase VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Islamic Dedicated Equity Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

The investment objective of GHP Islamic Dedicated Equity Fund (AGIDEF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds via investments in Shariah Compliant avenues.

Equity Market Review

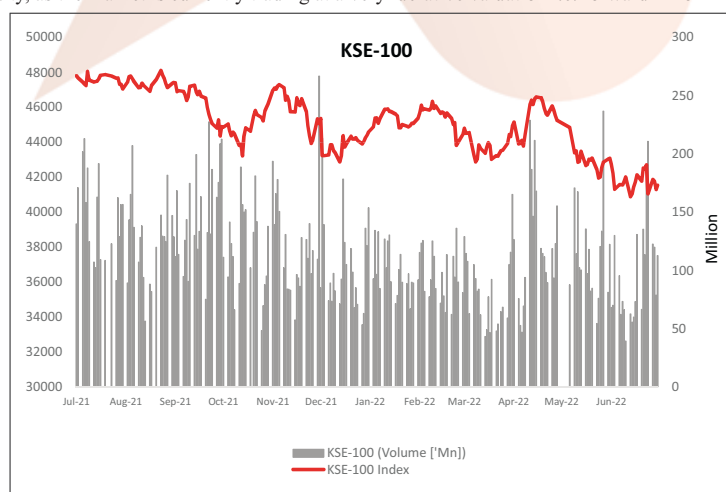
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

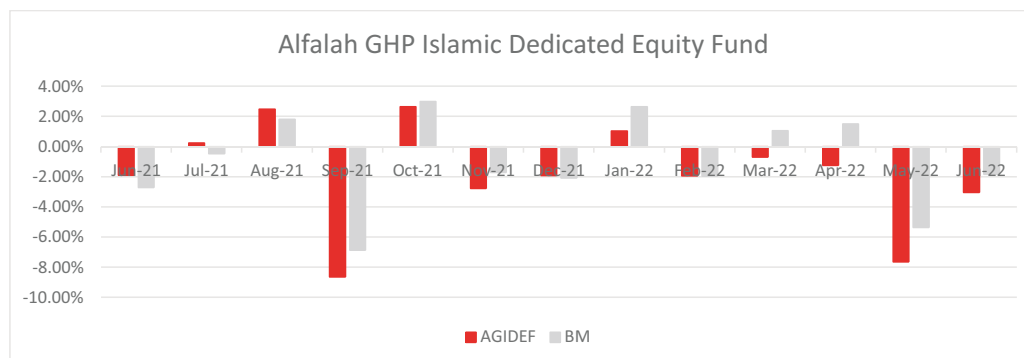
Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.



Fund Performance

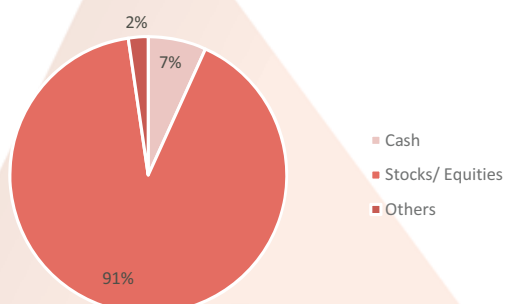
The fund generated a negative return of 20.02% against the benchmark which also generated a negative 10.25%.

Performance comparison with Benchmark



Asset Allocation

Asset Allocation (as at 30 Jun 2022)



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Dedicated Equity Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2022





Alfalah Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Dedicated Equity Fund ('AGIDEF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we provide consent for investment in equities securities based on the Shariah Guidelines during the period from July 1, 2021 to June 30, 2022.

We hereby certify that the investments made by the Funds are in compliance with Shariah principles.

For the Year 2021-22 provision against Charity is made amount to Rs. 345,808/- in respect of dividend purification.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalah GHP Investment Management Ltd
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahghp.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalsh GHP Islamic Dedicated Equity Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 26, 2022

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Dedicated Equity Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Dedicated Equity Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2022 amounted to Rs. 161.569 million and bank balances aggregated to Rs. 11.427 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: ■ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ■ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ■ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 29 September, 2022
UDIN:

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Assets			
Bank balances	4	11,427,257	17,304,574
Investments	5	161,569,525	475,160,323
Security deposits	6	2,600,000	2,600,000
Advance, dividend, profit and other receivables	7	1,523,171	2,297,190
Preliminary expenses and floatation costs	8	-	203,866
Total assets		177,119,953	497,565,953
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	9	2,499,519	2,376,968
Payable to Central Depository Company of Pakistan Limited - Trustee	10	36,793	90,053
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	54,707	75,343
Accrued expenses and other liabilities	12	1,554,376	4,110,859
Total liabilities		4,145,395	6,653,223
Net assets attributable to the unit holders		<u>172,974,558</u>	<u>490,912,730</u>
Unit holders' fund (as per the statement attached)		<u>172,974,558</u>	<u>490,912,730</u>
Contingencies and commitments	13		
		----- (Number of units) -----	
Number of units in issue		<u>2,711,151</u>	<u>6,154,306</u>
		----- (Rupees) -----	
Net asset value per unit		<u>63.8012</u>	<u>79.7674</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		----- (Rupees) -----	
Income			
Profit on bank balances		24,219	26,027
(Loss) / gain on sale of investment - net		(40,472,804)	39,961,074
Dividend income		15,353,302	16,730,276
Unrealised (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net	5.3	(25,226,536)	74,087,902
Total (loss) / income		(50,321,819)	130,805,279
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	9.1	5,470,508	7,539,472
Sindh Sales Tax on remuneration of the Management Company	9.2	711,166	980,131
Allocated expenses	9.3	331,175	376,932
Selling and marketing expenses	9.4	2,976,190	3,675,382
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	547,047	753,605
Sindh Sales Tax on remuneration of the Trustee	10.2	71,116	97,969
Annual fee to the Securities and Exchange Commission of Pakistan	11	54,707	75,368
Bank and settlement charges		366,726	358,767
Auditors' remuneration	14	711,859	325,500
Brokerage and securities transaction costs		1,338,078	1,040,566
Amortisation of preliminary expenses and floatation costs	8	203,866	227,460
Printing and related costs		29,974	29,928
Charity expense	12.1	345,808	413,654
(Reversal of) / provision for Sindh Workers' Welfare Fund	12.2	(2,298,211)	2,298,211
Total expenses		10,860,009	18,192,945
Net (loss) / income for the year before taxation		(61,181,828)	112,612,334
Taxation	15	-	-
Net (loss) / income for the year after taxation		(61,181,828)	112,612,334
Allocation of net income for the year			
Net income for the year after taxation		-	112,612,334
Income already paid on units redeemed		-	(18,453,657)
		-	94,158,677
Accounting income available for distribution			
Relating to capital gains		-	94,158,677
Excluding capital gains		-	-
		-	94,158,677

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**STATEMENT OF COMPREHENSIVE INCOME***FOR THE YEAR ENDED JUNE 30, 2022*

	2022 ----- (Rupees) -----	2021 -----
Net (loss) / income for the year after taxation	(61,181,828)	112,612,334
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	<u>(61,181,828)</u>	<u>112,612,334</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	Rupees			Rupees		
Net assets at the beginning of the year	749,506,690	(258,593,960)	490,912,730	648,104,859	(318,504,459)	329,600,400
Issuance of 2,921,653 units (2021: 2,620,083 units)						
- Capital value (at net asset value per unit at the beginning of the year)	233,052,677	-	233,052,677	177,523,023	-	177,523,023
- Element of (loss) / income	(17,952,677)	-	(17,952,677)	41,093,189	-	41,093,189
Total proceeds on issuance of units	215,100,000	-	215,100,000	218,616,212	-	218,616,212
Redemption of 6,364,808 units (2021: 1,618,888 units)						
- Capital value (at net asset value per unit at the beginning of the year)	507,704,186	-	507,704,186	103,546,343	-	103,546,343
- Element of (income) / loss	(35,847,842)	-	(35,847,842)	-	18,453,657	18,453,657
Total payments on redemption of units	471,856,344	-	471,856,344	103,546,343	18,453,657	122,000,000
Total comprehensive (loss) / income for the year	-	(61,181,828)	(61,181,828)	-	112,612,334	112,612,334
Final distribution for the year ended June 30, 2021 at Rs. 8.6173 per unit declared on June 29, 2021	-	-	-	(13,668,038)	(34,248,178)	(47,916,216)
Net assets at the end of the year	492,750,346	(319,775,788)	172,974,558	749,506,690	(258,593,960)	490,912,730
Accumulated loss brought forward	(Rupees)			(Rupees)		
- Realised loss		(332,681,862)			(289,121,790)	
- Unrealised gain / (loss)		74,087,902			(29,382,669)	
		<u>(258,593,960)</u>			<u>(318,504,459)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			94,158,677	
- Excluding capital gains		-			-	
		-			94,158,677	
Net (loss) / income for the year after taxation		(61,181,828)			-	
Dividend paid		-			(34,248,178)	
Accumulated loss carried forward		<u>(319,775,788)</u>			<u>(258,593,960)</u>	
Accumulated loss carried forward						
- Realised loss		(294,549,252)			(332,681,862)	
- Unrealised (loss) / gain		(25,226,536)			74,087,902	
		<u>(319,775,788)</u>			<u>(258,593,960)</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		<u>79.7674</u>			<u>63.9614</u>	
Net asset value per unit at the end of the year		<u>63.8012</u>			<u>79.7674</u>	

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the year before taxation		(61,181,828)	112,612,334
Adjustments for:			
Unrealised loss / (gain) on revaluation of investments classified as			
'financial assets at fair value through profit or loss' - net		25,226,536	(74,087,902)
Amortisation of preliminary expenses and floatation costs		203,866	227,460
(Reversal of) / provision for Sindh Workers' Welfare Fund		(2,298,211)	2,298,211
		(38,049,637)	41,050,103
(Increase) / decrease in assets			
Investments - net		288,364,262	(80,471,328)
Advance, dividend, profit and other receivables		774,019	(2,163,783)
		289,138,281	(82,635,111)
Increase / (decrease) in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management		122,551	1,077,913
Payable to Central Depository Company of Pakistan Limited - Trustee		(53,260)	27,406
Payable to the Securities and Exchange Commission of Pakistan		(20,636)	36,451
Accrued expenses and other liabilities		(258,272)	(105,384)
		(209,617)	1,036,386
Net cash generated from / (used in) in operating activities		250,879,027	(40,548,622)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units - net of refund of capital		215,100,000	204,948,174
Payment made against redemption of units		(471,856,344)	(122,000,000)
Dividend paid		-	(34,248,178)
Net cash (used in) / generated from financing activities		(256,756,344)	48,699,996
Net (decrease) / increase in cash and cash equivalents during the year		(5,877,317)	8,151,374
Cash and cash equivalents at beginning of the year		17,304,574	9,153,200
Cash and cash equivalents at end of the year	4	11,427,257	17,304,574

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Dedicated Equity Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on April 06, 2017, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 28, 2017.

During the year ended 30 June 2021, the Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trusts Act and on September 9, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a 'Shariah Compliant Islamic Equity Scheme' pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts.
- 1.5** The objective of the Fund is to provide equity exposure to "Fund-of-Funds". The Fund will not be actively marketed to retail or institutional investors, therefore, the Fund size may decline to zero when there are no "Fund-of-Funds" invested in the Fund. At any time when the Fund size declines to zero, the expenses of the Fund will be borne by the Management Company.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022 (2021: AM2+).
- 1.7** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification, valuation, and impairment of financial assets (notes 3.3 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured at 'fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at fair value through other comprehensive income (FVOCI). The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as fair value through profit or loss (FVTPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVOCI are to be recognised in the "Income Statement".

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the "Income Statement".

3.3.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects :

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

3.8 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours of the day on which applications are received. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, any provision for duties and charges, and provision for transaction costs, if applicable. The sales load is payable to the investment facilitators, distributors, and the Management Company.

Units redeemed are recorded at the redemption price applicable to units for which the distributors / Management Company receive redemption applications during business hours of that date. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, duties, taxes, charges on redemption, and provision for transaction costs, if applicable.

3.12 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the "Statement of Assets and Liabilities" is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as financial asset at 'fair value through profit or loss' are recorded at the date on which the transaction takes place;
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which they arise;
- Profit income on bank balances is recognised on an accrual basis; and
- Dividend income is recognised when the right to receive the dividend is established. i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / loss for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

4. BANK BALANCES

Balances with banks in:

- Savings accounts
- Current account

Note	2022	2021
	----- (Rupees) -----	
4.1	557,841	186,996
4.2	10,869,416	17,117,578
	<u>11,427,257</u>	<u>17,304,574</u>

4.1 These accounts carry profit rates ranging between 5.13% to 15.5% (2021: 2.11% to 7%) per annum. These include bank balance of Rs. 4,055 (2021: Rs. 4,951) maintained with Bank Alfalah Limited - Islamic Banking Division, a related party, carrying profit at the rate of 5.13% (2021: 2.11%) per annum.

4.2 This current account is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

5. INVESTMENTS

At fair value through profit or loss

	Note	2022 (Rupees)	2021 (Rupees)
Listed equity securities	5.1	159,311,605	475,160,323
Exchange traded fund	5.2	2,257,920	-
		<u>161,569,525</u>	<u>475,160,323</u>

5.1 Listed equity securities

Fully paid up ordinary shares with a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	Note	As at July 01, 2021	Purchases during the year	Bonus / Right shares received during the year	Sales during the year	As at June 30, 2022	As at June 30, 2022			Market Value as a percentage of		Holding as a percentage of paid-up capital of investee company
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the Fund	total investments	
Number of shares Rupees												
Commercial banks												
Meezan Bank Limited	5.1.2	244,213	69,924	22,381	242,000	94,518	10,835,097	10,678,644	(156,453)	6.17%	6.61%	0.006%
							10,835,097	10,678,644	(156,453)	6.17%	6.61%	
Textile composite												
Interloop Limited		106,750	62,000	1,837	115,000	55,587	4,053,182	3,390,807	(662,375)	1.96%	2.10%	0.006%
Kohinoor Textile Mills Limited		99,000	3,500	-	65,500	37,000	2,751,968	1,850,000	(901,968)	1.07%	1.15%	0.012%
Nishat Mills Limited	5.1.2	125,726	37,500	-	122,100	41,126	3,681,973	3,039,623	(642,350)	1.76%	1.88%	0.012%
							10,487,123	8,280,430	(2,206,693)	4.79%	5.12%	
Cement												
Attock Cement Pakistan Limited		30,200	-	-	30,200	-	-	-	-	0.00%	0.00%	0.000%
Cherat Cement Company Limited		62,000	47,200	-	80,470	28,730	4,323,830	2,673,039	(1,650,791)	1.55%	1.65%	0.015%
D. G. Khan Cement Company Limited	5.1.2	71,760	82,000	-	150,000	3,760	368,878	235,000	(133,878)	0.14%	0.15%	0.001%
Fauji Cement Company Limited		313,500	99,000	-	412,500	-	-	-	-	0.00%	0.00%	0.000%
Kohat Cement Company Limited	5.1.2	10,800	28,500	-	10,500	28,800	5,417,203	3,747,744	(1,669,459)	2.17%	2.32%	0.014%
Lucky Cement Limited	5.1.2	64,132	25,700	-	66,357	23,475	17,469,184	10,775,964	(6,693,220)	6.23%	6.67%	0.007%
Maple Leaf Cement Factory Limited	5.1.2	265,737	206,000	-	359,080	112,657	4,243,982	3,081,169	(1,162,813)	1.78%	1.91%	0.010%
Pioneer Cement Limited		59,500	47,000	-	95,000	11,500	1,097,110	693,795	(403,315)	0.40%	0.43%	0.005%
Power Cement Limited		397,000	187,500	-	584,500	-	-	-	-	0.00%	0.00%	0.000%
							32,920,187	21,206,711	(11,713,476)	12.26%	13.13%	
Power Generation and Distribution												
The Hub Power Company Limited	5.1.2	235,256	218,500	-	309,000	144,756	10,835,741	9,868,017	(967,724)	5.70%	6.11%	0.011%
							10,835,741	9,868,017	(967,724)	5.70%	6.11%	
Oil and Gas Marketing Companies												
Hi-Tech Lubricants Limited		-	100,000	8,500	108,500	-	-	-	-	0.00%	0.00%	0.000%
Pakistan State Oil Company Limited	5.1.1 & 5.1.2	91,189	48,300	-	98,500	40,989	8,076,673	7,043,550	(1,033,123)	4.07%	4.36%	0.009%
Sui Northern Gas Pipelines Limited	5.1.2	73,293	115,000	-	188,293	-	-	-	-	0.00%	0.00%	0.000%
							8,076,673	7,043,550	(1,033,123)	4.07%	4.36%	
Oil and Gas Exploration Companies												
Mari Petroleum Company Limited	5.1.2	10,374	8,520	-	9,600	9,294	14,960,360	16,169,144	1,208,784	9.35%	10.01%	0.007%
Oil & Gas Development Company Limited	5.1.2	350,030	150,000	-	365,500	134,530	12,206,865	10,583,475	(1,623,390)	6.12%	6.55%	0.003%
Pakistan Oilfields Limited	5.1.2	55,046	32,100	-	61,150	25,996	9,868,920	10,549,437	680,517	6.10%	6.53%	0.009%
Pakistan Petroleum Limited	5.1.2	362,276	124,000	-	349,500	136,776	11,246,242	9,233,748	(2,012,494)	5.34%	5.72%	0.005%
							48,282,387	46,535,804	(1,746,583)	26.90%	28.80%	
Engineering												
Agha Steel Industries Limited	5.1.2	178,000	22,000	4,850	168,500	36,350	1,103,791	569,968	(533,823)	0.33%	0.35%	0.006%
Aisha Steel Mills Limited		458,000	123,000	-	581,000	-	-	-	-	0.00%	0.00%	0.000%
Amreli Steel Limited		-	100,000	-	100,000	-	-	-	-	0.00%	0.00%	0.000%
International Industries Limited	5.1.2	10,833	24,600	-	17,500	17,933	2,839,031	1,860,190	(978,841)	1.08%	1.15%	0.014%
International Steels Limited		-	46,000	-	20,500	25,500	2,240,457	1,513,680	(726,777)	0.88%	0.94%	0.006%
Mughal Iron & Steel Industries Limited		44,000	69,000	3,900	65,000	51,900	4,755,328	2,991,516	(1,763,812)	1.73%	1.85%	0.015%
							10,938,607	6,935,354	(4,003,253)	4.01%	4.29%	
Automobile Assemblers												
Honda Atlas Cars (Pakistan) Limited		-	19,700	-	19,700	-	-	-	-	-	-	0.000%
Millat Tractors Limited	5.1.2	1,965	-	-	1,965	-	-	-	-	0.00%	0.00%	0.000%
Pak Suzuki Motor Company Limited	5.1.2	13,586	17,600	-	31,186	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	
Automobile Parts and Accessories												
Panther Tyres Limited		90,713	21,500	14,842	127,055	-	-	-	-	0.00%	0.00%	0.000%
Thal Limited		-	-	-	-	-	-	-	-	-	-	-
(face value Rs. 5 per share)		12,601	-	-	12,600	1	423	270	(153)	0.00%	0.00%	0.000%
							423	270	(153)	0.00%	0.00%	

Name of the investee company	Note	As at July 01, 2021	Purchases during the year	Bonus / Right shares received during the year	Sales during the year	As at June 30, 2022	As at June 30, 2021			Market Value as a percentage of		Holding as a percentage of paid-up capital of investee
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the Fund	total investments	
							-----Rupees-----					
Number of shares												
Fertilizer												
Engro Fertilizers Limited	5.1.2	112,007	112,000	-	151,000	73,007	5,890,144	6,471,340	581,196	3.74%	4.01%	0.005%
Engro Corporation Limited	5.1.2	100,479	49,000	-	95,300	54,179	15,341,398	13,928,879	(1,412,519)	8.05%	8.62%	0.009%
Fauji Fertilizer Bin Qasim Limited		165,000	65,000	-	230,000	-	-	-	-	0.00%	0.00%	0.000%
							21,231,542	20,400,219	(831,323)	11.79%	12.63%	
Pharmaceuticals												
AGP Limited		24,500	-	-	24,500	-	-	-	-	0.00%	0.00%	0.000%
Citi Pharma Limited		-	197,834	83	141,500	56,417	2,004,255	1,841,451	(162,804)	1.06%	1.14%	0.025%
Highnoon Laboratories Limited		11,418	-	256	8,850	2,824	1,540,800	1,496,353	(44,447)	0.87%	0.93%	0.007%
The Searle Company Limited	5.1.1 & 5.1.2	43,347	19,300	5,804	40,900	27,551	4,479,438	3,003,610	(1,475,828)	1.74%	1.86%	0.009%
							8,024,493	6,341,414	(1,683,079)	3.67%	3.92%	
Chemical												
Engro Polymer & Chemicals Limited	5.1.2	241,000	32,000	-	230,500	42,500	2,110,649	3,384,275	1,273,626	1.96%	2.09%	0.005%
							2,110,649	3,384,275	1,273,626	1.96%	2.09%	
Paper and Board												
Packages Limited		32	-	-	32	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	
Foods and Personal Care Products												
Unity Foods Limited		259,247	129,500	-	287,500	101,247	2,964,071	2,032,027	(932,044)	1.17%	1.26%	0.008%
The Organic Meat Company Limited		434	125,500	3,993	80,500	49,427	1,536,278	1,079,486	(456,792)	0.62%	0.67%	0.040%
							4,500,349	3,111,513	(1,388,836)	1.80%	1.93%	
Refinery												
Cnergycio PK Limited		400,000	452,000	-	601,500	250,500	1,877,896	1,337,670	(540,226)	0.77%	0.83%	0.005%
							1,877,896	1,337,670	(540,226)	0.77%	0.83%	
Technology and Communication												
Air Link Communication Limited	5.1.2	-	38,332	2,274	40,606	-	-	-	-	0.00%	0.00%	0.000%
Avanceon Limited	5.1.2	78,000	76,000	9,000	128,500	34,500	2,526,427	2,687,895	161,468	1.55%	1.66%	0.011%
Octopus Digital Limited	5.1.2	-	11,867	-	11,867	-	-	-	-	0.00%	0.00%	0.000%
Pakistan Telecommunication Company Limited		205,000	-	-	205,000	-	-	-	-	0.00%	0.00%	0.000%
Systems Limited	5.1.2	31,064	11,000	21,764	35,300	28,528	8,704,264	9,410,246	705,982	5.44%	5.82%	0.010%
TRG Pakistan Limited		-	20,000	-	20,000	-	-	-	-	0.00%	0.00%	0.000%
							11,230,691	12,098,141	867,450	6.99%	7.49%	
Transport												
Pakistan National Shipping Corporation		25,000	-	-	25,000	-	-	-	-	0.00%	0.00%	0.000%
							-	-	-	0.00%	0.00%	
Glass & Ceramics												
Tariq Glass Industries Limited		-	35,000	-	16,500	18,500	2,360,996	1,920,485	(440,511)	1.11%	1.19%	0.013%
							2,360,996	1,920,485	(440,511)			
Miscellaneous												
Synthetic Products Enterprises Limited (face value Rs. 5 per share)		5,557	12,002	444	6,001	12,002	239,007	169,108	(69,899)	0.10%	0.10%	0.006%
							239,007	169,108	(69,899)	0.10%	0.10%	
Total as at June 30, 2022							183,951,861	159,311,605	(24,640,256)			
Total as at June 30, 2021							401,072,421	475,160,323	74,087,902			

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or were to be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2022, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of the Company	2022		2021	
	Bonus Shares		Bonus Shares	
	Number of shares withheld	Market value (Rupees)	Number of shares withheld	Market value (Rupees)
Pakistan State Oil Company Limited	591	101,557	591	132,532
The Searle Company Limited	1,130	123,193	869	210,837
		<u>224,750</u>		<u>343,369</u>

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 11.199 million (2021: Rs 11.161 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of Security	2022	2021	2022	2021
	Number of Shares		Market Value (Rupees)	
Millat Tractors Limited	-	75	-	80,971
Lucky Cement Limited	730	730	335,099	630,311
Engro Polymer & Chemicals Limited	8,990	8,990	715,874	424,688
Meezan Bank Limited	7,645	7,645	863,732	882,309
The Searle Company Limited	1,090	1,090	118,832	264,456
D. G. Khan Cement Company Limited	750	750	46,875	88,440
Engro Fertilizers Limited	14,500	14,500	1,285,280	1,018,915
Pakistan State Oil Company Limited	447	447	76,812	100,240
Air Link Communication Limited	-	5,430	-	497,822
Oil & Gas Development Company Limited	12,000	12,000	944,040	1,140,360
The Hub Power Company Limited	15,370	15,370	1,047,773	1,224,528
Pakistan Petroleum Limited	6,740	6,740	455,017	585,234
Pakistan Oilfields Limited	1,140	1,140	462,623	449,000
Nishat Mills Limited	3,220	3,220	237,990	300,426
Sui Northern Gas Pipelines Limited	-	8,790	-	427,018
Engro Corporation Limited	4,775	4,775	1,227,605	1,406,763
Pak Suzuki Motor Company Limited	-	80	-	28,435
Kohat Cement Company Limited	890	890	115,816	183,776
Maple Leaf Cement Factory Limited	1,245	1,245	34,051	58,490
Mari Petroleum Company Limited	775	775	1,348,299	1,181,402
Systems Limited	5,430	-	1,791,140	-
International Industries Limited	890	890	92,320	187,808
			<u>11,199,178</u>	<u>11,161,392</u>

5.2 Exchange traded fund

Name of the fund	As at July 01, 2021	Issued during the year	Redeemed during the year	As at June 30, 2022	As at June 30, 2022			Market Value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets of the	total investments
-----Number of shares-----					-----Rupees-----				
Alfalah Consumer Index Exchange Traded Fund	-	288,000	-	288,000	2,844,200	2,257,920	(586,280)	1.31%	1.40%
Total as at June 30, 2022					2,844,200	2,257,920	(586,280)		
Total as at June 30, 2021					-	-	-		

5.3 Unrealised (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net

Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Market value of investments	5.1 & 5.2 161,569,525	475,160,323
Less: carrying value of investments	5.1 & 5.2 <u>(186,796,061)</u>	<u>(401,072,421)</u>
	<u>(25,226,536)</u>	<u>74,087,902</u>

6. SECURITY DEPOSITS

Central Depository Company of Pakistan Limited	100,000	100,000
National Clearing Company of Pakistan Limited	<u>2,500,000</u>	<u>2,500,000</u>
	<u>2,600,000</u>	<u>2,600,000</u>

7. ADVANCE, DIVIDEND, PROFIT AND OTHER RECEIVABLES

Dividend receivable	98,840	1,020,706
Profit receivable on bank balances	23,630	24,109
Advance against book building	7.1 -	1,252,375
Receivable against sales of investment	1,391,727	-
Advance tax	<u>8,974</u>	<u>-</u>
	<u>1,523,171</u>	<u>2,297,190</u>

7.1 This represents advance payment amounting to 25 percent of the offer amount against book building of Citi Pharma Limited at an offer rate of Rs. 28 per share.

Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----

8. PRELIMINARY EXPENSES AND FLOATATION COSTS

Balance at the beginning of the year	203,866	431,326
Less: amortisation during the year	<u>(203,866)</u>	<u>(227,460)</u>
Balance at the end of the year	<u>8.1 -</u>	<u>203,866</u>

8.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and NBFC Regulations.

Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----

9. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable	9.1 327,247	798,541
Sindh Sales Tax payable on management remuneration	9.2 42,543	103,811
Preliminary expenses and floatation cost payable	8 57,500	57,500
Payable against allocated expenses	9.3 62,199	49,993
Payable against selling and marketing expenses	9.4 <u>2,010,030</u>	<u>1,367,123</u>
	<u>2,499,519</u>	<u>2,376,968</u>

9.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 2% (2021: 2%) per annum of daily average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 During the year, an amount of Rs. 0.711 million (2021: Rs. 0.980 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.772 million (2021: Rs. 0.948 million) has been paid to the Management Company which acts as a collecting agent.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the current year, the Management Company has charged such expenses to the Fund at the rate of 0.12% (2021: 0.1%) of the average net assets of the Fund.

9.4 The SECP has allowed the Asset Management companies to charge selling and marketing expenses in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses at the rate of 1.06% (2021: 0.4%) to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	2022	2021
	(Rupees)	(Rupees)
Trustee remuneration payable	10.1 32,560	79,693
Sindh Sales Tax payable on trustee remuneration	10.2 4,233	10,360
	<u>36,793</u>	<u>90,053</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

Average net asset value (Rupees)	Tariff per annum
Up to Rs 1,000 million	0.20% per annum of net assets
Over Rs 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1 billion

10.2 During the year, an amount of Rs. 0.547 million (2021: Rs. 0.754 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.077 million (2021: Rs. 0.095 million) was paid to the Trustee which acts as a collecting agent.

11. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note	2022	2021
	(Rupees)	(Rupees)
Annual fee payable	11.1 54,707	75,343

11.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2022	2021
	(Rupees)	(Rupees)
Auditors' remuneration payable	431,113	308,945
Brokerage payable	234,980	319,857
Settlement charges payable	18,923	25,415
Printing charges payable	107,787	106,422
Withholding tax payable	130,757	210,869
Charity payable	12.1 345,808	406,391
Shariah advisory fee payable	285,008	434,749
Provision for Sindh Workers' Welfare Fund	12.2 -	2,298,211
	<u>1,554,376</u>	<u>4,110,859</u>

12.1 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments, a portion of which has been held in non-shariah compliant avenues, such portion of the income of the Fund should be donated for charitable purposes directly by the Fund. Accordingly, the dividend income is recorded net of charity portion.

- 12.2** As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015, as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act. Since the Fund has started operations with effect from May 25, 2017 and incurred losses, no provision for SWWF has been made in the prior periods.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

14. AUDITORS' REMUNERATION

	2022	2021
	----- (Rupees) -----	-----
Annual audit fee	328,046	150,000
Review and other certification	262,436	120,000
Out of pocket expenses	68,647	31,389
Sindh Sales Tax	52,730	24,111
	<u>711,859</u>	<u>325,500</u>

15. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The fund has incurred a net loss for the year ended June 30, 2021, hence no provision for taxation has been recognised in the financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 4.81% (2021: 4.83%) which includes 0.36% (2021: 0.92%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. The TER excluding government levies is 4.45% (3.91%) which is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

17.1 Unit Holders' Fund

2022									
As at July 01, 2021	Issued for cash / conversion in / transfer	Dividend reinvested	Redeemed / conversion out / transfer	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer	Dividend reinvested	Redeemed / conversion out / transfer	Net asset value as at June 30, 2022
(Units)					(Rupees)				

Associated companies / undertakings

Alfalsh GHP Islamic Prosperity Planning Fund	6,154,306	2,806,248	-	6,249,402	2,711,151	490,912,730	207,600,000	-	464,469,818	172,974,558
Alfalsh GHP Islamic Prosperity Planning Fund 2	-	115,406	-	115,406	-	-	7,500,000	-	7,386,526	-

2021									
As at July 01, 2020	Issued for cash / conversion in / transfer	Dividend reinvested	Redeemed / conversion out / transfer	As at June 30, 2021	As at July 01, 2020	Issued for cash / conversion in / transfer	Dividend reinvested	Redeemed / conversion out / transfer	Net asset value as at June 30, 2021
(Units)					(Rupees)				

Associated companies / undertakings

Alfalsh GHP Islamic Prosperity Planning Fund	5,153,111	2,026,246	593,837	1,618,888	6,154,306	329,600,400	171,200,000	47,916,215	122,000,000	490,912,730
Alfalsh GHP Islamic Prosperity Planning Fund 2	-	-	-	-	-	-	-	-	-	-

17.2 Details of transaction with related parties / connected persons during the year are as follows:

Associated companies / undertakings

Alfalsh GHP Investment Management Limited (Management Company)

Remuneration of Alfalsh GHP Investment Management Limited -

	2022	2021
	Rupees	
Management Company	5,470,508	7,539,472
Sindh Sales Tax on remuneration of the Management Company	711,166	980,131
Allocated expenses	331,175	376,932
Selling and marketing expense	2,976,190	3,675,382

Bank Alfalah Limited - Islamic Banking Division

Profit on bank balances	107	18,536

Alfalsh Consumer Index Exchange Traded Fund

Purchase of 288,000 units (2021: 0 units)	2,844,200	-

Other related party

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of Central Depository Company of Pakistan Limited - Trustee	547,047	753,605
Sindh Sales Tax on remuneration of the Trustee	71,116	97,969
CDS charges	24,910	83,702

17.3 Details of balances with related parties / connected persons as at year end are as follows:

Associated companies / undertakings

Alfalsh GHP Investment Management Limited (Management Company)

	2022	2021
	Rupees	
Management remuneration payable	327,247	798,541
Sindh Sales Tax payable on management remuneration	42,543	103,811
Preliminary expenses and floatation cost payable	57,500	57,500
Payable against allocated expenses	62,199	49,993
Payable against selling and marketing expenses	2,010,030	1,367,123

Bank Alfalah Limited - Islamic Banking Division

Bank balance	10,873,471	17,122,529
Profit receivable	2,899	2,966

Alfalsh Consumer Index Exchange Traded Fund

Investment in 288,000 units (2021: nil units)	2,257,920	-

	2022	2021
	-----Rupees-----	
Other related party		
Central Depository Company of Pakistan Limited (Trustee)		
Trustee remuneration payable	32,560	79,693
Sindh Sales Tax payable on trustee remuneration	4,233	10,360
Security deposit	100,000	100,000

18. FINANCIAL INSTRUMENTS BY CATEGORY

	2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	11,427,257	-	11,427,257
Investments	-	161,569,525	161,569,525
Security deposits	2,600,000	-	2,600,000
Advance, dividend profit and other receivables	1,514,197	-	1,514,197
	<u>15,541,454</u>	<u>161,569,525</u>	<u>177,110,979</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	2,499,519	-	2,499,519
Payable to Central Depository Company of Pakistan Limited - Trustee	36,793	-	36,793
Accrued expenses and other liabilities	1,077,811	-	1,077,811
	<u>3,614,123</u>	<u>-</u>	<u>3,614,123</u>
	2021		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	17,304,574	-	17,304,574
Investments	-	475,160,323	475,160,323
Security deposits	2,600,000	-	2,600,000
Advance, dividend profit and other receivables	2,297,190	-	2,297,190
	<u>22,201,764</u>	<u>475,160,323</u>	<u>497,362,087</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	2,376,968	-	2,376,968
Payable to Central Depository Company of Pakistan Limited - Trustee	90,053	-	90,053
Accrued expenses and other liabilities	1,195,388	-	1,195,388
	<u>3,662,409</u>	<u>-</u>	<u>3,662,409</u>

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks: currency risk, profit rate risk and price risk.

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

19.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

	2022	2021
	----- Rupees -----	
Variable rate instruments (financial assets)		
Bank balances	557,841	186,996

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the "Income Statement" and "Statement of Comprehensive Income" by Rs 236 (2021: Rs 241) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

		2022					
Effective profit rate		Exposed to profit rate risk			Not exposed to profit rate risk	Total	
		Up to three months	More than three months and up to one	More than one year			
(Rupees)							
On-balance sheet financial instruments							
Financial assets							
Bank balances	5.13% to 15.5%	557,841	-	-	10,869,416	11,427,257	
Investments		-	-	-	161,569,525	161,569,525	
Security deposits		-	-	-	2,600,000	2,600,000	
Advance, dividend, profit and other receivables		-	-	-	1,514,197	1,514,197	
		557,841	-	-	176,553,138	177,110,979	
Financial liabilities							
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	2,499,519	2,499,519	
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	36,793	36,793	
Accrued expenses and other liabilities		-	-	-	1,077,811	1,077,811	
		-	-	-	3,614,123	3,614,123	
On-balance sheet gap		557,841	-	-	172,939,015	173,496,856	
Total profit rate sensitivity gap		557,841	-	-	172,939,015	173,496,856	
Cumulative profit rate sensitivity gap		557,841	557,841	557,841			

2021					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	2.11% to 7%	186,996	-	-	17,117,578	17,304,574
Investments		-	-	-	475,160,323	475,160,323
Security deposits		-	-	-	2,600,000	2,600,000
Advance, dividend, profit and other receivables		-	-	-	2,297,190	2,297,190
		186,996	-	-	497,175,091	497,362,087

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	2,376,968	2,376,968
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	90,053	90,053
Accrued expenses and other liabilities		-	-	-	1,195,388	1,195,388
		-	-	-	3,662,409	3,662,409

On-balance sheet gap

	186,996	-	-	493,512,682	493,699,678

Total profit rate sensitivity gap

	186,996	-	-	493,512,682	493,699,678

Cumulative profit rate sensitivity gap

	186,996	186,996	186,996

19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2022. The analysis is based on the assumption that the KMI-30 index increased / decreased by 1%, with all other variables held constant.

At June 30, 2022, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

	2022	2021
	-----Rupees-----	
<i>Effect due to increase / decrease in KMI-30 index</i>		
Investments and net assets	1,615,695	4,751,603
Income statement	1,615,695	4,751,603

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, security deposits and dividend and profit receivable,

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent control established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

19.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Bank balances	11,427,257	11,427,257	17,304,574	17,304,574
Investments	161,569,525	-	475,160,323	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Advance, dividend, profit and other receivables	1,514,197	1,514,197	2,297,190	2,297,190
	<u>177,110,979</u>	<u>15,541,454</u>	<u>497,362,087</u>	<u>22,201,764</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs. 161.57 million (2021: Rs. 475.16 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2022 and June 30, 2021.

19.2.2 Credit quality of financial assets

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Banks	Rating Agency	Rating (Short Term / Long Term)	2022	2021
			% of financial assets exposed to credit risk	% of financial assets exposed to credit risk
Bank Alfalah Limited	PACRA	A1+ / AA+	98.95%	95.70%
Meezan Bank Limited	VIS	A-1+ / AAA	0.06%	0.11%
BankIslami Pakistan Limited	PACRA	A1 / A+	0.42%	0.80%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	0.06%	0.75%
National Bank of Pakistan	VIS	A-1+ / AAA	0.51%	2.64%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2022						
Within one month	More than one month and upto three	More than three months and upto one	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed	Total
Rupees						
Financial assets						
Bank balances	11,427,257	-	-	-	-	11,427,257
Investments	-	-	-	-	161,569,525	161,569,525
Security deposits	2,600,000	-	-	-	-	2,600,000
Advance, dividend, profit and other receivables	1,505,223	-	-	-	-	1,505,223
	15,532,480	-	-	-	161,569,525	177,102,005
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	2,499,519	-	-	-	-	2,499,519
Payable to Central Depository Company of Pakistan Limited - Trustee	36,793	-	-	-	-	36,793
Accrued expenses and other liabilities	646,698	431,113	-	-	-	1,077,811
	3,183,010	431,113	-	-	-	3,614,123
Net financial assets	12,349,470	(431,113)	-	-	161,569,525	173,487,882
2021						
Within one month	More than one month and upto three	More than three months and upto one	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed	Total
Rupees						
Financial assets						
Bank balances	17,304,574	-	-	-	-	17,304,574
Investments	-	-	-	-	475,160,323	475,160,323
Security deposits	2,600,000	-	-	-	-	2,600,000
Advance, dividend, profit and other receivables	2,297,190	-	-	-	-	2,297,190
	22,201,764	-	-	-	475,160,323	497,362,087
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	2,376,968	-	-	-	-	2,376,968
Payable to Central Depository Company of Pakistan Limited - Trustee	90,053	-	-	-	-	90,053
Accrued expenses and other liabilities	886,443	308,945	-	-	-	1,195,388
	3,353,464	308,945	-	-	-	3,662,409
Net financial assets	18,848,300	(308,945)	-	-	475,160,323	493,699,678

19.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022, the Fund held the following financial instruments measured at fair values:

	2022			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets 'at fair value through profit or loss'				
Listed equity securities	159,311,605	-	-	159,311,605
Exchange traded fund	2,257,920	-	-	2,257,920
	161,569,525	-	-	161,569,525
	2021			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets 'at fair value through profit or loss'				
Investment in listed equity securities	475,160,323	-	-	475,160,323

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit holders' fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of the unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Funds' yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. However, the Fund is exempt from any "Minimum Fund Size" requirement as specified under the NBFC Regulations.

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

21. GENERAL

21.1 Rounding off

Figures have been rounded off to the nearest rupee.

22. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022		
	Number of unit holders	Number of units held	Amount Rupees
Individuals	0	-	-
Associated Co./ Directors	0	-	-
Retirement & Other Funds	0	-	-
Others	7	2,711,151	172,974,558
	7	2,711,151	172,974,558

Category	As at 30 June 2021		
	Number of unit holders	Number of units held	Amount Rupees
Individuals	0	-	-
Associated Co./ Directors	0	-	-
Retirement & Other Funds	0	-	-
Others	9	6,154,306	490,912,730
	9	6,154,306	490,912,730

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022 %
Cedar Capital (Private) Limited	8%
Direct Deal / No Broker	8%
Summit Capital (Private) Limited	8%
Habib Metropolitan Financial Services limited	7%
Arif Habib Limited	6%
BMA Capital Management Limited	6%
Fortune Securities Limited	6%
Insight Securities (Private) Limited	5%
MRA Securities Limited	4%
Khadim Ali Shah Bukhari Securities (Pvt.) Ltd	4%
	30 June 2021 %
Al Habib Capital Markets Limited	11
Ismail Iqbal Securities (Pvt.) Limited	9
Arif Habib Limited	8
Summit Capital (Private) Limited	6
Taurus Securities Limited	6
IGI Finex Securities Limited	6
Shajar Capital Pakistan Private Limited	6
Insight Securities (Private) Limited	6
BMA Capital Management Limited	6
Alfalah Securities (Private) Limited	5

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGIDEF

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Net Assets	172,974,558	490,912,730	329,600,400	27,761,833	1,642,600,964
NAV per unit	63.8012	79.7674	63.9614	59.8829	84.8112
Selling price per unit	64.8826	81.1195	65.0455	60.8979	86.2487
Redemption price per unit	63.8012	79.7674	63.9614	59.8829	84.8112
Highest selling price per unit	84.9771	93.2466	82.5478	89.6781	100.8917
Highest redemption price per unit	83.5607	91.6924	81.1719	88.1834	99.2101
Lowest selling price per unit	63.8824	65.0455	49.4058	60.8979	80.2861
Lowest redemption price per unit	62.8176	63.9614	48.5823	59.8829	78.9479
Total interim distribution per unit	Nil	8.6173	Nil	Nil	Nil
Interim distribution date	Nil	June 29, 2021	Nil	Nil	Nil
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-20.02%	38.03%	-0.80%	-23.98%	-12.45%
Income distribution	Nil	13.47%	Nil	Nil	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **-6.59%**

*The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Dedicated Equity Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
The Hub Power Company Limited							
EOGM	30-Aug-21	Announcement of Financial Results for the year ended June 2021	160,256	0.01%	✓		
Millat Tractors Limited							
EOGM	17-Sep-21	Announcement of Financial Results for the year ended June 2021	65	0.00%	✓		
Fauji Cement Company Limited							
EOGM	28-Oct-21	Approved financial results of the first quarter ended on September 30, 2021	154,500	0.01%	✓		
		Considered the amalgamation of Askari cement limited with and into FCCL through a scheme arrangement					
Fauji Cement Company Limited							
EOGM	26-Feb-22	Approved, adopted and agreed the scheme of arrangement of amalgamation of Askri cement limited and Fauji Cement Company Limited	131,500	0.01%	✓		
		Special resulation to increase authorized share capiatl by 25 billion rupees by the creation of 1 billion ordinary shares					
Mari Petroleum Company Limited							
EOGM	25-Apr-22	Approved financial results of the nine months period ended March 31, 2022	10,294	0.01%	✓		
Mari Petroleum Company Limited							
EOGM	22-Jun-22	Election of Directors	10,794	0.01%	✓		
		Considered matters other than financial results					

Alfalah
GHP Islamic Value Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Islamic Value Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

The investment objective of Alfalah GHP Islamic Value Fund (AGIVF) is to earn a potentially high return through allocation of assets between Shari'ah Equity Instruments, Shari'ah Fixed Income Instruments and any other Shari'ah instrument as permitted by the SECP and Shari'ah Advisor.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review:

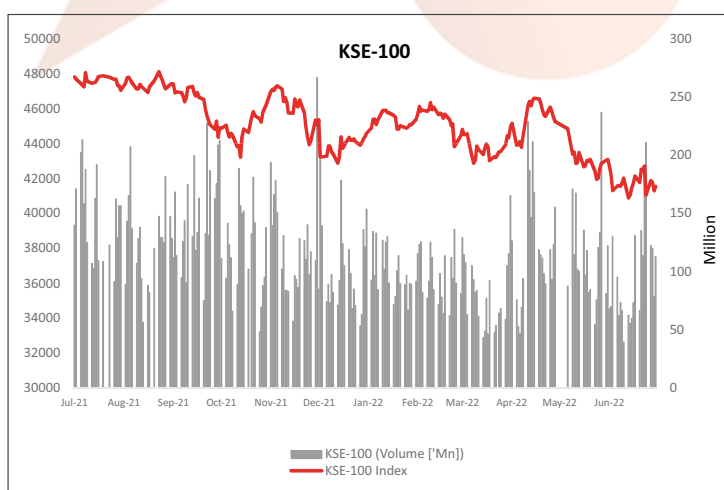
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.



Money Market Review

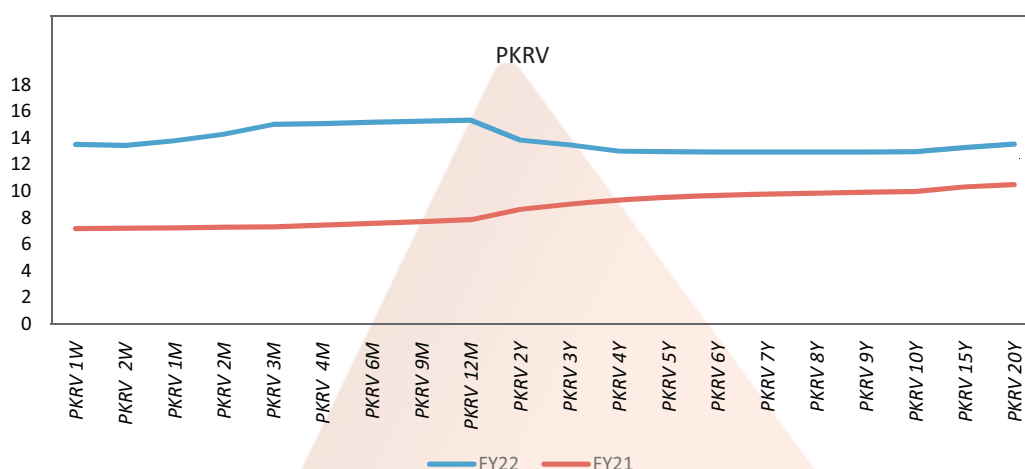
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

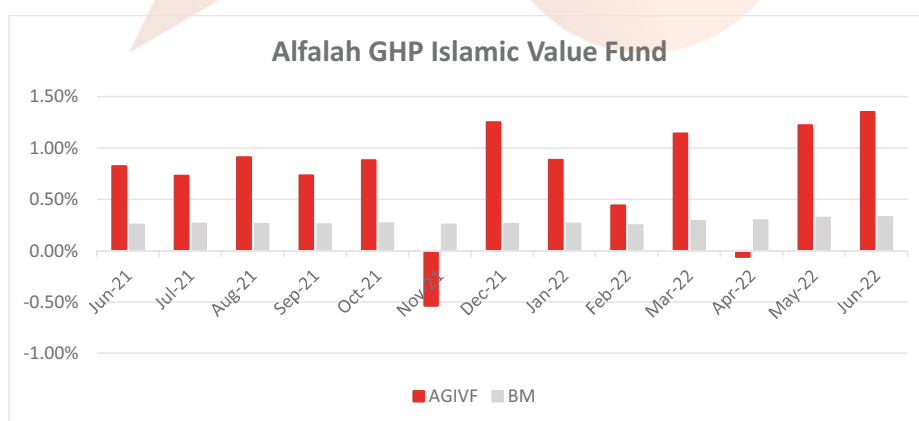
Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



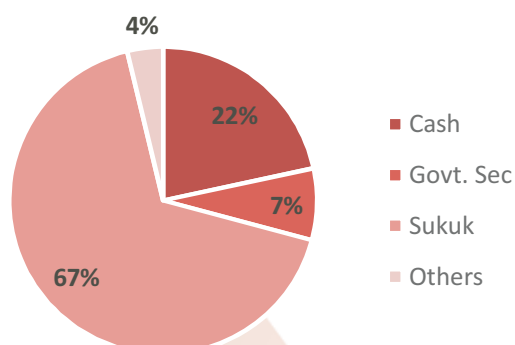
Fund Performance

The fund generated a return of 9.34% against the benchmark which generated 3.40%. The fund also paid dividends of PKR8.4367/unit during the year.



Assets Allocation

Asset Allocation
(as at 30 Jun 2022)



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
There were no significant changes in the state of affairs during the year under review.
- **Disclosure on unit split (if any), comprising:-**
There were no unit splits during the period.
- **Disclosures of circumstances that materially affect any interests of unit holders**
Investments are subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**
No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC VALUE FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the
Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 23, 2022





Alfalsh Investments

Shariah Advisory Board

Mufti Shaikh Noman

Mufti Javed Ahmad



**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC VALUE FUND**

We, the Shariah Advisors of the Alfalah GHP Islamic Value Fund ('AGIVF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have checked following avenues presented to us by the Management in which AGIVF made Investment during the period from July 1, 2021 to June 30, 2022.

Investment Head	Investment Avenue
<i>Sukuk</i>	<i>Approved Shariah Compliant Sukuk GoP (Government of Pakistan) Ijarah Sukuk</i>

We hereby certify that the Investments made by the Funds are in compliance with Shariah principles.

For the Year 2021-22 no provision against Charity is made no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalsh GHP Investment Management Ltd

8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahghp.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalsh GHP Islamic Value Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 26, 2022

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Value Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1.7 to the financial statements which describes the matter relating to excess distribution made by the Fund. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2022 amounted to Rs. 1,480.41 million and bank balances aggregated to Rs. 459.96 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: - Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; - Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and - Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 29 September, 2022
UDIN:

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

	Note	2022	2021
		-----Rupees-----	
Assets			
Bank balances	4	459,955,584	283,217,941
Investments	5	1,480,405,086	1,962,597,858
Security deposits	6	2,600,000	2,600,000
Profit and other receivables	7	40,916,899	46,161,594
Preliminary expenses and floatation costs	8	-	87,774
Total assets		1,983,877,569	2,294,665,167
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	9	275,502	325,922
Payable to Central Depository Company of Pakistan Limited - Trustee	10	164,778	189,982
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	458,997	411,554
Accrued and other liabilities	12	2,996,161	5,827,246
Dividend payable		4,092	3,502
Total liabilities		3,899,530	6,758,206
Net assets attributable to unit holders		1,979,978,039	2,287,906,961
Unit holders' fund (as per statement attached)		1,979,978,039	2,287,906,961
Contingencies and commitments	13		
		-----Number of units-----	
Number of units in issue		22,231,557	25,661,397
		----- (Rupees) -----	
Net asset value per unit		89.0616	89.1575

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees)	
Income			
Profit income	14	225,327,356	166,842,350
Net realised loss on sale of investments		(28,462,677)	(823,039)
Net unrealised appreciation on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	5.3	13,180,570	2,355,908
Other income		47,130	50,439
Total income		210,092,379	168,425,658
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	9.1	3,442,693	3,087,941
Sindh sales tax on remuneration of the Management Company	9.2	447,550	401,432
Allocated expenses		-	61,301
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	1,721,357	1,665,977
Sindh sales tax on remuneration of the Trustee	10.2	223,776	216,577
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	459,022	411,554
Bank and settlement charges		485,329	356,384
Auditors' remuneration	15	719,025	573,890
Brokerage expenses		52,500	262,501
Amortisation of preliminary expenses and floatation costs	8.1	87,774	69,116
Printing and related costs		36,759	30,014
Annual listing fee		33,001	21,976
Shariah advisory fee		359,946	322,924
Legal charges		161,590	174,020
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	12.1	(3,235,783)	3,215,401
Total expenses		4,994,539	10,871,008
Net income for the year before taxation		205,097,840	157,554,650
Taxation	17	-	-
Net income for the year after taxation		205,097,840	157,554,650
Allocation of net income for the year			
Net income for the year after taxation		205,097,840	157,554,650
Income already paid on units redeemed		(205,056,523)	(154,389,028)
		41,317	3,165,622
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		41,317	3,165,622
		41,317	3,165,622

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees) -----	
Net income for the year after taxation	205,097,840	157,554,650
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>205,097,840</u>	<u>157,554,650</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	2,309,833,353	(21,926,392)	2,287,906,961	768,488,436	(21,926,711)	746,561,725
Issuance of 25,890,083 (2021: 43,512,000 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,308,295,075	-	2,308,295,075	3,864,487,822	-	3,864,487,822
- Element of income	150,638,782	-	150,638,782	176,882,656	-	176,882,656
Total proceeds on issuance of units	2,458,933,857	-	2,458,933,857	4,041,370,478	-	4,041,370,478
Redemption of 29,319,923 (2021: 26,256,478 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,614,091,035	-	2,614,091,035	2,331,950,714	-	2,331,950,714
- Element of loss	9,407,144	205,056,523	214,463,667	12,395,392	154,389,028	166,784,420
Total payments on redemption of units	2,623,498,179	205,056,523	2,828,554,702	2,344,346,106	154,389,028	2,498,735,134
Total comprehensive income for the year	-	205,097,840	205,097,840	-	157,554,650	157,554,650
Interim distribution for the year ended June 30, 2021 @ Rs. 6.6178 per unit (declared on June 28, 2021)	-	-	-	(155,679,455)	(2,470,057)	(158,149,512)
Final distribution for the year ended June 30, 2021 @ Re. 0.0271 per unit (declared on June 30, 2021)	-	-	-	-	(695,246)	(695,246)
Final distribution for the year ended June 30, 2022 @ Rs. 8.4367 per unit (declared on June 24, 2022)	(141,151,107)	(2,254,810)	(143,405,917)	-	-	-
Total distributions during the year	(141,151,107)	(2,254,810)	(143,405,917)	(155,679,455)	(3,165,303)	(158,844,758)
Net assets at the end of the year	2,004,117,924	(24,139,885)	1,979,978,039	2,309,833,353	(21,926,392)	2,287,906,961
	(Rupees)			(Rupees)		
Accumulated loss brought forward						
- Realised loss		(24,282,300)			(22,222,048)	
- Unrealised income		2,355,908			295,337	
		<u>(21,926,392)</u>			<u>(21,926,711)</u>	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		41,317			3,165,622	
		41,317			3,165,622	
Distributions during the year		(2,254,810)			(3,165,303)	
Accumulated loss carried forward		<u>(24,139,885)</u>			<u>(21,926,392)</u>	
Accumulated loss carried forward						
- Realised loss		(37,320,455)			(24,282,300)	
- Unrealised income		13,180,570			2,355,908	
		<u>(24,139,885)</u>			<u>(21,926,392)</u>	
Net asset value per unit at the beginning of the year		89.1575			88.8143	
Net asset value per unit at the end of the year		<u>89.0616</u>			<u>89.1575</u>	

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		205,097,840	157,554,650
Adjustments for:			
Net unrealised appreciation on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	5.3	(13,180,570)	(2,355,908)
Amortisation of preliminary expenses and floatation costs	8.1	87,774	69,116
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	12.1	(3,235,783)	3,215,401
		<u>188,769,261</u>	<u>158,483,259</u>
Decrease / (increase) in assets			
Investments		<u>495,373,342</u>	<u>(1,942,913,766)</u>
Profit and other receivables		<u>5,244,695</u>	<u>(42,285,661)</u>
		<u>500,618,037</u>	<u>(1,985,199,427)</u>
Increase / (decrease) in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		<u>(50,420)</u>	<u>(140,299)</u>
Payable to Central Depository Company of Pakistan Limited - Trustee		<u>(25,204)</u>	<u>131,134</u>
Annual fee payable to the Securities and Exchange Commission of Pakistan		<u>47,443</u>	<u>387,285</u>
Accrued and other liabilities		<u>404,698</u>	<u>479,917</u>
		<u>376,517</u>	<u>858,037</u>
Net cash generated from / (used in) from operating activities		<u>689,763,815</u>	<u>(1,825,858,131)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units - net of refund of capital		<u>2,317,782,750</u>	<u>3,885,691,023</u>
Amount paid against redemption of units		<u>(2,828,554,702)</u>	<u>(2,498,735,134)</u>
Dividend paid		<u>(2,254,220)</u>	<u>(3,206,213)</u>
Net cash (used in) / generated from financing activities		<u>(513,026,172)</u>	<u>1,383,749,676</u>
Net increase / (decrease) in cash and cash equivalents during the year		<u>176,737,643</u>	<u>(442,108,455)</u>
Cash and cash equivalents at the beginning of the year		283,217,941	725,326,396
Cash and cash equivalents at the end of the year	4	<u><u>459,955,584</u></u>	<u><u>283,217,941</u></u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Value Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed executed under the Trust Act, 1882, entered into on May 6, 2014 between Alfalah GHP Investment Management Limited as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) through a certificate issued by the Securities and Exchange Commission of Pakistan (SECP) on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive Tower, Dolmen city, Block 4, Clifton, Karachi.

The Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Consequently, the Fund is required to be registered under the Sindh Trust Act and on September 17, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3** The Fund is categorised as a Shariah Compliant Asset Allocation Scheme pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP. The units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Fund is to earn a potentially high return through allocation of assets between Shariah Compliant equity instruments, Shariah compliant fixed income instruments and any other Shariah compliant instrument as permitted by the SECP and Shariah advisor.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.7** During the year, the Fund has made a distribution of Rs 207.311 million (including income already paid on units redeemed of Rs 205.056 million). However, the maximum amount available for distribution for the current year as per the criteria given in the constitutive documents of the Fund was Rs 205.098 million. The Fund intends to adjust the same in the future years through subsequent available profits.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2021. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.3.2 and 5)
- ii. Impairment of financial assets (note 3.3.3 and 3.3.4)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.2 Classification and subsequent measurement

3.3.2.1 Debt instruments

"IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:"

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.2.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.3 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.3.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.

- Income on sukuk certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Unrealised appreciation / (diminution) arising on re-measurement of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Profit on saving accounts with banks is recognised on an accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

	Note	2022	2021
		-----Rupees-----	
4. BANK BALANCES			
- In savings accounts	4.1	396,385,181	235,768,982
- In current accounts	4.2	63,570,403	47,448,959
		<u>459,955,584</u>	<u>283,217,941</u>

4.1 These accounts carry profit at rates ranging between 3.10% to 16.60% per annum (June 30, 2021: 2.11% to 7% per annum). These include bank balances of Rs. 0.184 million (June 30, 2021: 0.213 million) maintained with Bank Alfalah Limited, a related party., carrying profit at the rate of 16.60% (2021: 2.11%) per annum.

4.2 This include bank balance of Rs. 63.570 million (June 30, 2021: Rs. 47.311 million) maintained with Bank Alfalah Limited, a related party.

	Note	2022	2021
		-----Rupees-----	
5. INVESTMENTS			
At fair value through profit or loss			
Sukuk certificates	5.1	1,331,440,086	1,335,873,552
GOP Ijara sukuks	5.2	148,965,000	626,724,306
		<u>1,480,405,086</u>	<u>1,962,597,858</u>

5.1 Sukuk certificates

Name of investee company	Profit payments / principal redemptions	Profit rate	Issue date	Maturity date	As at July 01, 2021	Purchase d during the year	Disposed /matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised appreciation n/ (diminution)	Market value as a percentage of	
												total investment s of the	net assets
									As at June 30, 2022				
----- Number of certificates -----									----- Rupees -----		----- Percentage -----		
Commercial banks													
Meezan Bank Limited* (AA+, VIS) (Face value of Rs. 1,000,000)	Monthly / N/A	3 month KIBOR + 1.75%	August 1, 2018	Perpetual	295	-	50	245	245,000,000	245,000,000	-	16.55%	12.37%

Name of investee company	Profit payments / principal redemptions	Profit rate	Issue date	Maturity date	As at July 01, 2021	Purchase d during the year	Disposed /matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised appreciation n/ (diminution)	Market value as a percentage of	
												total investment s of the	net assets
----- Number of certificates -----												----- Percentage -----	
Dubai Islamic Bank Pakistan Limited (AA-, VIS) (Face value of Rs. 1,000,000 each)	Semi-annually / At maturity	6 months KIBOR + 0.5%	July 14, 2017	July 14, 2027	35	-	-	35	35,978,845	36,172,512	193,667	2.44%	1.83%
Dubai Islamic Bank Pakistan Limited* (A+, VIS) (Face value of Rs. 5,000 each)	Monthly / N/A	3 month KIBOR+ 1.75%	December 24, 2018	Perpetual	-	10,000	-	10,000	50,000,000	50,000,000	-	3.38%	2.53%
Al-Baraka Bank (Pakistan) Limited (A, VIS) (Face Value of 1,000,000 each)	Semi-annually / At maturity	6 month KIBOR + 0.75%	August 22, 2017	August 22, 2024	215	-	-	215	216,786,921	219,434,249	2,647,328	14.82%	11.08%
BankIslami Pakistan Limited* (A-, PACRA) (Face value of Rs. 5,000)	Monthly / N/A	3 month KIBOR + 2.75%	April 21, 2020	Perpetual	21,200	-	-	21,200	106,000,000	106,000,000	-	7.16%	5.35%
Power generation & distribution													
K-Electric Limited (AA+, VIS) (Face value of Rs. 5,000 each)	Quarterly / Quarterly commencing from November 3, 2022	3 months KIBOR + 1.7%	August 3, 2020	August 3, 2027	50,000	-	-	50,000	253,875,000	255,300,000	1,425,000	17.25%	12.89%
Neelum Jhelum Hydropower Company Limited (AAA, VIS) (Face value of Rs. 42,000 each)	Semi-annually	6 month KIBOR + 1.13%	June 29, 2016	June 29, 2026	3,000	-	-	3,000	131,625,000	138,637,619	7,012,619	9.36%	7.00%
Name of investee company	Profit payments / principal redemptions	Profit rate	Issue date	Maturity date	As at July 01, 2021	Purchase d during the year	Disposed /matured during the year	As at June 30, 2022	Carrying value	Market value	Unrealised appreciation n/ (diminution)	Market value as a percentage of	
												total investment s of the	net assets
----- Number of certificates -----												----- Percentage -----	
The Hub Power Company Limited (AA+, PACRA) (Face value of Rs.100,000 each)	Semi-annually / Semi-annually commencing from September 19, 2022	12 months KIBOR + 1.9%	March 19, 2020	March 19, 2024	2,250	500	500	2,250	230,400,000	231,476,788	1,076,788	15.64%	11.69%
Pak Elektron Limited (A+, PACRA) (Face value of Rs. 1,000,000 each)	Quarterly / At maturity	3 months KIBOR + 1.3%	November 15, 2021	February 15, 2023	-	50	-	50	50,000,000	49,418,918	(581,082)	3.34%	2.50%
Miscellaneous													
International Brands Limited (AA, VIS)	Quarterly / Monthly	3 month KIBOR + 0.50%	November 15, 2017	May 5, 2022	115	-	115	-	-	-	-	-	-
Total as at June 30, 2022									1,319,665,766	1,331,440,086	11,774,320		
Total as at June 30, 2021									1,337,336,950	1,335,873,552	(1,463,398)		

* These investments have been carried at cost as they were not valued by MUFAP as at June 30, 2022.

5.2 GoP Ijara sukuku

Description	Yield	Issue date	Maturity date	As at July 01, 2021	Purchase d during the year	Matured / sold during the year	As at June 30, 2022	Carrying value	Market value	Unrealised appreciation	Market value as a percentage of	
											total Investments of the Fund	net assets
								----- Number of certificates -----				
GOP Ijara Sukuk - FRR 4	N/A	July 29, 2020	July 29, 2025	6,300	500	6,800	-	-	-	-	-	-
GOP Ijara Sukuk - FRR 12	12.49%	April 27, 2022	April 27, 2027	-	1,500	-	1,500	147,558,750	148,965,000	1,406,250	10.06%	7.52%
Total as at June 30, 2022								147,558,750	148,965,000	1,406,250		
Total as at June 30, 2021								622,905,000	626,724,306	3,819,306		

5.3 Net unrealised appreciation on re-measurement of investment classified as 'financial assets at fair value through profit or loss'

	Note	2022	2021
----- Rupees -----			
Market value of investments	5.1, 5.2	1,480,405,086	1,962,597,858
Less: carrying value of investments	5.1, 5.2	(1,467,224,516)	(1,960,241,950)
		<u>13,180,570</u>	<u>2,355,908</u>

6 SECURITY DEPOSITS

- National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
	<u>2,600,000</u>	<u>2,600,000</u>

7 PROFIT AND OTHER RECEIVABLES

	Note	2022	2021
----- Rupees -----			
Profit receivable on:			
Bank balances		3,917,838	1,362,815
Sukuk certificates		32,800,884	22,217,090
GOP Ijara Sukuk		3,336,452	21,720,442
Advance tax	7.1	817,312	816,834
Dividend receivable		44,413	44,413
		<u>40,916,899</u>	<u>46,161,594</u>

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2022, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividend and profit on debt amounts to Rs. 0.817 million (2021: Rs. 0.817 million)

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of the FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	Note	2022	2021
PRELIMINARY EXPENSES AND FLOATATION COSTS		----- (Rupees) -----	
At the beginning of the year		87,774	156,890
Amortisation during the year		(87,774)	(69,116)
At the end of the year	8.1	<u>-</u>	<u>87,774</u>

- 8.1 Preliminary expenses and floatation cost represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

9.	Note	2022	2021
PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		----- (Rupees) -----	
Management remuneration payable	9.1	243,807	288,420
Sindh sales tax payable on management remuneration	9.2	31,695	37,502
		<u>275,502</u>	<u>325,922</u>

- 9.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.15% (2021: 0.15%) of average annual net assets of the Fund.

The remuneration is paid to the Management Company on a monthly basis in arrears.

- 9.2 During the year, an amount of Rs. 0.448 million (2021: Rs. 0.401 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.453 million (2021: Rs. 0.393 million) has been paid to the Management Company which acts as a collecting agent.

10	Note	2022	2021
PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		-----Rupees-----	
Trustee remuneration payable	10.1	144,158	166,466
Sindh sales tax payable on Trustee remuneration	10.2	20,620	23,516
		<u>164,778</u>	<u>189,982</u>

- 10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% per annum of average annual net assets of the Fund per annum of net assets of the Fund (2021 was as follows:

From July 1, 2020 till August 12, 2020	
Net assets (Rs.)	Tariff
- up to Rs. 1 billion	0.20% per annum of net assets
- over Rs. 1 billion	Rs. 2 million plus 0.10% per annum of net assets exceeding Rs. 1 billion.
From August 13, 2020 till June 30, 2021	
Tariff	
0.075% of per annum of net assets	

- 10.2 During the year, an amount of Rs 0.224 million (2021: Rs. 0.217 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.227 million (2021: Rs. 0.201 million) was paid to the Trustee which acts as a collecting agent.

11	Note	2022	2021
ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		-----Rupees-----	
Annual fee payable	11.1	<u>458,997</u>	<u>411,554</u>

- 11.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

12. ACCRUED AND OTHER LIABILITIES

	Note	2022	2021
		-----Rupees-----	
Provision against Sindh Workers' Welfare Fund	12.1	-	3,235,783
Auditors' remuneration payable		604,869	701,368
Printing charges payable		70,835	70,449
Brokerage payable		20,962	40,000
Settlement charges payable		988,520	45,706
Shariah advisory fee payable		629,472	718,751
Charity payable		4,776	3,849
Sales load payable		290,474	290,474
Withholding tax payable		386,253	720,866
		<u>2,996,161</u>	<u>5,827,246</u>

- 12.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

14. PROFIT INCOME

	2022	2021
	-----Rupees-----	
Profit income on:		
- Bank balances	32,572,298	26,728,131
- Sukuk certificates	147,714,843	112,754,935
- GOP Ijara sukuks	45,040,215	27,359,284
	<u>225,327,356</u>	<u>166,842,350</u>

15. AUDITORS' REMUNERATION

Annual audit fee	325,000	250,000
Review and other certifications	260,000	225,000
Out of pocket expenses	80,764	56,380
	<u>665,764</u>	<u>531,380</u>
Sindh sales tax on services	53,261	42,510
	<u>719,025</u>	<u>573,890</u>

16. TOTAL EXPENSE RATIO (TER)

The total expense ratio (TER) of the Fund as at June 30, 2022 results is 0.36% which includes 0.049% representing Government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "asset allocation scheme".

17. TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of the Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remunerations to the Management Company and the Trustee of the Fund are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of transactions and balances at period / year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit Holders' Fund

Note	2022									
	As at July 1, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 1, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022
			(Units)						(Rupees)	

Unit holder holding 10% or more Units

Pak Qatar Investment Account	18.1.1	13,280,644	13,791,502	960,196	13,280,644	14,751,698	1,184,069,017	1,315,305,032	85,608,637	1,290,305,032	1,313,809,827
Pak Qatar Individual Family - Participant Investment Amount Fund	18.1.1	11,989,402	8,723,832	622,945	14,130,065	7,206,114	1,068,945,109	842,479,075	55,540,219	1,367,479,075	641,788,043

Note	2021									
	As at July 1, 2020	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2021	As at July 1, 2020	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2021
			(Units)						(Rupees)	

Unit holder holding 10% or more Units

Barrett Hodgson Pakistan (Private) Limited		502,200	-	-	502,200	-	44,602,541	-	-	46,030,888	-
Pak Qatar Investment Account		4,506,460	20,213,230	920,799	12,359,845	13,280,644	400,238,090	1,883,830,926	82,100,825	1,183,830,926	1,184,069,017

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2022.

18.2 Other transactions

Associated companies / undertakings	2022	2021
	(Rupees)	(Rupees)
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	3,442,693	3,087,941
Sindh sales tax on remuneration of the Management Company	447,550	401,432
Allocated expenses	-	61,301

	2022	2021
	-----Rupees-----	
Bank Alfalah Limited		
Profit on bank balances	1,778	1,034
Bank charges	1,565	945
Sales load	-	290,474
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,721,357	1,665,977
Sindh sales tax on remuneration of the Trustee	223,776	216,577
Settlement charges	483,730	56,365
18.3 Other balances	2022	2021
	-----Rupees-----	
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	243,807	288,420
Sindh sales tax payable on management remuneration	31,695	37,502
Bank Alfalah Limited		
Bank balances	63,754,218	47,524,157
Sales load payable	290,474	290,474
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	144,158	166,466
Sindh sales tax payable on Trustee remuneration	20,620	23,516
Security deposit	100,000	100,000

19 **FINANCIAL INSTRUMENTS BY CATEGORY**

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	-----Rupees-----		
Financial assets			
Bank balances	459,955,584	-	459,955,584
Investments	-	1,480,405,086	1,480,405,086
Security deposits	2,600,000	-	2,600,000
Profit and other receivables	40,099,587	-	40,099,587
	<u>502,655,171</u>	<u>1,480,405,086</u>	<u>1,983,060,257</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	275,502	-	275,502
Payable to Central Depository Company of Pakistan Limited - Trustee	164,778	-	164,778
Accrued and other liabilities	2,609,908	-	2,609,908
Dividend payable	4,092	-	4,092
	<u>3,054,280</u>	<u>-</u>	<u>3,054,280</u>

Particulars	2021		
	At amortised cost	At fair value through profit or loss	Total
-----Rupees-----			
Financial assets			
Bank balances	283,217,941	-	283,217,941
Investments	-	1,962,597,858	1,962,597,858
Security deposits	2,600,000	-	2,600,000
Profit and other receivables	45,344,760	-	45,344,760
	<u>331,162,701</u>	<u>1,962,597,858</u>	<u>2,293,760,559</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	325,922	-	325,922
Payable to Central Depository Company of Pakistan Limited - Trustee	189,982	-	189,982
Accrued and other liabilities	1,870,597	-	1,870,597
Dividend payable	3,502	-	3,502
	<u>2,390,003</u>	<u>-</u>	<u>2,390,003</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund, the NBFC Regulations and the directives issued by the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds and are explained below:

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP.

Market risk comprises of three types of risks: currency risk, profit rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

	2022	2021
-----Rupees-----		
Variable rate instruments (financial assets)		
Sukuk certificates	1,331,440,086	1,335,873,552
Bank balances	396,385,181	235,768,982
	<u>1,727,825,267</u>	<u>1,619,091,493</u>
Fixed rate instruments (financial assets)		
GOP Ijara sukuks	148,965,000	626,724,306
	<u>148,965,000</u>	<u>626,724,306</u>

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 5.887 million (2021: Rs. 4.364 million) The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in profit rates on the last repricing date would have increased / decreased net income of the year and the net assets of the Fund by Rs 0.21 million (2021: 0.61 million). The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

Particulars	Effective profit rate	2022				Not exposed to yield / profit rate risk	Total
		Exposed to yield / profit rate risk					
		Up to three months	More than three months and up to one	More than one year			
----- Rupees -----							
Financial assets							
Bank balances	3.10%-16.60%	396,385,181	-	-	63,570,403	459,955,584	
Investments	11.58%-16.49%	911,325,679	420,114,407	148,965,000	-	1,480,405,086	
Security deposits		-	-	-	2,600,000	2,600,000	
Profit and other receivables		-	-	-	40,099,587	40,099,587	
		1,307,710,860	420,114,407	148,965,000	106,269,990	1,983,060,257	
Financial liabilities							
Payable to Alfalah GHP Investment Management Limited - Management Company		275,502	-	-	-	275,502	
Payable to Central Depository Company of Pakistan Limited - Trustee		164,778	-	-	-	164,778	
Accrued and other liabilities		2,609,908	-	-	-	2,609,908	
Dividend payable		4,092	-	-	-	4,092	
		3,054,280	-	-	-	3,054,280	
On-balance sheet gap		1,304,656,580	420,114,407	148,965,000	106,269,990	1,980,005,977	
Total profit rate sensitivity gap		1,304,656,580	420,114,407	148,965,000	106,269,990	1,980,005,977	
Cumulative profit rate sensitivity gap		1,304,656,580	1,724,770,987	1,873,735,987			

Particulars	Effective profit rate	2021				Not exposed to yield / profit rate risk	Total
		Exposed to yield / profit rate risk					
		Up to three months	More than three months and up to one	More than one year			
----- Rupees -----							
Financial assets							
Bank balances	2.11% - 7%	283,217,941	-	-	-	283,217,941	
Investments	7.79 %- 11.05%	659,582,786	676,290,766	626,724,306	-	1,962,597,858	
Security deposits		-	-	-	2,600,000	2,600,000	
Profit and other receivables		-	-	-	45,344,760	45,344,760	
		942,800,727	676,290,766	626,724,306	47,944,760	2,293,760,559	
Financial liabilities							
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	325,922	325,922	
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	189,982	189,982	
Accrued and other liabilities		-	-	-	1,870,597	1,870,597	
Dividend payable		-	-	-	3,502	3,502	
		-	-	-	2,390,003	2,390,003	
On-balance sheet gap		942,800,727	676,290,766	626,724,306	45,554,757	2,291,370,556	
Total profit rate sensitivity gap		942,800,727	676,290,766	626,724,306	45,554,757	2,291,370,556	
Cumulative profit rate sensitivity gap		942,800,727	1,619,091,493	2,245,815,799			

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at reporting date, the Fund is not exposed to price risk.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2022						
Within one month	More than one month and upto three	More than three months and upto	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed	Total
(Rupees)						
Financial assets						
Bank balances	459,955,584	-	-	-	-	459,955,584
Investments	-	-	49,418,918	738,513,656	291,472,512	1,480,405,086
Profit receivable	10,996,468	25,653,164	3,449,955	-	-	40,099,587
Security deposit	-	-	-	-	2,600,000	2,600,000
	470,952,052	25,653,164	52,868,873	738,513,656	291,472,512	1,983,060,257
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	275,502	-	-	-	-	275,502
Payable to Central Depository Company of Pakistan Limited - Trustee	164,778	-	-	-	-	164,778
Dividend payable	4,092	-	-	-	-	4,092
Accrued and other liabilities	2,609,908	-	-	-	-	2,609,908
	3,054,280	-	-	-	-	3,054,280
Net financial assets	<u>467,897,772</u>	<u>25,653,164</u>	<u>52,868,873</u>	<u>738,513,656</u>	<u>291,472,512</u>	<u>1,980,005,977</u>

2021						
Within one month	More than one month and upto three	More than three months and upto	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed	Total
(Rupees)						
Financial assets						
Bank balances	283,217,941	-	-	-	-	283,217,941
Investments	-	-	4,707,786	1,267,036,227	289,853,845	1,962,597,858
Profit and other receivable	45,344,760	-	-	-	-	45,344,760
Security deposit	-	-	-	-	2,600,000	2,600,000
	328,562,701	-	4,707,786	1,267,036,227	289,853,845	2,293,760,559

2021						
Within one month	More than one month and upto three	More than three months and upto	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed	Total
(Rupees)						
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	325,922	-	-	-	-	325,922
Payable to Central Depository Company of Pakistan Limited - Trustee	189,982	-	-	-	-	189,982
Dividend payable	3,502	-	-	-	-	3,502
Accrued and other liabilities	1,870,597	-	-	-	-	1,870,597
	2,390,003	-	-	-	-	2,390,003
Net financial assets	326,172,698	-	4,707,786	1,267,036,227	289,853,845	403,600,000
						2,291,370,556

20.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.3.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees		Rupees	
Bank balances	459,955,584	459,955,584	283,217,941	283,217,941
Investments	1,480,405,086	1,331,440,086	1,962,597,858	1,335,873,552
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Profit and other receivables	40,099,587	36,763,135	45,344,760	23,624,318
	<u>1,983,060,257</u>	<u>1,830,758,805</u>	<u>2,293,760,559</u>	<u>1,645,315,811</u>

Difference in the balance as per statement of assets and liabilities and maximum exposure is due to the fact that the investments in GOP Ijara sukuk and profit receivable thereon are not exposed to credit risk.

No financial assets were considered to be past due or impaired at June 30, 2022 and June 30, 2021.

20.3.2 Bank balances

The Fund held bank balances at June 30, 2022 with banks having following credit ratings:

Name of Bank	Rating agency	Rating (Short Term / Long Term)	2022	2021
			Percentage of total bank balance	
Bank Alfalah Limited	PACRA	A1+ / AA+	13.86%	16.78%
Al-Baraka Bank (Pakistan) Limited	VIS	A1 / A+	6.83%	-
Habib Metropolitan Bank Limited	PACRA	A1+ / AA+	0.00%	0.00%
Allied Bank Limited	PACRA	A1+ / AAA	0.00%	0.00%
BankIslami Pakistan Limited	PACRA	A1 / A+	8.51%	83.15%
Dubai Islamic Bank Pakistan Limited	VIS	A1+ / AA	70.79%	0.03%
MCB Islamic Bank Limited	VIS	A1+ / AAA	0.00%	0.04%
Meezan Bank Limited	VIS	A1+ / AAA	0.00%	0.00%
			<u>100.00%</u>	<u>100.0%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022. Ratings of investments have been disclosed in related notes to the financial statements.

20.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk. Details of Fund's concentration of credit risk of financial instruments is as follows:

	2022		2021	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable)	463,873,422	25.34%	284,580,756	17.30%
Investments (including profit receivable)	1,364,240,970	74.52%	1,358,090,642	82.54%
Dividend receivable	44,413	0.00%	44,413	0.00%
National Clearing Company of Pakistan Limited (security deposit)	2,500,000	0.14%	2,500,000	0.15%
Central Depository Company of Pakistan Limited (security deposit)	100,000	0.01%	100,000	0.01%
	<u>1,830,758,805</u>	<u>100.00%</u>	<u>1,645,315,811</u>	<u>100.00%</u>

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022 and June 30, 2021, the Fund held the following assets measured at fair values:

	2022			
	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through profit or loss				
Sukuk certificates	-	1,331,440,086	-	1,331,440,086
GOP Ijara sukuks	-	148,965,000	-	148,965,000
	<u>-</u>	<u>1,480,405,086</u>	<u>-</u>	<u>1,480,405,086</u>
	2021			
	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through profit or loss				
Sukuk certificates	-	1,335,873,552	-	1,335,873,552
GOP Ijara sukuks	-	626,724,306	-	626,724,306
	<u>-</u>	<u>1,962,597,858</u>	<u>-</u>	<u>1,962,597,858</u>

During the year ended June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

24 GENERAL

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	91	273,746	24,380,228	1%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	-	-	-	0%
Others	4	21,957,811	1,955,597,813	99%
	95	22,231,557	1,979,978,041	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	275	336,876	30,036,009	1%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	11	25,324,521	2,257,870,953	99%
	286	25,661,397	2,287,906,961	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022 %
Summit Capital (Private) Limited	5%
Next Capital Limited	95%
	30 June 2021 %
Paramount Capital (Pvt.) Limited	39%
Summit Capital (Private) Limited	28%
Invest One Markets Limited	17%
Next Capital Limited	17%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
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PERFORMANCE TABLE - AGIVF

	30 June 2022 (Rupees in '000)	30 June 2021 (Rupees in '000)	30 June 2020 (Rupees in '000)	30 June 2019 (Rupees in '000)	30 June 2018 (Rupees in '000)
Net Assets	1,979,978	2,287,907	746,562	143,159	290,423
NAV per unit	89.0616	89.1575	88.8143	89.4164	100.5300
Selling price per unit	89.8164	89.9131	89.5670	92.4476	103.9386
Redemption price per unit	89.0616	89.1575	88.8143	89.4164	100.5300
Highest selling price per unit	100.5844	96.5921	106.4587	106.3914	110.0563
Highest redemption price per unit	89.9319	95.7804	102.9681	102.9030	106.4477
Lowest selling price per unit	89.0393	89.5810	79.3273	88.3010	99.7689
Lowest redemption price per unit	89.7939	88.8282	76.7263	88.3010	96.4976
Total interim distribution per unit	N/A	6.6178	0.2547	N/A	Nil
Interim distribution date	-	28 Jun,2021	26 Jun,2020	N/A	N/A
Final distribution per unit	8.4367	0.0271	0.0743	N/A	0.236
Final distribution date	24 Jun,2022	30 Jun,2021	30 Jun,2020	N/A	02 Jul,2018
Annualized returns	9.34%	7.87%	1.86%	-10.80%	0.53%
Income distribution	9.46%	N/A	N/A	N/A	0.24%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is 1.12%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



Alfalah

Islamic Rozana Amdani Fund

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA(f)

Alfalalah Islamic Rozana Amdani Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

The objective of Alfalah Islamic Rozana Amdani Fund (AIRAF) is to provide competitive returns and to meet liquidity needs of investors by providing investors a daily dividend by investing in low risk and highly liquid Shari'ah Compliant money market instruments.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration shariah compliant fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review:-

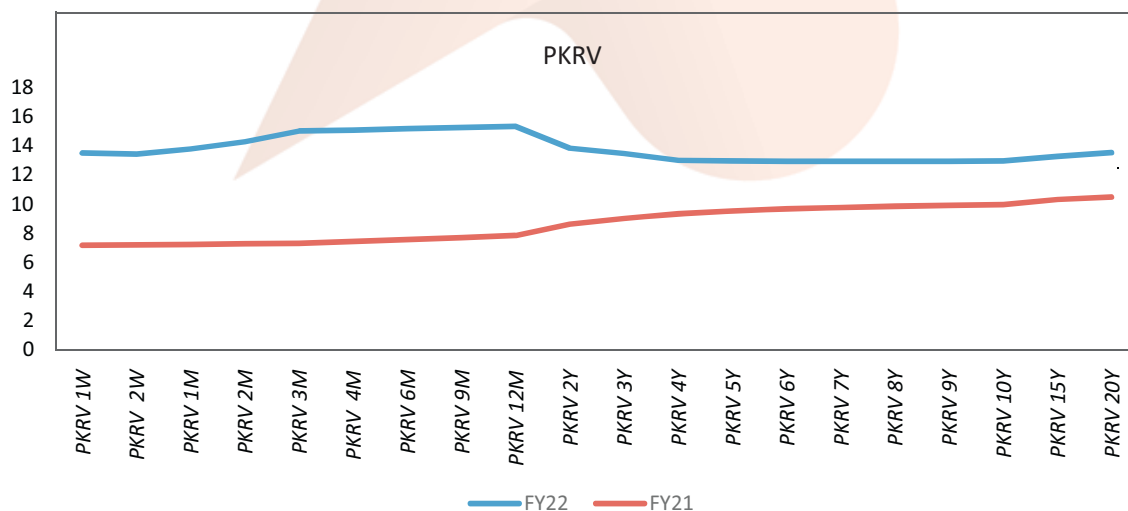
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

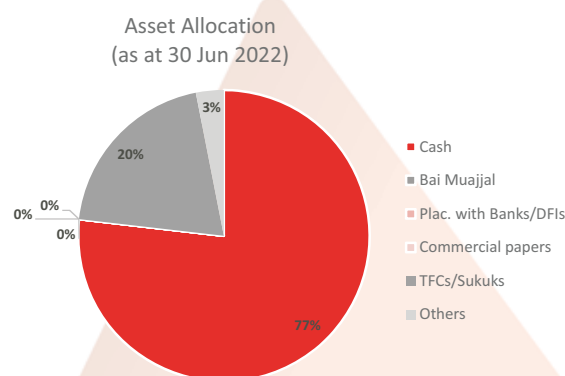
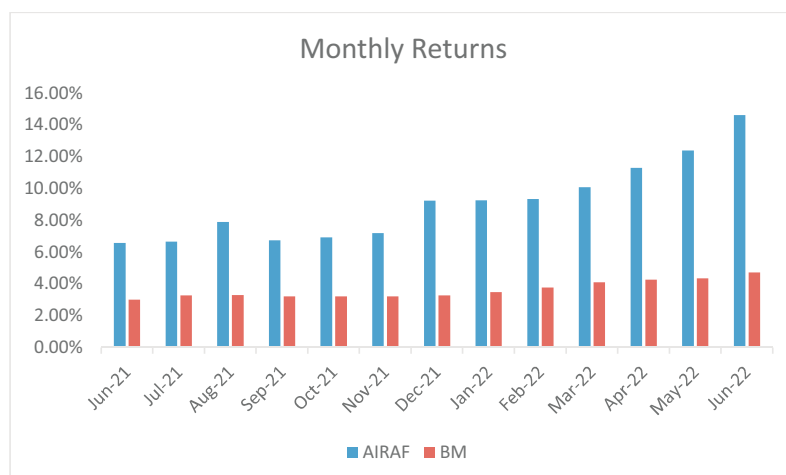
Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



Fund Performance

For the year ended June 30 2022, the fund posted a return of 9.7% against the benchmark of 3.58%.



Credit Quality (as % of Total Assets)			
Govt. Secs / Guar	0.00%	A	0.00%
AAA	37.86%	A-	0.00%
AA+	9.11%	BBB+	0.00%
AA	42.49%	BBB	0.00%
AA-	7.44%	Below IG	0.00%
A+	0.00%	NR/UR/MTS	3.09%

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH ISLAMIC ROZANA AMDANI FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Islamic Rozana Amdani Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 16, 2022





Alfalah Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC ROZANA AMDANI FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Rozana Amdani Fund ('AIRAF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed dated June 25, 2020 and Offering Document dated July 17, 2020 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have reviewed and given approval for investment in following avenues during the period from July 01, 2021 to June 30, 2022.

Investment Avenue
Approved Shariah Compliant Sukuk
Approved Islamic Commercial Papers
Approved Bai Mu'ajjal Transactions
Term Deposit Receipts with Approved Islamic Banks

We hereby certify that all the above-mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2022, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalah GHP Investment Management Ltd
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi-Pakistan
U: +92 (21) 111 090 090 F: +92 (21) 35306752 W: www.alfalahgip.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalsh Islamic Rozana Amdani Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 26, 2022

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah Islamic Rozana Amdani Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Islamic Rozana Amdani Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2022 amounted to Rs. 1,350 million and bank balances aggregated to Rs. 5,270.159 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: ■ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ■ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ■ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 29 September, 2022
UDIN:

ALFALAH ISLAMIC ROZANA AMDANI FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
Assets			
Bank balances	4	5,270,159,471	2,668,806,269
Investments	5	1,350,000,000	2,430,737,251
Deposit, advance and other receivables	6	94,720,030	19,261,755
Preliminary expenses and floatation costs	7	2,083,404	2,730,789
Total assets		<u>6,716,962,905</u>	<u>5,121,536,064</u>
Liabilities			
Payable to Alfalah GHP Investment Management Limited - the Management Company	8	6,486,318	4,529,230
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	352,546	315,385
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	1,034,948	627,419
Accrued expenses and other liabilities	11	10,891,683	8,728,830
Total liabilities		<u>18,765,495</u>	<u>14,200,864</u>
Net assets attributable to the unit holders		<u>6,698,197,410</u>	<u>5,107,335,200</u>
Unit holders' fund (as per the statement attached)		<u>6,698,197,410</u>	<u>5,107,335,200</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>66,982,002</u>	<u>51,073,352</u>
		(Rupees)	(Rupees)
Net asset value per unit		<u>100.000</u>	<u>100.000</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

		For the year ended June 30, 2022	For the period from August 13, 2020 to June 30, 2021
Note	(Rupees)		
Income			
	13	511,403,398	219,759,244
Profit earned		1,426,390	1,017,665
Gain on sale of investments - net			
Total income		512,829,788	220,776,909
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - the Management Company	8.1	12,386,682	7,842,761
Sindh Sales Tax on remuneration of the Management Company	8.2	1,610,271	1,019,559
Selling and marketing expenses	8.3	1,708,000	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1	2,982,645	2,039,123
Sindh Sales Tax on remuneration of the Trustee	9.2	387,748	265,086
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	1,034,973	627,419
CDS charges		659,815	193,550
Bank and settlement charges		64,617	71,106
Auditors' remuneration	14	452,365	202,069
Printing and publication charges		64,897	50,727
Brokerage expense		376,926	375,546
Amortisation of preliminary expenses and floatation costs	7	647,385	505,471
Fees and subscriptions		549,616	328,565
Shariah advisor fee		258,792	202,069
(Reversal of provision) / provision against Sindh Workers' Welfare Fund (SWWF)		(4,141,077)	4,141,077
Total expenses		19,043,655	17,864,128
Net income for the year / period before taxation		493,786,133	202,912,781
Taxation	17	-	-
Net income for the year / period after taxation		493,786,133	202,912,781
Allocation of net income for the year / period			
Net income for the year / period after taxation		493,786,133	202,912,781
Income already paid on units redeemed		-	-
		493,786,133	202,912,781
Accounting income available for distribution			
- Relating to capital gain		1,426,390	1,017,665
- Excluding capital gain		492,359,743	201,895,116
		493,786,133	202,912,781

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

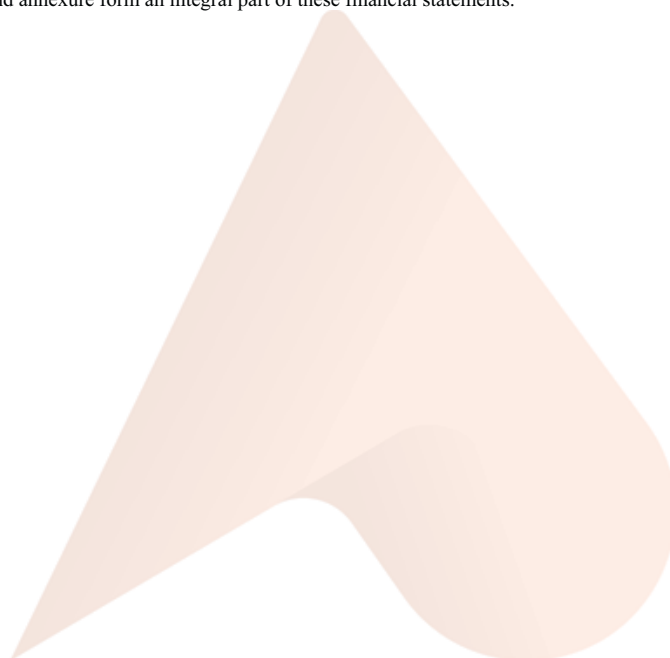
Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	For the year ended June 30, 2022	For the period from August 13, 2020 to June 30, 2021
	(Rupees)	
Net income for the year / period after taxation	493,786,133	202,912,781
Other comprehensive income for the year / period	-	-
Total comprehensive income for the year / period	<u>493,786,133</u>	<u>202,912,781</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	For the year ended June 30, 2022			For the period from August 13, 2020 to June 30, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets beginning of the year / period	5,107,335,200	-	5,107,335,200	-	-	-
Issuance of 102,485,561 (2021: 84,580,450) units						
- Capital value (at par value per unit at the beginning of the period)	10,248,556,100	-	10,248,556,100	8,458,045,000	-	8,458,045,000
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	10,248,556,100	-	10,248,556,100	8,458,045,000	-	8,458,045,000
Redemption of 86,576,910 (2021: 33,507,098) units						
- Capital value (at par value per unit at the beginning of the period)	8,657,693,890	-	8,657,693,890	3,350,709,800	-	3,350,709,800
- Element of income	-	-	-	-	-	-
Total payments on redemption of units	8,657,693,890	-	8,657,693,890	3,350,709,800	-	3,350,709,800
Total comprehensive income for the year / period	-	493,786,133	493,786,133	-	202,912,781	202,912,781
Distributions during the year / period*	-	(493,786,133)	(493,786,133)	-	(202,912,781)	(202,912,781)
Net assets at end of the year / period	6,698,197,410	-	6,698,197,410	5,107,335,200	-	5,107,335,200
Undistributed income brought forward						
- Realised income		-			-	
- Unrealised income		-			-	
Accounting income available for distribution						
- Relating to capital gain		1,426,390			1,017,665	
- Excluding capital gain		492,359,743			201,895,116	
		493,786,133			202,912,781	
Distributions during the year: Rs. 9.2572 (2021: 5.0138) per unit i.e. 9.25% (2021: 5.01%) of the par value of Rs. 100/- each		(493,786,133)			(202,912,781)	
Undistributed income carried forward		-			-	
Net asset value per unit at the end of the year / period		100.00			100.00	

* Alfalah Islamic Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the year ended June 30, 2022 amounted to Rs.9.2572 (period from August 13, 2020 till June 30, 2021 Rs. 5.0138) per unit.

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	For the year ended June 30, 2022	For the period from August 13, 2020 to June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year / period before taxation	493,786,133	202,912,781
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	647,385	505,471
(Reversal of provision) / provision against Sindh Workers' Welfare Fund (SWWF)	(4,141,077)	4,141,077
	490,292,441	207,559,329
Increase in assets		
Investments - net	(449,701,903)	(900,298,097)
Deposit, advance and other receivables	(75,458,275)	(19,261,755)
	(525,160,178)	(919,559,852)
Increase in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	1,957,088	1,292,970
Payable to Central Depository Company of Pakistan Limited - the Trustee	37,161	315,385
Annual fee payable to the Securities and Exchange Commission of Pakistan	407,529	627,419
Accrued expenses and other liabilities	6,303,930	4,587,753
	8,705,708	6,823,527
Net cash used in operating activities	(26,162,029)	(705,176,996)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	10,248,556,100	8,458,045,000
Payment made against redemption of units	(8,657,693,890)	(3,350,709,800)
Dividend paid	(493,786,133)	(202,912,781)
Net cash generated from financing activities	1,097,076,077	4,904,422,419
Net increase in cash and cash equivalents during the year / period	1,070,914,048	4,199,245,423
Cash and cash equivalents at beginning of the year / period	4,199,245,423	-
Cash and cash equivalents at the end of the year / period	15 5,270,159,471	4,199,245,423

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah Islamic Rozana Amdani 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 (CDC), as the Trustee. The Trust Deed was executed on May 19, 2020, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules) on June 25, 2020.
- 1.2** During the year ended June 30, 2021, The Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2022" (the Sindh Trust Act). Consequently, the Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f. March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.
- 1.4** The Fund has been categorised as a 'Shari'ah Compliant Money Market Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from September 21, 2020 and are transferable and redeemable by surrendering them to the Fund.
- 1.5** The objective of the Fund is to provide competitive returns and to meet liquidity needs of investors by providing investors a daily payout by investing in low risk and highly liquid Shari'ah Compliant money market instruments. The Management Company has appointed Mufti Atta Ullah as its Shari'ah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shari'ah.
- 1.6** The Fund has the following specific features:
- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day).
 - (b) Daily dividend received by the unit holder shall be reinvested.
- By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.
- 1.7** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2022 (2021: AM2+ dated March 3, 2021) and AA(f) to the Fund in its credit rating report dated May 07, 2022 (2021: AA(f) dated May 19, 2021).
- 1.8** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to Classification, impairment and valuation of financial assets (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks and Islamic Commercial Papers on a deferred payment basis. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the term of the transaction.

3.3 Financial assets

3.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.2 Classification and subsequent measurement

a) Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost ;
- at fair value through other comprehensive income (FVOCI);
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

b) Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted around that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

c) Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.9 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.10 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

3.11 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.12 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place;
- Profit on term deposit receipts and commercial papers is recognised on time proportion basis using the effective yield;
- Income on sukuk certificates is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis;
- Income on bai muajjal is recognised on time proportion basis, the difference between the sale and the credit price is recognised over the credit period; and
- Profit on bank balances is recognised on an accrual basis.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.15 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period after taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

4	BANK BALANCES	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
	In savings accounts	4.1	5,270,159,471	2,668,806,269
			<u>5,270,159,471</u>	<u>2,668,806,269</u>

4.1 These accounts carry profit rates ranging from 5.60% to 15.50% (2021: 6.40% to 7%) per annum. These include bank balance of Rs 3.07 million (2021: Nil) which is maintained with Bank Alfalah Limited (a related party).

5	INVESTMENTS	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
	At fair value through profit or loss			
	Commercial papers	5.1	-	675,298,097
	Bai muajjal receivable	5.2	-	1,040,439,154
	Term deposit receipts	5.3	-	490,000,000
	Short term sukuk certificates	5.4	1,350,000,000	225,000,000
			<u>1,350,000,000</u>	<u>2,430,737,251</u>

5.1 Islamic commercial Papers - at fair value through profit or loss

Name of the investee company	Profit rate	Maturity date	Face value				Balance as at June 30, 2022			Market value as a percentage of	
			As at July 1,2021	Purchased during the year	Sold / Matured during the year	As at June 30, 2022	Carrying Value	Market Value	Unrealise d gain / (loss)	net assets of the Fund	total investments of the Fund
(Rupees)											
K-Electric Limited - ICP-14 (A-1+, VIS)	7.76% - 7.83%	August 10, 2021	210,000,000	1,050,000,000	1,260,000,000	-	-	-	-	-	-
K-Electric Limited - ICP-16 (A1+, PACRA)	7.60% - 8.19%	September 16, 2021	286,500,000	4,396,000,000	4,682,500,000	-	-	-	-	-	-
K-Electric Limited - ICP-18 (A-1+, VIS)	8.30% - 8.99%	October 19, 2021	190,000,000	645,000,000	835,000,000	-	-	-	-	-	-
K-Electric Limited - ICP-21 (A-1+, PACRA)	8.21%	March 22, 2022	-	200,000,000	200,000,000	-	-	-	-	-	-
K-Electric Limited - ICP-24 (A-1+, VIS)	9.57%	May 16, 2022	-	500,000,000	500,000,000	-	-	-	-	-	-
Total as at June 30, 2022							-	-			
Total as at June 30, 2021							675,298,097	675,298,097			

5.1.1 The nominal value of these Islamic commercial papers is Rs 1,000,000 each.

5.2 Bai muajjal receivable - at fair value through profit or loss

Name of investee company	Profit rate	Issue Date	Maturity date	Face value				Market Value as at June 30, 2022	Market value as a percentage of	
				As at July 1, 2021	Purchased during the year	Matured during the year	As at June 30, 2022		net assets of the Fund	total investments of the Fund
-----Rupees-----										
Faysal Bank Limited (A1+, PACI)	7.25%	June 30, 2021	July 31, 2021	490,000,000	-	490,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACI)	6.90%	August 4, 2021	September 3, 2021	-	460,000,000	460,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACI)	7.25%	September 13, 2021	October 13, 2021	-	490,000,000	490,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACI)	7.25%	October 13, 2021	November 12, 2021	-	450,000,000	450,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACI)	8.50%	November 29, 2021	December 2, 2021	-	500,000,000	500,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	9.95%	December 1, 2021	January 17, 2022	-	265,000,000	265,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	9.95%	December 1, 2021	January 17, 2022	-	265,000,000	265,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.75%	January 18, 2022	February 18, 2022	-	425,000,000	425,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.35%	February 18, 2022	March 18, 2022	-	400,000,000	400,000,000	-	-	-	-

Name of investee company	Profit rate	Issue Date	Maturity date	Face value				Market Value as at June 30, 2022	Market value as a percentage of	
				As at July 1, 2021	Purchased during the year	Matured during the year	As at June 30, 2022		net assets of the Fund	total investments of the Fund
-----Rupees-----										
Bank Alfalah Limited (A1+, PACRA)	11.40%	March 18, 2022	April 1, 2022	-	470,000,000	470,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	11.25%	April 5, 2022	April 8, 2022	-	450,000,000	450,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	12.40%	April 22, 2022	May 23, 2022	-	550,000,000	550,000,000	-	-	-	-
Total as at June 30, 2022								-	-	-
Total as at June 30, 2021								490,000,000	9.59%	20.16%

5.2.1 These Bai Muajjal transactions are carried out against K-Electric Limited Commercial Paper ICP-14, ICP-16 & ICP-18 which were issued on February 10, 2021, March 16, 2021 and April 19, 2021 respectively and the Short-term Sukuks of the Hub Power Company Limited.

5.3 Term deposit receipts - at fair value through profit or loss

Name of investee company	Profit rate	Issue Date	Maturity date	Face value				Market Value as at June 30, 2022	Market value as a percentage of	
				As at July 1, 2021	Purchased during the year	Matured during the year	As at June 30, 2022		net assets of the Fund	total investments of the Fund
-----Rupees-----										
Faysal Bank Limited (A1+, PACRA)	7.25%	June 30, 2021	July 31, 2021	490,000,000	-	490,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	6.90%	August 4, 2021	September 3, 2021	-	460,000,000	460,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	7.25%	September 13, 2021	October 13, 2021	-	490,000,000	490,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	7.25%	October 13, 2021	November 12, 2021	-	450,000,000	450,000,000	-	-	-	-
Faysal Bank Limited (A1+, PACRA)	8.50%	November 29, 2021	December 2, 2021	-	500,000,000	500,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	9.95%	December 1, 2021	January 17, 2022	-	265,000,000	265,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	9.95%	December 1, 2021	January 17, 2022	-	265,000,000	265,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.75%	January 18, 2022	February 18, 2022	-	425,000,000	425,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	10.35%	February 18, 2022	March 18, 2022	-	400,000,000	400,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	11.40%	March 18, 2022	April 1, 2022	-	470,000,000	470,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	11.25%	April 5, 2022	April 8, 2022	-	450,000,000	450,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	12.40%	April 22, 2022	May 23, 2022	-	550,000,000	550,000,000	-	-	-	-
Total as at June 30, 2022								-	-	-
Total as at June 30, 2021								490,000,000	9.59%	20.16%

5.3.1 The profit payments and principal redemptions of Term deposit receipts are receivable at maturity.

5.4 Short term sukuk - at fair value through profit or loss

Name of the investee company	Profit rate	Maturity date	As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Balance as at June 30, 2022			Market value as a percentage of	
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the Fund	total investments of the Fund
--- (Number of certificates) ---							----- (Rupees) -----			----- (%) -----	
The Hub Power Company Limited (A1+, PACRA) Face value of Rs. 100,000 each	6M Kibor + 1.30%	November 05, 2021	2,250	8,045	10,295	-	-	-	-	-	-
The Hub Power Company Limited (A1+, PACRA) Face value of Rs. 100,000 each	6M Kibor + 0.80%	May 02, 2022	-	5,940	5,940	-	-	-	-	-	-
Lucky Electric Power Co Limited - Short term Sukuk (A1+, PACRA) Face value of Rs. 1,000,000 each	3M Kibor + 0.70%	October 14, 2022	-	500	-	500	500,000,000	500,000,000	-	7.46%	37.04%
The Hub Power Company Limited (A1+, PACRA) Face value of Rs. 100,000 each	6M Kibor + 1.30%	October 27, 2022	-	6,000	-	6,000	600,000,000	600,000,000	-	8.96%	44.44%
K-Electric Limited - Short term Sukuk V (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.7%	October 12, 2022	-	250	-	250	250,000,000	250,000,000	-	3.73%	18.52%
Total as at June 30, 2022							1,350,000,000	1,350,000,000	-	20.15%	100.00%

5.4.1 The profit payments and principal redemptions of these Sukuk certificates are receivable at maturity.

6 DEPOSIT, ADVANCE AND OTHER RECEIVABLES

	Note	2022 ----- (Rupees) -----	2021 -----
Profit receivable on:			
Bank balances		53,195,597	15,510,984
Term deposit receipts		-	97,329
Short term sukuk certificates		<u>37,567,597</u>	<u>2,970,411</u>
		90,763,194	18,578,724
Advance tax	6.1	3,763,016	523,031
Other receivable		-	60,000
PACRA rating fee		93,820	-
Security Deposit with Central Depository Company of Pakistan Limited - Trustee		<u>100,000</u>	<u>100,000</u>
		94,720,030	19,261,755

- 6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the period ended June 30, 2022, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs. 3.240 million (2021: Rs. 0.523 million) during the year.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2022	2021
		(Rupees)	
7 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Preliminary expenses and floatation costs incurred prior to commencement of operations	7.1	2,730,789	3,236,260
Less: amortised during the year		647,385	505,471
Balance as at year end		<u>2,083,404</u>	<u>2,730,789</u>

- 7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

	Note	2022	2021
		(Rupees)	
8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	8.1	1,399,782	1,073,425
Sindh Sales Tax payable on management remuneration	8.2	181,976	139,545
Selling and marketing payable	8.3	1,708,000	-
Payable against preliminary expenses and floatation costs	7.1	3,086,260	3,236,260
Sales load payable		30,300	-
Other payable		80,000	80,000
		<u>6,486,318</u>	<u>4,529,230</u>

Rate applicable from July 01, 2021 to December 22, 2021	Rate applicable from December 23, 2021 to February 26, 2022	Rate applicable from February 26, 2022 to February 28, 2022	Rate applicable from March 01, 2022 to June 30, 2022	Rate applicable from August 13, 2020 to June 30, 2021
2% of gross earnings subject to minimum floor of 0.25% of net assets p.a and maximum cap of 1.00% of net assets p.a	0.25% per annum of the average annual net assets	0.05% per annum of the average annual net assets	0.15% per annum of average daily net assets	2% of gross earnings subject to minimum floor of 0.25% of net assets p.a and maximum cap of 1.00% of net assets p.a

- 8.2 During the year, an amount of Rs. 1.6 million (2021: Rs. 1.02 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.568 million (2021: Rs. 0.88 million) has been paid to the Management Company which acts as a collecting agent.

- 8.3 The SECP has allowed the Asset Management companies to charge selling and marketing in all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses at the rate of 0.0331% (2021: Nil) to the Fund based on its direction subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

	Note	2022	2021
		(Rupees)	
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration payable	9.1	253,258	279,094
Sindh Sales Tax payable on Trustee remuneration	9.2	99,288	36,291
		<u>352,546</u>	<u>315,385</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate of 0.065% per annum from July 01, 2021 till September 30, 2021 and at 0.055% per annum from October 01, 2021 till June 30, 2022 (for the period from August 13, 2020 till June 30, 2021: 0.65%) of average net assets of the Fund.

9.2 During the year, an amount of Rs. 0.388 million (2021: Rs. 0.265 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.325 million (2021: Rs. 0.229 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note	2022	2021
	----- (Rupees) -----	
10.1	1,034,948	627,419

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2022	2021
	----- (Rupees) -----	
11.1	-	4,141,077
	191,838	202,069
	143,010	244,380
	30,271	25,328
	319,915	101,116
	8,461,083	2,783,414
	86,758	50,472
	187,640	303,237
	254,884	202,069
	<u>1,216,284</u>	<u>675,668</u>
	10,891,683	8,728,830

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act. Since the Fund has started operations with effect from September 21, 2020 therefore, the provision has been recognised from September 21, 2020 to June 30, 2021.

During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the funds, for the period from September 21, 2020 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

		For the year ended June 30, 2022	For the period from August 13, 2020 to June 30, 2021
13 PROFIT EARNED		------(Rupees)-----	
Profit on:			
- Commercial papers		41,937,140	26,276,544
- Term deposits receipts		33,674,890	16,144,526
- Bai Muajjal		65,853,999	67,965,565
- Short term sukuku		74,351,352	18,542,349
- Bank deposits		295,586,017	90,830,260
		<u>511,403,398</u>	<u>219,759,244</u>
14 AUDITORS' REMUNERATION			
Annual audit fee		100,000	100,000
Review and other certifications		70,000	70,000
Out of pocket expenses		17,101	17,101
Sindh Sales Tax		14,968	14,968
		<u>202,069</u>	<u>202,069</u>
15 CASH AND CASH EQUIVALENTS	Note	2022	2021
		------(Rupees)-----	
Bank balances	4	5,270,159,471	2,668,806,269
Bai muajjal receivable (with original maturity of 3 months or less)		-	1,040,439,154
Term deposit receipts (with original maturity of 3 months or less)		-	490,000,000
		<u>5,270,159,471</u>	<u>4,199,245,423</u>

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 0.45% (2021: 0.57%) which includes 0.06% (2021: 0.19%) representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit holders' fund

Note	June 30, 2022										
	As at July 1, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out /	As at June 30, 2022	As at July 1, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022	
	Units					Rupees					
Associated Companies / Undertakings											
Alfalsh GHP Investment Management Limited	18.1.1	3,444,076	-	169,298	3,613,374	-	344,407,600	-	16,929,829	361,337,399	-
Key management personal											
Syed Raheel Ahmed Shah (Head of Fund & AMC accounting)	18.1.1	-	500	6	400	106	-	50,000	589	40,000	10,589
Syed Shams Uddin (Head of Research)	18.1.1	6,195	4,094	794	-	11,084	619,548	409,424	79,396		1,108,367
Mr. Wahaj Ahemd (Fund Manager)	18.1.1	-	21,697	442	9,100	13,039	-	2,169,728	44,218	910,000	1,303,946
Mr. Tauseef Ahmad (Head of Human Resource)	18.1.1	104	-	1	105	-	10,388		120	10,508	-
Mr. Mustafa Kamal (Head of Fixed Income)	18.1.1	-	13,000	52	13,052	-	-	1,300,000	5,163	1,305,163	-
Syed Muhammad Jawad Shamim (Head of SMA)	18.1.1	-	26,705	309	-	27,014	-	2,670,500	30,863		2,701,363
Unit holder holding 10% or more units											
Pakistan Defence Officers Housing Authority	18.1.1	8,188,527	6,000,000	884,301	2,000,000	13,072,828	818,852,700	600,000,000	88,430,102	200,000,000	1,307,282,783

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2022.

18.2 Other transactions

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

	For the year ended June 30, 2022	For the period from August 13, 2020 to June 30, 2021
Remuneration of the Management Company	12,386,682	7,842,761
Sindh Sales Tax on remuneration of the Management Company	1,610,271	1,019,559
Selling & marketing	1,708,000	-
Sales load	30,338	19,741

Bank Alfalah Limited

Term deposit receipts	470,000,000	-
Profit on bank balances	78,035	-
Sales load	3,079,117	956,420

Alfalsh GHP Islamic Income Fund

Sukuk certificates - purchased	-	559,000,000
Sukuk certificates - sold	450,000,000	-

Alfalsh GHP Money Market Fund

Sukuk certificates - purchased	369,500,000	189,172,400

Alfalsh GHP Islamic Prosperity Planning Fund II - CP6

Units issued	78,351,351	-
Units redeemed	78,351,400	-
Dividend paid	351,171	-

Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	2,982,645	2,039,123
Sindh Sales Tax on remuneration of the Trustee	387,748	265,086
CDS charges	659,815	193,550

18.3 Other balances

	2022	2021
	(Rupees)	
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Management remuneration payable	1,399,782	1,073,425
Sindh sales tax payable on management remuneration	181,976	139,545
Payable against preliminary expenses and floatation costs	3,086,260	3,236,260
Selling & Marketing	1,708,000	-
Sales load payable	30,300	-
Other payable	80,000	80,000
Bank Alfalah Limited		
Bank balances	3,072,646	-
Sales load payable	1,216,284	675,668
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	253,258	279,094
Sindh sales tax payable on trustee remuneration	99,288	36,291
Other payable	143,010	191,050

19 FINANCIAL INSTRUMENTS BY CATEGORY

	2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	5,270,159,471	-	5,270,159,471
Investments	-	1,350,000,000	1,350,000,000
Deposits, advances and other receivables	90,863,194	-	90,863,194
	<u>5,361,022,665</u>	<u>1,350,000,000</u>	<u>6,711,022,665</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	6,486,318	-	6,486,318
Payable to Central Depository Company of Pakistan Limited - Trustee	352,546	-	352,546
Accrued expenses and other liabilities	2,430,600	-	2,430,600
	<u>9,269,464</u>	<u>-</u>	<u>9,269,464</u>
	2021		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	2,668,806,269	-	2,668,806,269
Investments	-	2,430,737,251	2,430,737,251
Deposits, advances and other receivables	18,738,724	-	18,738,724
	<u>2,687,544,993</u>	<u>2,430,737,251</u>	<u>5,118,282,244</u>
Financial liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	4,529,230	-	4,529,230
Payable to Central Depository Company of Pakistan Limited - Trustee	315,385	-	315,385
Accrued expenses and other liabilities	1,804,339	-	1,804,339
	<u>6,648,954</u>	<u>-</u>	<u>6,648,954</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2022, is as follows:

	2022	2021
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	5,270,159,471	2,668,806,269
Sukuk certificates	1,350,000,000	225,000,000
	<u>6,620,159,471</u>	<u>2,893,806,269</u>
Fixed rate instruments (financial assets)		
Bai muajjal receivable	-	1,040,439,154
Term deposit receipts	-	490,000,000
Commercial papers	-	675,298,097
	<u>-</u>	<u>2,205,737,251</u>

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the period and net assets of the Fund would have been higher / lower by Rs 66.20 million. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The Fund does not have any investment in fixed rate instrument as of June 30, 2022 therefore it is not exposed to any fair value profit rate risk.

The composition of the Fund's investment portfolio, KIBOR rates and the rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

2022					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	5.60% - 15.50%	5,270,159,471	-	-	-	5,270,159,471
Investments:						
- Commercial papers		-	-	-	-	-
- Bai Muajjal receivable		-	-	-	-	-
- Term deposit receipts		-	-	-	-	-
- Short term sukuk certificates	13.98% - 15.10%	-	1,350,000,000	-	-	1,350,000,000

Deposit, advance and other receivables		-	-	-	90,863,194	90,863,194
Sub total		5,270,159,471	1,350,000,000	-	90,863,194	6,711,022,665

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	6,486,318	6,486,318
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	352,546	352,546
Accrued expenses and other liabilities		-	-	-	2,430,600	2,430,600
Sub total		-	-	-	9,269,464	9,269,464

On-balance sheet gap		5,270,159,471	1,350,000,000	-	81,593,730	6,701,753,201

Total interest rate sensitivity gap		5,270,159,471	1,350,000,000	-	81,593,730	6,701,753,201

Cumulative interest rate sensitivity gap		5,270,159,471	6,620,159,471	6,620,159,471		

2021					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	6.40% - 7%	2,668,806,269	-	-	-	2,668,806,269
Investments:						
- Commercial papers	7.96% - 8.48%	489,871,460	185,426,637	-	-	675,298,097
- Bai Muajjal receivable	7.09% - 7.15%	1,040,439,154	-	-	-	1,040,439,154
- Term deposit receipts	7.25%	490,000,000	-	-	-	490,000,000
- Short term sukuk certificates	8.95%	-	225,000,000	-	-	225,000,000

Deposits, advances and other receivables		-	-	-	18,738,724	18,738,724
Sub total		4,689,116,883	410,426,637	-	18,738,724	5,118,282,244

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	4,529,230	4,529,230
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	315,385	315,385
Accrued expenses and other liabilities		-	-	-	1,804,339	1,804,339
Sub total		-	-	-	6,648,954	6,648,954

On-balance sheet gap		4,689,116,883	410,426,637	-	12,089,770	5,111,633,290

Total interest rate sensitivity gap		4,689,116,883	410,426,637	-	12,089,770	5,111,633,290

Cumulative interest rate sensitivity gap		4,689,116,883	5,099,543,520	5,099,543,520		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2022.

20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees)		(Rupees)	
Bank balances	5,270,159,471	5,270,159,471	2,668,806,269	2,668,806,269
Investments	1,350,000,000	1,350,000,000	2,430,737,251	2,430,737,251
Deposit, advance and other receivables	90,863,194	90,863,194	18,738,724	18,738,724
	<u>6,711,022,665</u>	<u>6,711,022,665</u>	<u>5,118,282,244</u>	<u>5,118,282,244</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired as at June 30, 2022.

20.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2022 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2022	2021
			% of financial assets exposed to credit risk	
Allied Bank Limited	PACRA	A1+ / AAA	50.47%	59.73%
Askari Bank Limited	PACRA	A1+ / AA+	0.00%	0.00%
Bank Alfalah Limited	PACRA	A1+ / AA+	0.06%	0.00%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	5.98%	21.62%
Faysal Bank Limited	PACRA	A1+ / AA	43.44%	18.59%
Habib Metropolitan Bank Limited	PACRA	A1+ / AA+	0.00%	0.00%
National Bank of Pakistan	PACRA	A-1+ / AAA	0.00%	0.06%
Central Depository Company of Pakistan Limited	N/A	N/A	0.05%	0.00%
Habib Bank Limited	VIS	A-1+ / AAA	0.00%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

Ratings of bai muajjal receivable, term deposit receipts, commercial papers and sukuk certificates have been disclosed in related notes to financial statements.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	5,270,159,471	-	-	-	-	5,270,159,471
Investments	1,350,000,000	-	-	-	-	1,350,000,000
Deposit, advance and other receivables	90,763,194	-	-	-	100,000	90,863,194
	6,710,922,665	-	-	-	100,000	6,711,022,665
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	6,486,318	-	-	-	-	6,486,318
Payable to Central Depository Company of Pakistan Limited - Trustee	352,546	-	-	-	-	352,546
Accrued expenses and other liabilities	2,238,762	191,838	-	-	-	2,430,600
	9,077,626	191,838	-	-	-	9,269,464
Net financial assets	6,701,845,039	(191,838)	-	-	100,000	6,701,753,201

2021						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	2,668,806,269	-	-	-	-	2,668,806,269
Investments	490,000,000	1,530,310,614	410,426,637	-	-	2,430,737,251
Deposits, advances and other receivables	15,668,313	-	2,970,411	-	100,000	18,738,724
	3,174,474,582	1,530,310,614	413,397,048	-	100,000	5,118,282,244

2021						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	4,529,230	-	-	-	-	4,529,230
Payable to Central Depository Company of Pakistan Limited - Trustee	315,385	-	-	-	-	315,385
Accrued expenses and other liabilities	1,602,270	202,069	-	-	-	1,804,339
	6,648,954	-	-	-	-	6,648,954
Net financial assets	3,167,825,628	1,530,310,614	413,397,048	-	100,000	5,111,633,290

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

21.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022, the Fund held the following financial instruments measured at fair values:

2022			
Level 1	Level 2	Level 3	Total
(Rupees)			
At fair value through profit or loss			
Commercial papers*	-	-	-
Bai muajjal receivable*	-	-	-
Term deposit receipts**	-	-	-
Short term sukuk certificates**	-	1,350,000,000	1,350,000,000
	-	1,350,000,000	1,350,000,000
2021			
Level 1	Level 2	Level 3	Total
(Rupees)			
At fair value through profit or loss			
Commercial papers*	-	675,298,097	675,298,097
Bai muajjal receivable*	-	1,040,439,154	1,040,439,154
Term deposit receipts**	-	490,000,000	490,000,000
Short term sukuk certificates**	-	225,000,000	225,000,000
	-	2,430,737,251	2,430,737,251

- * The valuation of commercial papers and Bai Muajjal receivable have been carried out based on amortisation to their face values / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and they are placed with counterparties which have high credit ratings.
- ** The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

24 GENERAL

Figures have been rounded off to the nearest rupee.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	397	32,356,480	3,235,645,203	48%
Associated Co./ Directors	2	0	7	0%
Banks/Dfis	1	417,345	41,734,500	1%
Insurance Co.	5	789,399	78,939,900	1%
Retirement & Other Funds	42	30,385,224	3,038,522,400	45%
Others	5	3,033,554	303,355,400	5%
	452	66,982,002	6,698,197,410	100%

Category	As at 30 June 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	180	12,941,876	1,294,187,509	19%
Associated Co./ Directors	2	3,444,076	344,407,581	5%
Banks/Dfis	1	385,659	38,565,886	1%
Insurance Co.	3	74,636	7,463,589	0%
Retirement & Other Funds	5	780,270	78,027,008	1%
Others	26	33,446,836	3,344,683,627	50%
	217	51,073,352	5,107,335,200	76%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2022 %
Summit Capital (Private) Limited	72.02%
Magenta Capital (Pvt) Limited	10.38%
Invest One Markets Limited	6.77%
Paramount Capital (Pvt.) Limited	4.06%
Bright Capital (Pvt.) Limited	3.38%
Pearl Securities Limited	1.35%
C&M Management (Pvt) Limited	1.35%
Arif Habib Limited	0.68%
	30 June 2021 %
Summit Capital Private Limited	44.91%
Bright Capital Private Limited	14.78%
Continental Exchange (Pvt) Limited	13.95%
Invest One Markets Limited	12.40%
Arif Habib Limited	8.12%
Magenta Capital (Pvt) Limited	3.29%
Paramount Capital	2.55%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

Alfalah Consumer Index
Exchange Traded Fund
Financial Statements
June 30, 2022

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah Consumer Index Exchange Traded Fund

Annual Fund Manager's Report

Type of Fund

Exchange Traded Fund

Category of Fund

Conventional Stock Scheme

Investment Objective

Alfalah Consumer Index Exchange Traded Fund (ACIETF) is an open-ended scheme that is traded on Pakistan Stock Exchange and shall aim to track the performance of the Benchmark index. The index shall be periodically re-balanced & reconstituted as specified in the offering document in order to provide long-term capital appreciation and dividends yield to the investors.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review

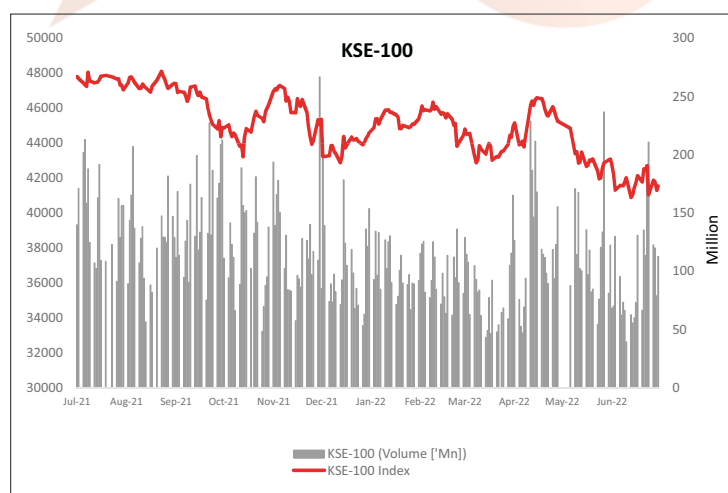
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

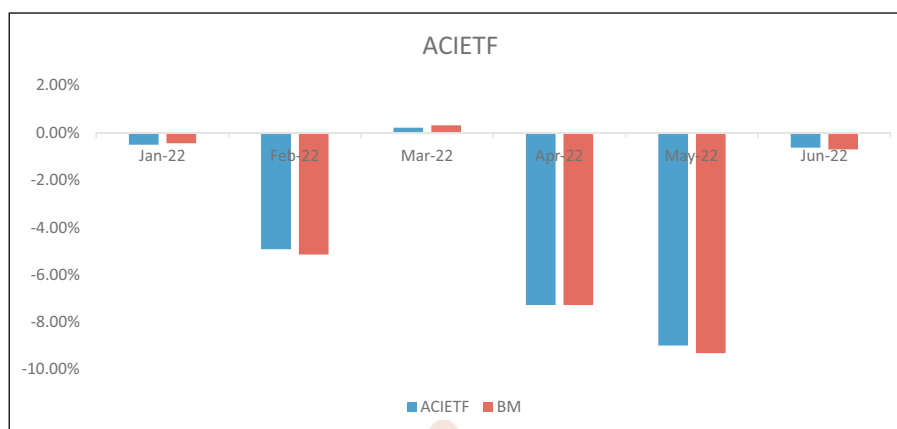
Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.

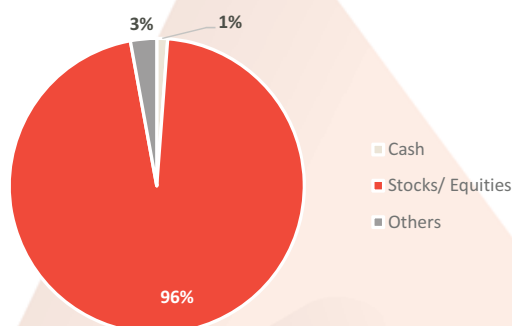


Fund Performance

During FY22, ACIETF earned a negative return of -20.5% versus the benchmark Alfalah Consumer Index has a negative return of -21.06% during the same period. Since Inception date of Fund is 14-Jan-2022.



Asset Allocation (as at 30 Jun 2022)



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

- **Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the
Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Consumer Index Exchange Traded Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from January 17, 2022 to June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 30, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah Consumer Index Exchange Traded Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Consumer Index Exchange Traded Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from January 17, 2022 to June 30, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the period from January 17, 2022 to June 30, 2022 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2022 amounted to Rs. 54.486 million and bank balances aggregated to Rs. 1.045 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: ■ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ■ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ■ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 29 September, 2022
UDIN:

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND**STATEMENT OF ASSETS AND LIABILITIES**

FOR THE PERIOD FROM JANUARY 17, 2022 TO JUNE 30, 2022

	Note	2022 (Rupees)
Assets		
Bank balances	4	1,045,138
Investments	5	54,485,772
Security deposit		100,000
Advance, dividend and other receivable	6	216,110
Preliminary expenses and floatation costs	7	934,605
Total assets		56,781,625
Liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	8	1,150,567
Payable to Central Depository Company of Pakistan Limited - Trustee	9	68,613
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	5,531
Accrued and other liabilities	11	130,679
Total liabilities		1,355,390
Net assets attributable to the unit holders		55,426,235
Unit holders' fund (as per statement attached)		55,426,235
Contingencies and commitments	12	(Number of units)
Number of units in issue		6,970,000
Net asset value per unit		(Rupees) 7.95

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND

INCOME STATEMENT

FOR THE PERIOD FROM JANUARY 17, 2022 TO JUNE 30, 2022

	Note	For the period from January 17, 2022 to June 30, 2022 (Rupees)
Income		
Profit on bank balances		53,656
Dividend income		526,656
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	(14,282,903)
Loss on sale of investments - net		(40,545)
Total loss		(13,743,136)
Expenses		
Remuneration of the Management Company	8.1	17,529
Sindh Sales Tax on remuneration of the Management Company	8.2	2,279
Remuneration of the Trustee	9.1	27,639
Sindh Sales Tax on remuneration of the Trustee	9.2	3,593
CDS charges		65,272
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	5,531
Auditors' remuneration	13	99,993
Amortisation of formation cost	7	92,895
Printing and related costs		29,999
Bank charges		4,899
Total expenses		349,629
Net loss from operating activities during the period		(14,092,765)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(181,000)
Net loss for the period before taxation		(14,273,765)
Taxation	15	-
Net loss for the period after taxation		(14,273,765)
Accounting income available for distribution		
-Relating to capital gains		-
-Excluding capital gains		-

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

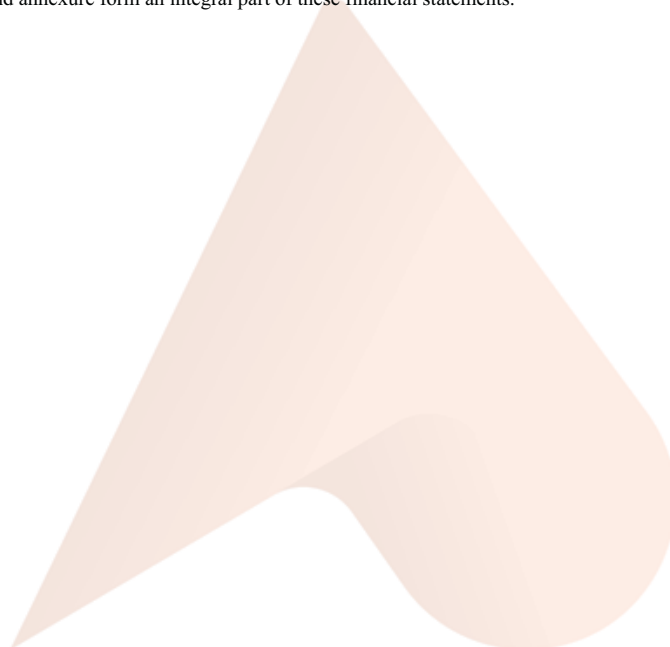
Chief Financial Officer

Director

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM JANUARY 17, 2022 TO JUNE 30, 2022

	For the period from January 17, 2022 to June 30, 2022 (Rupees)
Net loss for the period after taxation	(14,273,765)
Other comprehensive income for the period	-
Total comprehensive loss for the period	<u><u>(14,273,765)</u></u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE PERIOD FROM JANUARY 17, 2022 TO JUNE 30, 2022

	For the period from January 17, 2022 to June 30, 2022		
	Capital value	Accumulated loss	Total
	----- (Rupees) -----		
Issuance of 7,030,000 units			
- Capital value (at par value)	70,300,000	-	70,300,000
- Element of loss	(221,500)	-	(221,500)
Total proceeds on issuance of units	70,078,500	-	70,078,500
Redemption of 60,000 units			
- Capital value (at par value)	600,000	-	600,000
- Element of income	(40,500)	-	(40,500)
Total payments on redemption of units	559,500	-	559,500
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	181,000	-	181,000
Total comprehensive loss for the period	-	(14,273,765)	(14,273,765)
Distribution during the period	-	-	-
Net assets at end of the period	69,700,000	(14,273,765)	55,426,235
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
Net loss for the period after taxation		(14,273,765)	
Distribution for the period		-	
Undistributed income carried forward		(14,273,765)	
Undistributed income carried forward			
- Realised gain		9,138	
- Unrealised loss		(14,282,903)	
		(14,273,765)	
		(Rupees)	
Net asset value per unit at end of the period		7.95	

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND

CASH FLOW STATEMENT

FOR THE PERIOD FROM JANUARY 17, 2022 TO JUNE 30, 2022

	Note	For the period from January 17, 2022 to June 30, 2022 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation		(14,273,765)
Adjustments for:		
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		14,282,903
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		181,000
Amortisation of formation cost		92,895
		283,033
Increase in assets		
Investments - net		(68,768,675)
Security deposit		(100,000)
Advance, dividend and other receivable		(216,110)
Preliminary expenses and floatation costs		(1,027,500)
		(70,112,285)
Increase in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company		1,150,567
Payable to Central Depository Company of Pakistan Limited - Trustee		68,613
Annual fee payable to the Securities and Exchange Commission of Pakistan		5,531
Accrued and other liabilities		130,679
		1,355,390
Net cash flows used in operating activities		(68,473,862)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units		70,078,500
Payments on redemption of units		(559,500)
Net cash flows generated from financing activities		69,519,000
Net increase in cash and cash equivalents during the period		1,045,138
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of the period	4	1,045,138

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 17, 2022 TO JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah Consumer Index Exchange Traded Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Sindh Trust Act, 2020, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on August 24, 2021, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f. March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.

- 1.2** The Fund is a hybrid type of Fund having features of both open and closed end funds. A new concept of "Authorised Participants "APs" has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit.
- 1.3** The Fund commenced its operations from January 17, 2022. The Fund is categorised as a 'Exchange Traded Fund (ETF)' and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The par value per unit of the Fund is Rs. 10. The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.4** The Fund aims to provide investors an opportunity to track the performance of Alfalah Consumer Index (ACI) that has been constituted and is maintained by the Management Company, and comprises of consumer focused companies upto a maximum of 20 stocks.
- 1.5** The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated March 03, 2022 to the Management Company.
- 1.6** As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from January 17, 2022.
- 1.7** These are the first financial statements of the Fund for the period from January 17, 2022 to June 30, 2022 therefore, comparative figures have not been presented.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification and valuation of financial instruments (notes 3.2 and 5).

2.4 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.2 Classification and subsequent measurement

3.2.2.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted around that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

3.9 Issue and redemption of units

Authorised Participants (APs) can purchase the units at the offer price and redeem at the redemption price at any of the authorised distribution offices during business hours.

The offer price shall be equal to the sum of:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing); and
- Such amount as the Management Company may consider an appropriate provision for duties and charges.

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof as mentioned in the Offering Document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund.

3.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

As clarified by the SECP vide its letter no. SCD/AMCW/ETF/240/2020 dated March 2, 2020 that element of income in case of Exchange Traded Funds shall be taken to Income Statement both at the time of issuance and redemption of units to the extent it pertains to Income Statement.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on bank balances is recognised on an accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period after taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

	Note	2022 (Rupees)
4 BANK BALANCES		
In savings accounts	4.1	<u>1,045,138</u>

- 4.1 These accounts carry profit rates of 16.60% per annum. These include bank balance of Rs. 0.108 million which is maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS

At fair value through profit or loss

Listed equity securities

Note
2022
(Rupees)

5.1 54,485,772

5.1 Listed equity securities

Fully paid up ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the Investee Company	Purchase s during the period	Bonus / Right shares received during the	Sales during the period	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of		Holding as a percentage of paid-up capital of investee
					Carrying value	Market value	Unrealised gain / (loss)	Net assets of the	Total invest- ments	
-----Rupees-----										
Textile composite										
Gul Ahmed Textile	44,992	-	384	44,608	2,013,217	1,508,196	(505,021)	2.72%	2.77%	0.000%
Interloop Limited	38,665	-	330	38,335	2,892,817	2,338,435	(554,382)	4.22%	4.29%	0.004%
Nishat Chunian Limited	31,635	-	270	31,365	1,592,186	1,404,838	(187,348)	2.53%	2.58%	0.000%
Nishat Mills Limited	45,695	-	390	45,305	3,688,762	3,348,493	(340,269)	6.04%	6.15%	0.013%
					10,186,982	8,599,962	(1,587,020)	15.52%	15.79%	
Cement										
Cherat Cement Company Limited	33,744	-	288	33,456	4,882,587	3,112,746	(1,769,841)	5.62%	5.71%	0.017%
D. G. Khan Cement Company Limited	63,270	-	540	62,730	4,997,046	3,920,625	(1,076,421)	7.07%	7.20%	0.014%
Lucky Cement Limited	9,842	-	84	9,758	6,557,899	4,479,312	(2,078,587)	8.08%	8.22%	0.003%
Maple Leaf Cement Factory Limited	144,115	-	1,230	142,885	4,866,749	3,907,905	(958,844)	7.05%	7.17%	0.013%
					21,304,281	15,420,588	(5,883,693)	27.82%	28.30%	
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	37,962	-	324	37,638	6,995,871	6,467,714	(528,157)	11.67%	11.87%	0.008%
Sui Northern Gas Pipelines Limited	82,251	-	702	81,549	2,805,987	2,789,791	(16,196)	5.03%	5.12%	0.013%
					9,801,858	9,257,505	(544,353)	16.70%	16.99%	
-----Rupees-----										
Name of the Investee Company	Purchase s during the period	Bonus / Right shares received during the	Sales during the period	As at June 30, 2022	As at June 30, 2022			Market value as a percentage of		Holding as a percentage of paid-up capital of investee
					Carrying value	Market value	Unrealised gain / (loss)	Net assets of the	Total invest- ments	
-----Rupees-----										
Engineering										
Aisha Steel Mills Limited	101,232	-	864	100,368	1,525,831	1,109,066	(416,765)	2.00%	2.04%	0.011%
International Industries Limited	21,090	-	180	20,910	2,987,168	2,168,994	(818,174)	3.91%	3.98%	0.016%
International Steels Limited	44,289	-	378	43,911	3,106,927	2,606,557	(500,370)	4.70%	4.78%	0.010%
Mughal Iron & Steel Industries Limited	24,605	-	210	24,395	2,594,817	1,406,128	(1,188,689)	2.54%	2.58%	0.007%
					10,214,743	7,290,745	(2,923,998)	13.15%	13.38%	
Automobile Assemblers										
Honda Atlas Cars (Pakistan) Limited	8,436	-	72	8,364	1,864,100	1,628,722	(235,378)	2.94%	2.99%	0.006%
Pak Suzuki Motor Company Limited	6,327	-	54	6,273	1,408,042	1,324,920	(83,122)	2.39%	2.43%	0.008%
					3,272,142	2,953,642	(318,500)	5.33%	5.42%	
Pharmaceuticals										
AGP Limited	24,605	-	210	24,395	2,268,134	2,137,490	(130,644)	3.86%	3.92%	0.009%
The Searle Company Limited	40,774	-	348	40,426	5,732,976	4,407,243	(1,325,733)	7.95%	8.09%	0.013%
					8,001,110	6,544,733	(1,456,377)	11.81%	12.01%	
Foods and Personal Care Products										
Unity Foods Limited	145,521	-	1,242	144,279	4,052,849	2,895,680	(1,157,169)	5.22%	5.31%	0.012%
Frieslandcampina Engro Pakistan Limited	22,496	-	192	22,304	1,934,710	1,522,917	(411,793)	2.75%	2.80%	0.018%
					5,987,559	4,418,597	(1,568,962)	7.97%	8.11%	
Total as at June 30, 2022					68,768,675	54,485,772	(14,282,903)			

	Note	2022 (Rupees)
5.2 Unrealised loss on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net		
Market value of investments	5.1	54,485,772
Less: Carrying value of investments	5.1	(68,768,675)
		<u>(14,282,903)</u>
6 ADVANCE, DIVIDEND AND OTHER RECEIVABLE		
Dividend receivable		58,464
Advance tax		129,396
Prepaid annual fee		28,250
		<u>216,110</u>
7 PRELIMINARY EXPENSES AND FLOATATION COSTS		
Preliminary expenses and floatation costs incurred	7.1	1,027,500
Less: amortised during the period		92,895
Balance as at period end		<u>934,605</u>
7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.		
8 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2022 (Rupees)
Management remuneration payable	8.1	-
Sindh sales tax payable on management remuneration	8.2	-
Payable against preliminary expenses and floatation costs	7.1	1,027,500
Other payable		123,067
		<u>1,150,567</u>
8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.5% of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.		
8.2 During the period, an amount of Rs. 0.0023 million was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.0023 million has been paid to the Management Company which acts as a collecting agent.		
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022 (Rupees)
Trustee remuneration payable	9.1	4,457
Sindh sales tax payable on Trustee remuneration	9.2	579
CDS Charges payable		63,577
		<u>68,613</u>
9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund at the rate of 0.1% per annum of net assets of the Fund.		
9.2 During the period, an amount of Rs. 0.004 million was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.003 million was paid to the Trustee which acts as a collecting agent.		
10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2022 (Rupees)
Annual fee payable	10.1	<u>5,531</u>

- 10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% of the average annual net assets of the Fund.

	2022 (Rupees)
11 ACCRUED AND OTHER LIABILITIES	
Auditors' remuneration payable	99,993
Withholding tax payable	687
Printing charges payable	29,999
	<u>130,679</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022.

For the period from January 17, 2022 to June 30, 2022

(Rupees)

13 AUDITORS' REMUNERATION

Audit fee	83,481
Out of pocket expenses	5,009
Sindh sales tax	11,504
	<u>99,993</u>

14 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 1.27% which includes 0.04% representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an index tracking scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss for the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Other transactions

For the period
from January 17,
2022 to June 30,
2022
(Rupees)

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the Management Company	17,529
Sindh sales tax on remuneration of the Management Company	2,279

Bank Alfalah Limited

Profit on bank balances	4,035
Bank charges	4,899

Other related party

Central Depository Company of Pakistan Limited - the Trustee

Remuneration of the Trustee	27,639
Sindh Sales Tax on remuneration of the Trustee	3,593
CDS charges	65,272

16.2 Other balances

2022
(Rupees)

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Payable against preliminary expenses and floatation costs	1,027,500
Other payable	123,067

Bank Alfalah Limited

Bank balances	107,925

Other related party

Central Depository Company of Pakistan Limited - the Trustee

Trustee remuneration payable	4,457
Sindh sales tax payable on trustee remuneration	579
CDS charges payable	63,577
Security deposit	100,000

17 FINANCIAL INSTRUMENTS BY CATEGORY

2022		
At amortised cost	At fair value through profit or loss	Total
(Rupees)		
Financial assets		
Bank balances	1,045,138	1,045,138
Investments	54,485,772	54,485,772
Security deposit	100,000	100,000
Advance, dividend and other receivable	58,464	58,464
1,203,602	54,485,772	55,689,374
Financial liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	1,150,567	1,150,567
Payable to Central Depository Company of Pakistan Limited - Trustee	68,613	68,613
Accrued and other liabilities	129,992	129,992
1,349,172	-	1,349,172

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / profit rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

18.1.2 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2022, is as follows:

2022
(Rupees)

Variable rate instruments (financial assets)

Bank balances

1,045,138

a) Sensitivity analysis for variable rate instrument

Presently, the Fund has bank balances which expose the Fund to variable rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the impact would have been immaterial. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The Fund does not have any investment in fixed rate instrument as of June 30, 2022 therefore it is not exposed to any fair value profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

----- 2022 -----					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----					
On-balance sheet financial instruments					
Financial assets					
Bank balances	16.60%	1,045,138	-	-	1,045,138
Investments		-	-	54,485,772	54,485,772
Security deposit		-	-	100,000	100,000
Advance, dividend and other receivable		-	-	58,464	58,464
Sub total		1,045,138	-	54,644,236	55,689,374
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	1,150,567	1,150,567
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	68,613	68,613
Accrued and other liabilities		-	-	129,992	129,992
Sub total		-	-	1,349,172	1,349,172
On-balance sheet gap		1,045,138	-	53,295,064	54,340,202
Total interest rate sensitivity gap		1,045,138	-	53,295,064	54,340,202
Cumulative interest rate sensitivity gap		1,045,138	1,045,138	1,045,138	

18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price arising from the Fund investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC regulations and circulars issued by the SECP time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2022. The analysis is based on the assumption that the KSE index increased / decreased by 1%, with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with the index. This represents managements' best estimate of a reasonable possible shift in the KSE index, having regard to the historical volatility of the index of the past three years.

At June 30, 2022, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

Effect due to increase / decrease in KSE 100 index

	2022 (Rupees)
Investment and net assets	544,858
Income statement	544,858

	2022	
	Balance as per statement of assets and	Maximum exposure to credit risk
	(Rupees)	
Bank balances	1,045,138	1,045,138
Investments	54,485,772	-
Security deposit	100,000	100,000
Advance, dividend and other receivable	58,464	58,464
	55,689,374	1,203,602

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 54.486 million are not exposed to credit risk.

No financial assets were considered to be past due or impaired as at June 30, 2022.

18.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2022 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2022 % of financial assets exposed to credit risk
Allied Bank Limited	PACRA	A1+ / AAA	89.67%
Bank Alfalah Limited	PACRA	A1+ / AA+	10.33%
			100.00%

Above ratings are on the basis of available ratings assigned by PACRA as of June 30, 2022.

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	1,045,138	-	-	-	-	1,045,138
Investments	-	-	-	-	54,485,772	54,485,772
Security deposit	-	-	-	-	100,000	100,000
Advance, dividend and other receivable	58,464	-	-	-	-	58,464
	1,103,602	-	-	-	54,585,772	55,689,374
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company	1,150,567	-	-	-	-	1,150,567
Payable to Central Depository Company of Pakistan Limited - Trustee	68,613	-	-	-	-	68,613
Accrued and other liabilities	129,992	-	-	-	-	129,992
	1,349,172	-	-	-	-	1,349,172
Net financial (liabilities) / assets	(245,570)	-	-	-	54,585,772	54,340,202

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

19.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022, the Fund held the following financial instruments measured at fair values:

At fair value through profit or loss

Investment in Listed equity securities

2022			
Level 1	Level 2	Level 3	Total
(Rupees)			
54,485,772	-	-	54,485,772

During the period from January 17, 2022 to June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

22 GENERAL

Figures have been rounded off to the nearest rupee.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - ACIETF

	30 June 2022
Net Assets	55,426,235
NAV per unit	7.95
Selling price per unit	N/A
Redemption price per unit	7.95
Highest selling price per unit	N/A
Highest redemption price per unit	10.00
Lowest selling price per unit	N/A
Lowest redemption price per unit	7.49
Total interim distribution per unit	Nil
Interim distribution date	Nil
Final distribution per unit	Nil
Final distribution date	Nil
Annualized returns	-20.50%
Income distribution	Nil
Weighted avg. portfolio duration	N/A
Return since inception is -20.50%	

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

ALFALAH GHP ISLAMIC
PROSPERITY PLANNING
FUND - II
Financial Statements
June 30,2022

FUND INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Tanveer Hussain Awan Mr. Khalid Khanfer Mr. Saad ur Rahman Mr. Kabir Qureshi Mr. Hanspeter Beier Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Nabeel Malik (CEO - Acting)
Audit Committee:	Mr. Khalilullah Shaikh Mr. Tanveer Hussain Awan Mr. Saad ur Rahman Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Tanveer Hussain Awan Mr. Kabir Qureshi Mr. Nabeel Malik (CEO - Acting)
Risk Committee:	Mr. Saad ur Rahman Mr. Khalilullah Shaikh Mr. Nabeel Malik (CEO - Acting) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant Fund of Funds Scheme

Investment Objective

Alfalāh GHP Islamic Prosperity Planning Fund is an Open-ended Shariah Complaint Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah complaint Mutual funds in line with the risk tolerance of the investor.

Accomplishment of Objective

The Fund has achieved its objective of generating higher return by investing in a mix of underlying fixed income and equity based mutual funds within the guidelines provided under NBFC rules.

Equity Market Review:

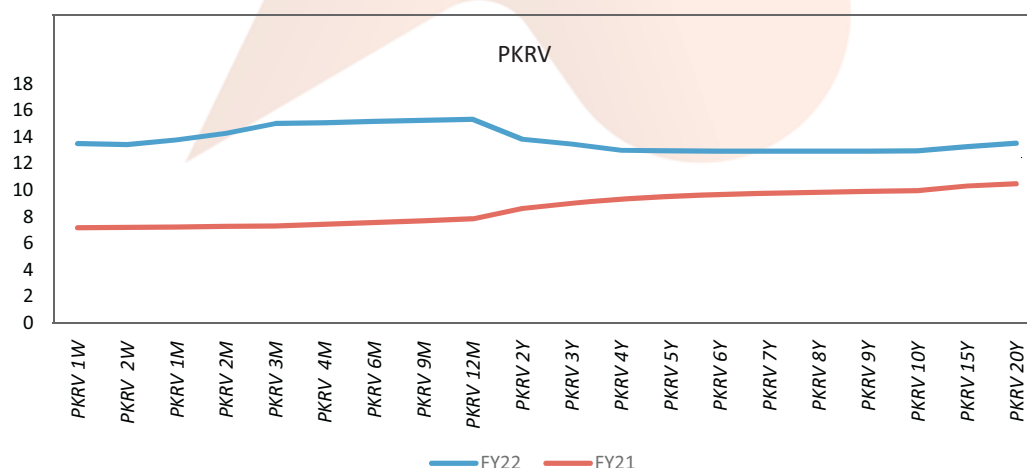
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

Extraordinarily high commodity and energy prices along with adjustment in petroleum products and utility tariffs in accord with the IMF program, has resulted in inflation to average at 12.43% for FY22, while the expectation for FY23 is between 20%-22% till the high base effect kicks in early FY24.

In response to rising inflationary pressures due to mounting commodity prices and increased economic activity, the Central Bank has already hiked policy rate by almost 800bps to 15% from September 2021 (13.75% at June 30, 2022). With the latest hike of 125bps in board meeting held on July 07, 2022, the Central Bank expects that increased interest rates will a) result in slowdown in economic activity, b) prevent de-anchoring of inflation expectations and c) provide support to PKR.

Similar movement has been witnessed in secondary market yields as they have increased by average 8.1% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



Equity Market Review

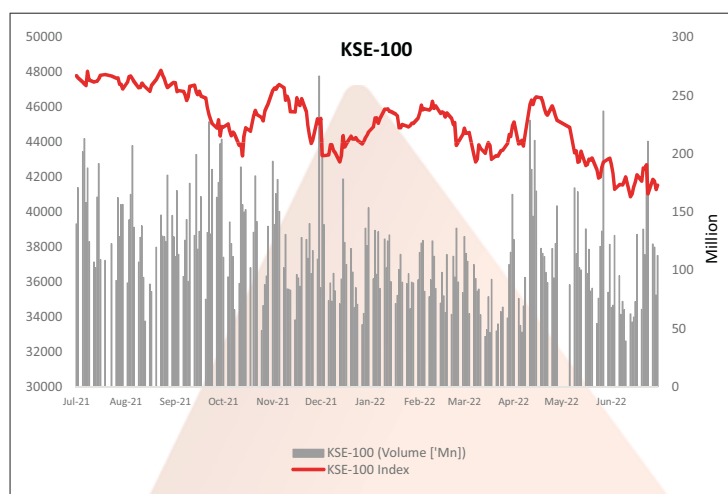
During FY22, the benchmark index posted a negative return of 12.28% on account of deteriorating economic indicators. The index remained range bound during the year as it peaked at 48,112 level in Aug'21, however closed at a much lower level of 41,541 points.

The unprecedented hike in commodity and energy prices specially post Russia-Ukraine war resulted in worsening Current Account Deficit, swelling inflation, an enormous rise in interest rates, weakening PKR and depleting FX reserves. Moreover, the budget for FY23 also turned out a negative event for the Equity market as the Government increased taxes on Corporates and a one off Poverty alleviation tax of 10% was also imposed on sectors with high profitability.

Despite record profitability posted by companies in the benchmark index in FY22, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 56%YoY to 115.08 million shares. Fertilizer and Chemical sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Chemical sector, while Cement sector contributed most negatively to the index due to a record increase in fuel prices and concerns of weakening demand in future as manufacturers looked to pass on the impact of cost pressures.

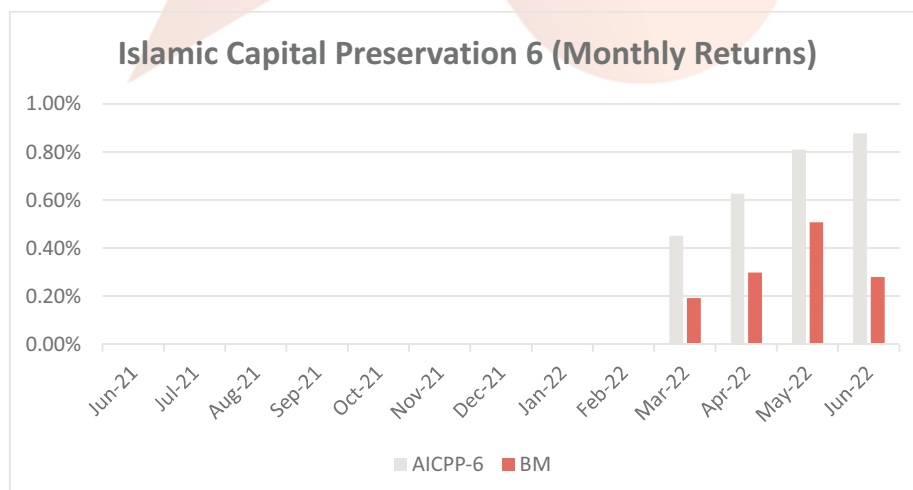
Moreover, MSCI reclassified Pakistan from the Emerging Markets to Frontier Markets Index and as a result, foreigners divested USD 295mn from Pakistani equities during FY22. Individuals were the major buyers followed by Banks/DFIs.

Going forward, we believe that the resumption of the stalled IMF program and clarity on the political front will provide much more confidence to the investors to jump back into Equity, as the market is currently trading at a very lucrative valuation i.e. forward PE of 4-4.5 for KSE 100 index.

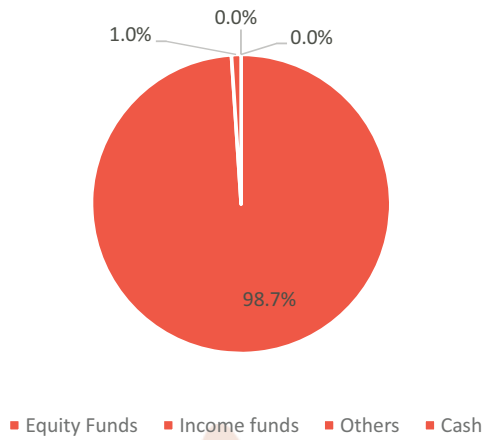


(Alfalah Islamic Capital Preservation Plan 6).

During the period under review, Alfalah Islamic Capital Preservation Plan 6 - Balanced posted a return of 2.80% as compared to its benchmark of 1.29%.



Asset Allocation as at Jun 30, 2022



- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
There were no significant changes in the state of affairs during the year under review.
- **Disclosure on unit split (if any), comprising:-**
There were no unit splits during the period.
- **Disclosures of circumstances that materially affect any interests of unit holders**
Investments are subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**
No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Prosperity Planning Fund - II (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from March 11, 2022 to June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 23, 2022





Alfalah Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND-2

We, the Shariah Advisors of the Alfalah GHP Islamic Prosperity Planning Fund-2 ('AGIPPF-2') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we have checked following avenues presented to us by the Management in which AGIPPF-2 made Investment during the period from its launch date i.e. March 14, 2022 to June 30, 2022.

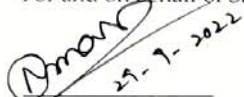
Investment Head	Investment Avenue
Shariah Compliant Funds	Alfalah GHP Islamic Dedicated Equity Fund Alfalah GHP Islamic Income Fund Alfalah GHP Islamic Rozana Amdani Fund

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2022, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.


Mufti Shaikh Noman
Shariah Advisor


Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 26, 2022

Mr. Nabeel Malik
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Prosperity Planning Fund - II Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Prosperity Planning Fund - II (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from March 11, 2022 to June 30, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the period from March 11, 2022 to June 30, 2022 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2022 amounted to Rs. 157.388 million and bank balances aggregated to Rs. 0.256 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: ■ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ■ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ■ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: 29 September, 2022
UDIN:

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

		June 30, 2022 AICPP – 6 (Rupees)
Assets	Note	
Bank balances	4	255,625
Investments	5	157,387,646
Profit receivable	6	59,998
Preliminary expenses and floatation costs	7	1,390,907
Total assets		159,094,176
Liabilities		
Payable to Alfalah GHP Investment Management Limited - the Management Company	8	1,602,989
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	10,208
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	9,577
Accrued expenses and other liabilities	11	332,644
Total liabilities		1,955,418
Net assets attributable to the unit holders		157,138,758
Unit holders' fund (as per statement attached)		157,138,758
Contingencies and commitments	12	
Number of units in issue		1,567,891
Net asset value per unit		100.2230

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II

INCOME STATEMENT

FOR THE PERIOD FROM MARCH 11, 2022 TO JUNE 30, 2022

	Note	For the period from March 11, 2022 to June 30, 2022 AICPP – 6 (Rupees)
Income		
Profit on bank balances		164,488
Dividend income		3,835,958
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	5.2	(1,179,923)
Gain on sale of investments - net		1,931,398
Other income		22,640
Total income		4,774,561
Expenses		
Remuneration of the Management Company	8.1	3,695
Sindh Sales Tax on remuneration of the Management Company	8.2	485
Remuneration of the Trustee	9.1	33,505
Sindh Sales Tax on remuneration of the Trustee	9.2	4,357
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	9,577
Auditors' remuneration	13	100,911
Amortisation of formation cost	7	252,093
Annual listing fee		25,212
Printing and related costs		15,122
Shariah Advisory Fee		25,212
Total expenses		470,169
Net income for the period before taxation		4,304,392
Taxation	15	-
Net income for the period after taxation		4,304,392
Allocation of net income for the year		
Net income for the year after taxation		4,304,392
Income already paid on units redeemed		(6,486)
		4,297,906
Accounting income available for distribution		
-Relating to capital gains		-
-Excluding capital gains		4,297,906
		4,297,906

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II**STATEMENT OF COMPREHENSIVE INCOME***FOR THE PERIOD FROM MARCH 11, 2022 TO JUNE 30, 2022*

	For the period from March 11, 2022 to June 30, 2022 AICPP – 6 (Rupees)
Net income for the period after taxation	4,304,392
Other comprehensive income for the period	-
Total comprehensive income for the period	<u><u>4,304,392</u></u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II

CASH FLOW STATEMENT

FOR THE PERIOD FROM MARCH 11, 2022 TO JUNE 30, 2022

	Note	For the period from March 11, 2022 to June 30, 2022 AICPP – 6 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		4,304,392
Adjustments for:		
Unrealised loss on revaluation of investments classified as at fair value through profit or loss - net		1,179,923
Amortisation of formation cost		252,093
		5,736,408
Increase in assets		
Investments - net		(158,567,569)
Profit receivable		(59,998)
Preliminary expenses and floatation costs		(1,643,000)
		(160,270,567)
Increase in liabilities		
Payable to Alfalah GHP Investment Management Limited - the Management Company		1,602,989
Payable to Central Depository Company of Pakistan Limited - the Trustee		10,208
Payable to the Securities and Exchange Commission of Pakistan		9,577
Accrued expenses and other liabilities		332,644
		1,955,418
Net cash flows used in operating activities		(152,578,741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units		157,914,616
Payments on redemption of units		(1,132,030)
Dividend paid		(3,948,220)
Net cash flows generated from financing activities		152,834,366
Net increase in cash and cash equivalents during the period		255,625
Cash and cash equivalents at end of the period	4	255,625

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE PERIOD FROM MARCH 11, 2022 TO JUNE 30, 2022

For the period from March 11, 2022 to June 30, 2022		
AICPP – 6		
Capital Value	Undistributed income	Total
(Rupees)		
Issuance of 1,579,146 units during the current period representing:		
- Capital value (at net asset value per unit at the beginning of the period)		
- Element of income		
Total proceeds on issuance of units		
Redemption of 11,255 units during the current period representing:		
- Capital value (at net asset value per unit at the beginning of the period)		
- Element of loss		
Total payments on redemption of units		
Total comprehensive income for the period		
1st interim distribution @ Rs 1.4372 per unit on May 12, 2022		
2nd interim distribution @ Rs 1.1148 per unit on June 24, 2022		
Net assets at end of the period		
Distribution for the period		
Accounting income available for distribution		
- Relating to capital gains		
- Excluding capital gains		
Net income for the period after taxation		
Distribution for the period		
Undistributed income carried forward		
Undistributed income carried forward		
- Realised		
- Unrealised		
Net assets value per unit at end of the period		

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM MARCH 11, 2022 TO JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic Prosperity Planning Fund II was established under a Trust Deed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on August 21, 2021 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

- 1.2** The objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The duration of the fund is perpetual, however, allocation plans may have a set time frame. Presently, the fund offers following allocation plans :

a. Alfalah Islamic Capital Preservation Plan – 6 (AICPP-6) : The initial maturity of plan is two (2) years from the close of subscription period.

- 1.3** The Fund commenced its operations from March 11, 2022. The Fund is categorised as a 'Shariah Compliant Fund of Funds Scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

- 1.4** The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (stable outlook) dated March 03, 2022 to the Management Company.

- 1.5** As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from March 11, 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification, impairment and valuation of financial instruments (notes 3.2 and 5).

2.4 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.2 Classification

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as puttable instruments and are mandatorily required to be classified as fair value through profit or loss.

3.2.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.2.4 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

3.2.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

3.9 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

3.10 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

3.11 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.12 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances is recognised on an accrual basis.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.15 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period after taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

										Note	June 30, 2022 AICPP – 6 (Rupees)	
4	BANK BALANCES											
	In Savings accounts									4.1	255,625	
											255,625	
4.1	These accounts carry profit rates ranging from 3.25% to 9.00% per annum. These include bank balance of Rs. 0.085 million which is maintained with Bank Alfalah Limited (a related party).											
5	INVESTMENTS											
	At fair value through profit or loss											
	Units of open-ended mutual funds									5.1	157,387,646	
											157,387,646	
5.1	Investments at fair value through profit or loss' - Units of open-ended mutual funds											
	Alfalah Islamic Capital Preservation Plan – 6											
	Particulars	Issued during the year	Redeemed during the year	As at June 30, 2021	As at June 30, 2022			Market value as a percentage of				
					Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments			
					(Rupees)			%				
	Alfaha GHP Islamic Income Fund*	2,354,337	817,333	1,537,004	158,567,569	157,387,646	(1,179,923)	100.16%	100%			
	Alfaha GHP Islamic Dedicated Fund*	115,406	115,406	-	-	-	-	-	-			
	Alfaha Islamic Rozana Amdani Fund*	783,514	783,514	-	-	-	-	-	-			
	As at June 30, 2022				158,567,569	157,387,646	(1,179,923)	100.16%	100%			
	* These represent investments held in related parties i.e. funds under common management.											
5.2	Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net										Note	June 30, 2022 AICPP – 6 (Rupees)
	Market value of investments									5.1	157,387,646	
	Less: Carrying value of investments									5.1	(158,567,569)	
											(1,179,923)	
6	PROFIT RECEIVABLE											
	Profit receivable on:											
	Bank balances										59,998	
											59,998	
7	PRELIMINARY EXPENSES AND FLOATATION COSTS											
	Preliminary expenses and floatation costs incurred prior to commencement of operations									7.1	1,643,000	
	Less: amortised during the period										252,093	
	Balance as at period end										1,390,907	
7.1	Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.											
8	PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY										Note	June 30, 2022 AICPP – 6 (Rupees)
	Management remuneration payable									8.1	4	
	Sindh Sales Tax payable on management remuneration									8.2	4	
	Payable against preliminary expenses and floatation costs									7.1	1,602,981	
											1,602,989	

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.5% of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the period, an amount of Rs. 485 was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 481 has been paid to the Management Company which acts as a collecting agent.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	Note	June 30, 2022
			AICPP – 6 (Rupees)
	Trustee remuneration payable	9.1	9,032
	Sindh Sales Tax payable on Trustee remuneration	9.2	1,176
			<u>10,208</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. During the period, the Trustee has charged remuneration at the rate of 0.07% per annum of net assets of the Fund.

9.2 During the period, an amount of Rs. 4,357 was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 3,181 was paid to the Trustee which acts as a collecting agent.

10	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	June 30, 2022
			AICPP – 6 (Rupees)
	Annual fee payable	10.1	<u>9,577</u>

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% of the average annual net assets of the Fund.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	June 30, 2022
		AICPP – 6 (Rupees)
	Auditors' remuneration payable	100,911
	Withholding tax payable	132,966
	Listing fee payable	25,212
	Shariah Advisory fee payable	25,212
	Printing charges payable	15,122
	Sales load payable	29,399
	Sindh Sales Tax payable on sale load	3,822
		<u>332,644</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022.

13	AUDITORS' REMUNERATION	For the period from March 11, 2022 to June 30, 2022
		AICPP – 6 (Rupees)
	Annual audit fee	84,247
	Out of pocket expenses	5,055
	Sindh sales tax	11,609
		<u>100,911</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 0.99% which includes 0.03% representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the period from March 11, 2022 to June 30, 2022 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Unit holders' fund

		For the period from March 11, 2022 to June 30, 2022								
		Note	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer	As at June 30, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022
Units					Rupees					
Alfalah Islamic Capital Preservation Plan – 6										
Associated companies / undertakings										
Bank Alfalah Limited - Employee Gratuity Fund Trust		250,000	6,420	-	256,420	25,000,000	642,005	-	25,699,185	
Bank Alfalah Limited - Employee Provident Fund	16.1.1	500,000	12,840	-	512,840	50,000,000	1,284,011	-	51,398,369	
Key management personnel										
Chief Executive Officer	16.1.1	3,000	59	-	3,059	5,889	-	-	306,582	
Unit holder holding 10% or more units										
IGI General Insurance Limited -Window Takaful	16.1.1	501,899	10,945	-	512,844	512,844	1,094,528	-	51,398,770	

16.1.1 This reflects the position of related party / connected persons status as at June 30, 2022.

16.2 Other transactions

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	3,695
Sindh Sales Tax on remuneration of the Management Company	485
Sales Load	263,799

Bank Alfalah Limited

Profit on bank balances	4,113

For the period from March 11, 2022 to June 30, 2022
AICPP – 6
(Rupees)

For the period from March 11, 2022 to June 30, 2022
AICPP – 6
(Rupees)

Other related party

Central Depository Company of Pakistan Limited - the Trustee

Remuneration of the Trustee	33,505
Sindh Sales Tax on remuneration of the Trustee	4,357

16.3 Other balances

June 30, 2022
AICPP – 6
(Rupees)

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Management remuneration payable	4
Sindh Sales Tax payable on management remuneration	4
Payable against preliminary expenses and floatation costs	1,602,981

Bank Alfalah Limited

Bank balances	84,914
Sales load payable	29,399
Sindh Sales Tax payable on sale load	3,822

Other related party

Central Depository Company of Pakistan Limited - the Trustee

Trustee remuneration payable	9,032
Sindh Sales Tax payable on trustee remuneration	1,176

17 FINANCIAL INSTRUMENTS BY CATEGORY

Alfalsh Islamic Capital Preservation Plan – 6

Financial assets

	At amortised cost	At fair value through profit or loss	Total
Bank balances	255,625	-	255,625
Investments	-	157,387,646	157,387,646
Profit receivable	59,998	-	59,998
	<u>315,623</u>	<u>157,387,646</u>	<u>157,703,269</u>

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - the Management Company	1,602,989	-	1,602,989
Payable to Central Depository Company of Pakistan Limited - the Trustee	10,208	-	10,208
Accrued expenses and other liabilities	199,678	-	199,678
	<u>1,812,875</u>	<u>-</u>	<u>1,812,875</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / profit rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

18.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2022, is as follows:

	June 30, 2022
	AICPP – 6
	(Rupees)
Variable rate instruments (financial assets)	
Bank balances	255,625
	<u>255,625</u>

a) Sensitivity analysis for variable rate instrument

Presently, the Fund has KIBOR based bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the period and net assets of the Fund would have been higher / lower by Rs 0.003 million. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The Fund does not have any investment in fixed rate instrument as of June 30, 2022 therefore it is not exposed to any fair value profit rate risk.

The composition of the Fund's investment portfolio, KIBOR rates and the rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

2022					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
					(Rupees)

Alfalsh Islamic Capital Preservation Plan – 6

On-balance sheet financial instruments

Financial assets

Bank balances	3.25% - 9.00%	255,625	-	-	-	255,625
Investments		-	-	-	157,387,646	157,387,646
Profit receivable		-	-	-	59,998	59,998
Sub total		<u>255,625</u>	<u>-</u>	<u>-</u>	<u>157,447,644</u>	<u>157,703,269</u>

Financial liabilities

Payable to Alfalah GHP Investment Management

Limited - the Management Company

Payable to Central Depository Company of

Pakistan Limited - the Trustee

Accrued expenses and other liabilities

Sub total

-	-	-	1,602,989	1,602,989
-	-	-	10,208	10,208
-	-	-	199,678	199,678
Sub total	-	-	1,812,875	1,812,875

On-balance sheet gap

255,625 - - 155,634,769 155,890,394

Total interest rate sensitivity gap

255,625 - - 155,634,769 155,890,394

Cumulative interest rate sensitivity gap

255,625 255,625 255,625

18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2022.

18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

18.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

2022	
AICPP - 6	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees)	
Bank balances	255,625
Investments	157,387,646
Profit receivable	59,998
	157,703,269
	315,623

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in units of mutual funds are not exposed to credit risk.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired as at June 30, 2022.

18.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2022 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2022 % of financial assets exposed to credit risk
Alfalsh Islamic Capital Preservation Plan – 6			
Allied Bank Limited	PACRA	A1+ / AAA	66.78%
Bank Alfalah Limited	PACRA	A1+ / AA+	33.22%
			100.00%

Above ratings are on the basis of available ratings assigned by PACRA as of June 30, 2022.

Ratings of other instruments have been disclosed in related notes to financial statements.

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						

Alfalsh Islamic Capital Preservation Plan – 6

Financial assets

Bank balances	255,625	-	-	-	-	255,625
Investments	-	-	-	-	157,387,646	157,387,646
Profit receivable	59,998	-	-	-	-	59,998
	315,623	-	-	-	157,387,646	157,703,269

Financial liabilities

Payable to Alfalah GHP Investment Management Limited - the Management Company	1,602,989	-	-	-	-	1,602,989
Payable to Central Depository Company of Pakistan Limited - the Trustee	10,208	-	-	-	-	10,208
Accrued expenses and other liabilities	199,678	-	-	-	-	199,678
	1,812,875	-	-	-	-	1,812,875

Net financial assets	(1,497,252)	-	-	-	157,387,646	155,890,394

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

19.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022, the Fund held the following financial instruments measured at fair values:

2022			
Level 1	Level 2	Level 3	Total
(Rupees)			
Alfalsh Islamic Capital Preservation Plan – 6			
At fair value through profit or loss			
- Open end mutual funds - Quoted	-	157,387,646	-
	-	157,387,646	-
			157,387,646

During the period from March 11, 2022 to June 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the period from March 11, 2022 to June 30, 2022.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

22 GENERAL

Figures have been rounded off to the nearest rupee.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	17	182,490	18,289,783	12%
Insurance Co.	1	512,844	51,398,761	33%
Retirement & Other Funds	2	769,260	77,097,561	49%
Others	1	103,296	10,352,653	7%
	21	1,567,891	157,138,758	100%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Nabeel Malik
Noman Soomro
Muddasir Ahmed Shaikh
Shariq Mukhtar Hashmi
Mustafa Kamal
Jawad Shamim, CFA
Wahaj Ahmed
Hussain Salim Syani, CFA

Nabil Malik – CEO

Mr Malik is the Chief Executive at Alfalah GHP Investment Management Limited. Prior to ascending to his current role he had been serving as the Chief Investment Officer of the Company. Mr Malik has remained a key executive of the senior management team since the merger of the Company with IGI Funds in 2013. He has remained part of Investment Committees for both Mutual funds and Advisory mandates and has played an instrumental role in the growth of the organization. He brings with him a rich and diversified experience of over eighteen years in the field of Investment Management & and Advisory.

Prior to becoming a part of the Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at distinguished organizations like Pak Oman Asset Management Co & Pak Kuwait Investment Co.

Mr. Malik has done his MBA from SZABIST and holds a B. Sc. degree in Computing & I.T.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Jawad Shamim

Jawad has been an active part of Capital Markets for a decade with Equity Research being his key forte. He has been instrumental in supporting various local and global Fund Management teams in identification of alpha calls for their portfolios. Throughout his career, he has remained associated with renowned institutions of financial market in Pakistan. Prior to joining Alfalah, he was leading the Research Division of EFG Hermes Pakistan (local arm of EFG Hermes - one of the leading Brokerage, Research and Corporate Finance houses across MENA).

He is a member of Association of Chartered Certified Accountants (ACCA), holder of BSc (Hons) in Applied Accounting from Oxford Brookes University and a CFA Charter holder.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior joining to Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

Hussain Salim Sayani

Mr. Hussain has vast experience of Investment management. Currently he is serving the company as Fund Manager equity Funds.

Mr. Hussain is qualified Chartered Financial Analyst (CFA) & Master's degree in Business Administration from Institute of Business Management (CBM).

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 98th, 99th, 100th, 101st & 102nd Board Meetings were held on 30 Aug 2021, 28 Oct 2021, 22 Feb 2022 and 21 April 2022 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	5	5	-	-
Mr. Abid Naqvi	5	4	1	1
Mr. Hanspeter Beier	5	4	1	1
Mr. Tufail Jawed Ahmad	5	4	1	1
Ms. Mehreen Ahmed	5	2	Resigned	Resigned
Mr. Nabeel Malik	5	5	-	-
Mr. Kabir Ahmad Qureshi	3	3	-	-
Mr. Saad ur Rahman	3	1	2	2

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - IPPF 2 CP 6

**30 June
2022**

Net Assets	640,040
NAV per unit	100.2230
Selling price per unit	NA
Redemption price per unit	98.2185
Highest selling price per unit	101.4372
Highest redemption price per unit	100.0216
Lowest selling price per unit	99.4085
Lowest redemption price per unit	97.8111
1st interim distribution per unit	1.4372
Interim distribution date	12-May-22
2nd interim distribution per unit	1.1148
Interim distribution date	24-Jun-22
Final distribution per unit	Nil
Final distribution date	Nil
Annualized returns	2.80%
Income distribution	2.552
Weighted avg. portfolio duration	N/A

Return since inception is **2.80%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

اعتراف

ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے شکرگزار ہیں۔ بورڈ ممبران اور مینجمنٹ کمپنی کے ملازمین اور اسٹاف کا اور مینجمنٹ میں اعتماد پر پونٹ ہولڈرز کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

چیف ایگزیکٹو آفیسر

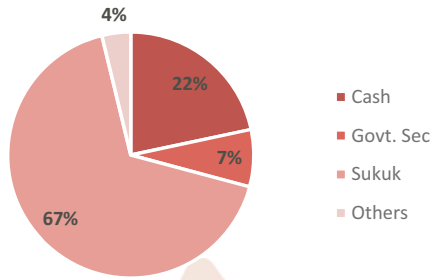
25 اگست 2022ء



الفلاح GHP اسلامک ویلیو فنڈ
فنڈ نے بیچ مارک جو 3.40 فیصد کمایا جبکہ 9.34 فیصد ریٹرن کمایا۔

ادائیگی
سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 8.4367 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2022)



Key Financial Data

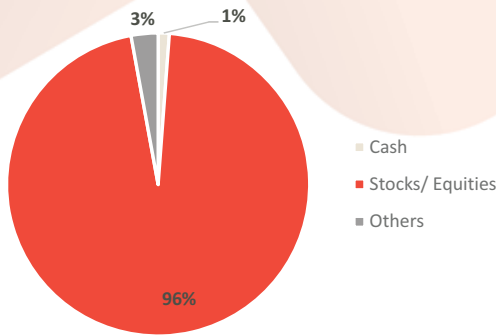
(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	2,295.120	2,053.813
Gross (loss)	210.09	168.43
Total Comprehensive Loss	205.09	157.55
Net Assets Value per Unit (PKR)	89.0616	89.1575
Issuance of units during the year	2,458.93	4,041.37
Redemption of units during the year	-2,828.55	-2,498.74

الفلاح GHP کنزرویٹو انڈیکس ایکٹیوٹیز ٹریڈ فنڈ

فنڈ نے بیچ مارک جو 21.06 فیصد کمایا جبکہ اپنے آغاز (14 جنوری 2022) سے اب تک 20.50 فیصد ریٹرن کمایا۔

Asset Allocation
(as at 30 June 2022)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022
Average Net Assets	61.137
Gross (loss)	-13.74
Total Comprehensive Loss	-14.09
Net Assets Value per Unit (PKR)	7.95
Issuance of units during the year	70.08
Redemption of units during the year	-0.59

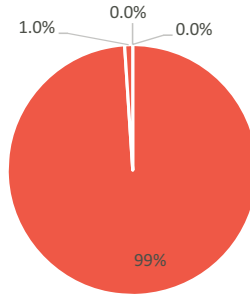
الفلاح GHP اسلامک پراسپییریٹی پلاننگ فنڈ II- کیپٹل پریزرویشن 6

فنڈ نے بیچ مارک جو 0.20 فیصد کمایا جبکہ 1.36 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 1.1148 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation as at June 30, 2022



Equity Funds Income funds Others Cash

Key Financial Data

(Rupees in Million)

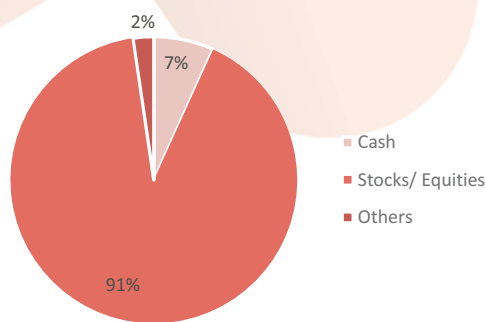
Description	For the year ended June 30, 2022
Average Net Assets	5,165.6954
Gross income	4.77
Net Comprehensive income	4.30
Net Assets Value per Unit (Rs.)	100.2230
Issuance of units during the period	157.91
Redemption of units during the period	-1.13

الفلاح GHP اسلامک ڈیڈ کیپیٹل ایکویٹی فنڈ

فنڈ نے بیچ مارک جو 10.25- فیصد کمایا جبکہ 20.02- فیصد ریٹرن کمایا۔

فنڈ نے سال کے دوران کوئی نقد منافع منقسمہ ادا نہیں کیا۔

Asset Allocation (as at 30 June 2022)



Cash
Stocks/Equities
Others

Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	273.509	376.944
Gross (Loss)	-50.321	130.81
Total Comprehensive Loss	-61.18	112.61
Net Assets Value per Unit (PKR)	63.8012	79.7674
Issuance of units during the year	215.62	218.62
Redemption of units during the year	-471.85	-122.00

Key Financial Data

(Rupees in Million)

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
For the year ended June 30, 2022						
<i>Average Net Assets</i>	72.755	206.383	369.159	71.943	47.333	25.048
<i>Gross income / (loss)</i>	1.21	10.09	-31.10	3.78	0.38	0.35
<i>Total Comprehensive Income / (loss)</i>	6.62	15.97	-27.62	4.09	0.75	0.37
<i>Net Assets Value per Unit (PKR)</i>	103.7259	100.6639	90.1495	87.9206	99.7612	99.6905
<i>Issuance of units during the year</i>	23.54	10.21	2.98	3.36	2.64	0.30
<i>Redemption of units</i>	-22.12	-49.87	-29.05	-8.56	-10.23	-2.68

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
For the year ended June 30, 2021						
<i>Average Net Assets</i>	71.772	234.664	392.020	75.691	65.244	28.415
<i>Gross income / (loss)</i>	11.85	23.89	87.23	16.70	3.40	1.39
<i>Total Comprehensive Income / (loss)</i>	11.38	22.59	84.23	16.05	3.06	1.26
<i>Net Assets Value per Unit (PKR)</i>	103.3169	100.3020	97.2449	87.6002	99.7087	99.6445
<i>Issuance of units during the year</i>	16.22	15.59	46.82	9.42	1.92	2.39
<i>Redemption of units</i>	-27.71	-39.06	-33.22	-11.06	-37.60	-6.21

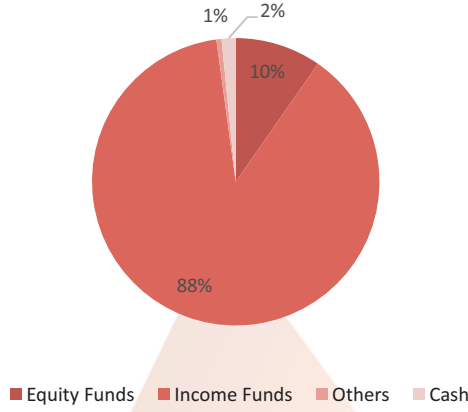
الفلاح GHP اسلامک پراسپییریٹی پلاننگ فنڈ - کیپٹل پریزرویشن 4

فنڈ نے بیچ مارک 0.16- فیصد کم آنے کے برعکس 1.86 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 1.5049 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation as at June 30, 2022



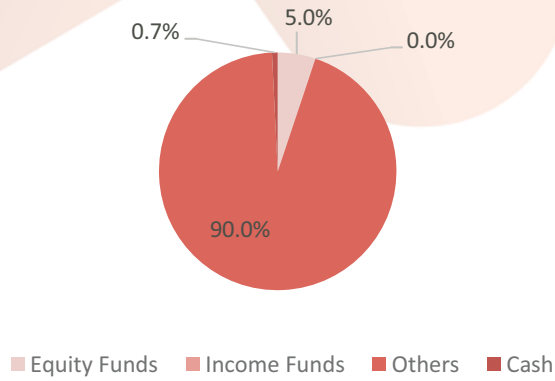
الفلاح GHP اسلامک پراسپییریٹی پلاننگ فنڈ - کیپٹل پریزرویشن 5

فنڈ نے بیچ مارک 0.20 فیصد کم آنے کے برعکس 1.36 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 1.5035 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation as at June 30, 2022



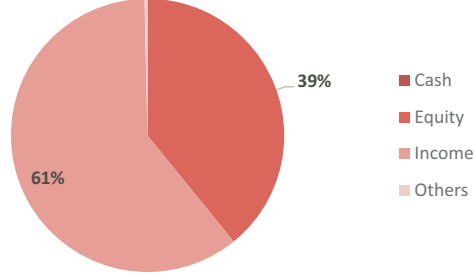
الفلاح GHP اسلامک پراسپییریٹی پلاننگ فنڈ- ایکٹو ایلوکیشن پلان II

فنڈ نے بیچ مارک 4.07- فیصد کمانے کے برعکس 7.3- فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے کوئی نقد منافع منقسمہ ادا نہیں کیا۔

Asset Allocation
(as at 30 June 2022)



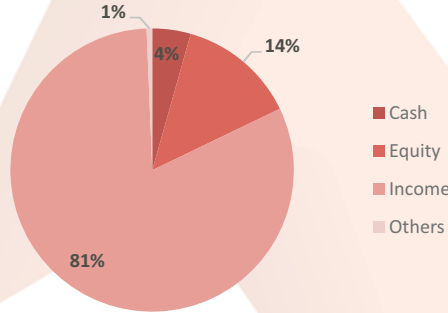
الفلاح GHP اسلامک پراسپییریٹی پلاننگ فنڈ- ایکٹو ایلوکیشن پلان III

فنڈ نے بیچ مارک 2.42 فیصد کمانے کے برعکس 5.59 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 4,5627 روپے فی یونٹ نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2022)



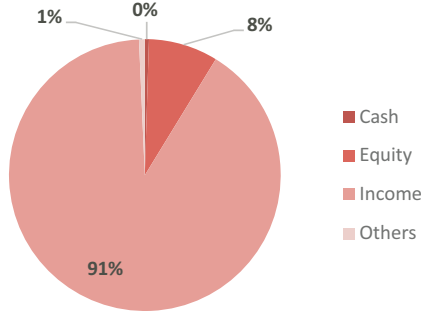
الفلاح GHP اسلامک پراسپییریٹی پلاننگ فنڈ- بیلنس ایلوکیشن پلان

فنڈ نے بیچ مارک 1.86 فیصد کمانے کے برعکس 7.97 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 7,6181 روپے فی یونٹ نقد منافع منقسمہ ادا کیا۔

Asset Allocation as at June 30, 2022



Key Financial Data

(Rupees in Million) الفلاح GHP پراسپییریٹی پلاننگ فنڈ

Description	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan
	For the year ended June 30, 2022			For the year ended June 30, 2021		
Average Net Assets	176.274	198.889	175.028	167.965	191.626	194.392
Gross (loss) / income	-13.72	11.15	1.19	40.12	18.56	26.45
Total Comprehensive (loss) / Income	-12.24	12.29	4.07	38.86	17.49	25.31
Net Assets Value per Unit (PKR)	93.1710	103.6268	97.7938	100.0148	103.6812	97.9772
Issuance of units during the year	1.90	21.10	5.77	36.57	14.30	49.26
Redemption of units during the year	-1.91	-12.40	-4.28	-38.86	-17.49	-25.31

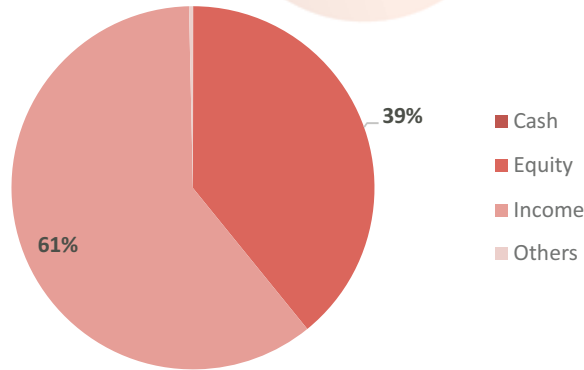
الفلاح GHP اسلامک پراسپییریٹی پلاننگ فنڈ-ماڈریٹ ایلوکیشن پلان

فنڈ نے بیچ مارک 0.24 فیصد کم کرنے کے برعکس 10.25 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 10.1737 روپے فی یونٹ نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2022)

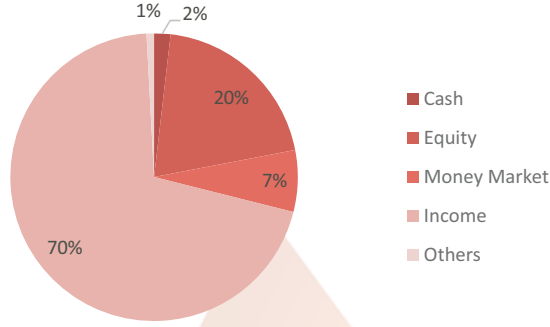


الفلاح GHP پراسپییریٹی پلاننگ فنڈ-ماڈریٹ پلان
 فنڈ کارٹریڈنگ مارک ریٹرن کے برعکس 2.4 فیصد پر قائم رہا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 2.5436 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
 (as at 30 June 2022)

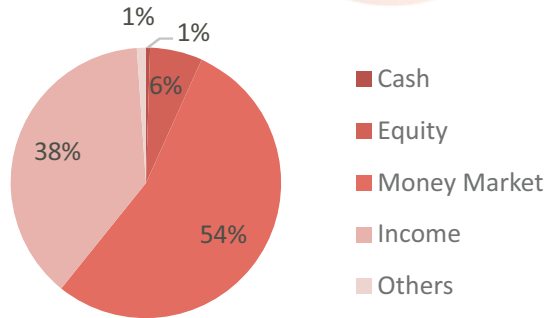


الفلاح GHP پراسپییریٹی پلاننگ فنڈ-کنزرویٹو پلان
 فنڈ نے نیچ مارک جو 8.36 فیصد کمایا کے برعکس 6.39 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 6.6795 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation - Conservative
 (as at 30 June 2022)



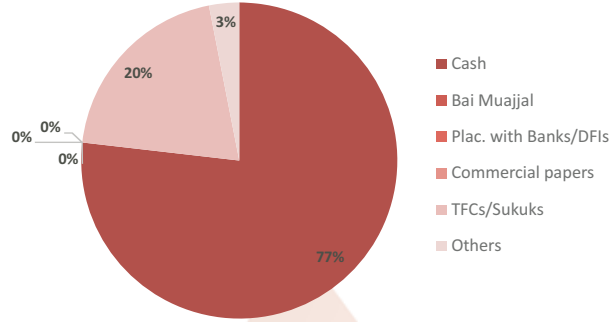
الفلاح اسلامک روزانہ آمدنی فنڈ

فنڈ کارپٹن 3.58 فیصد بیج مارک ریٹرن کے برعکس 9.7 فیصد پر قائم رہا۔

ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 9,2572 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2022)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	5,165.6954	4,017.6583
Gross income	512.83	220.78
Net Comprehensive income	493.79	202.91
Net Assets Value per Unit (Rs.)	100.0000	100.0000
Issuance of units during the period	10,248.55	8,458.05
Redemption of units during the period	-8,657.69	-3,350.71

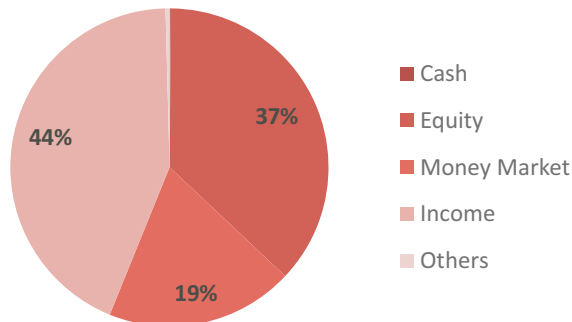
الفلاح GHP پراسیمیریٹی پلاننگ فنڈ - ایکٹو ایلوکیشن پلان

فنڈ کارپٹن 2.15 فیصد بیج مارک ریٹرن کے برعکس 6.84 فیصد پر قائم رہا۔

ادائیگی

سال کے دوران، فنڈ نے کوئی نقد منافع منقسمہ ادا نہیں کیا۔

Asset Allocation
(as at 30 June 2022)

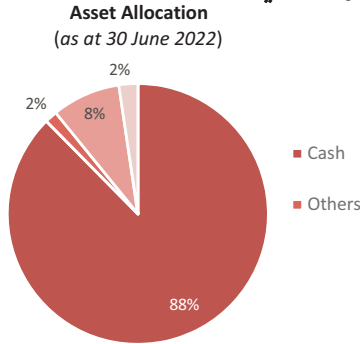


الفلاح GHP کیش فنڈ

مالی سال 22 کے دوران، الفلاح GHP کیش فنڈ (AGCF) نے 11.01 فیصد ریٹرن کمایا جبکہ فنڈ کا بیج مارک 9.32 فیصد تھا۔

ادائیگی

سال کے اختتام کے بعد، فنڈ نے یونٹ ہولڈرز کو 52.6299 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

(Rupees in Million)

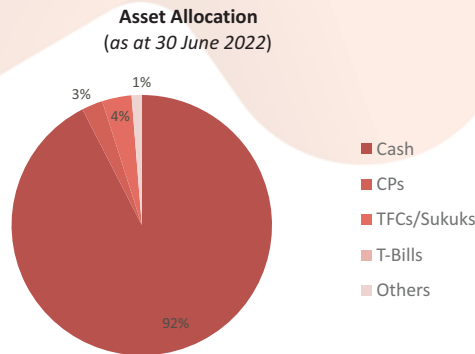
Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	7,864.9506	5,343.2849
Gross income	870.29	392.29
Total Comprehensive Income	860.95	365.55
Net Assets Value per Unit (PKR)	500.8549	500.1818
Issuance of units during the year	33,593.53	17,540.05
Redemption of units during the year	-26,339.91	-18,600.56

الفلاح GHP منی مارکیٹ فنڈ

مالی سال 22 کے دوران، الفلاح GHP منی مارکیٹ فنڈ (AGMMF) نے 10.93 فیصد ریٹرن کمایا جبکہ فنڈ کا بیج مارک 8.95 فیصد کمایا۔

ادائیگی

سال کے اختتام کے بعد، فنڈ نے یونٹ ہولڈرز کو 10.1048 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	24,538.1619	20,061.3030
Gross income	2,534.36	1,480.29
Total Comprehensive Income	2,506.08	1,330.49
Net Assets Value per Unit (PKR)	98.3719	98.2385
Issuance of units during the year	94,454.56	54,783.63
Redemption of units during the year	-92,941.32	-43,379.36

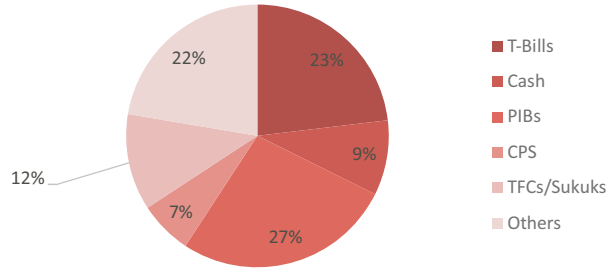
الفلاح GHP سوریجن فنڈ

مالی سال 22 کے دوران، الفلاح GHP سوریجن فنڈ نے 8.91 فیصد کی پیچ مارک ریٹرن کے برعکس 10.68 فیصد کارائیٹن کیا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 9.4865 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2022)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	913.4234	1,431.7538
Gross income	84.23	112.53
Total Comprehensive Income	76.52	87.64
Net Assets Value per Unit (PKR.)	106.7648	106.7465
Issuance of units during the year	319.52	2,312.99
Redemption of units during the year	-793.80	-2,644.86

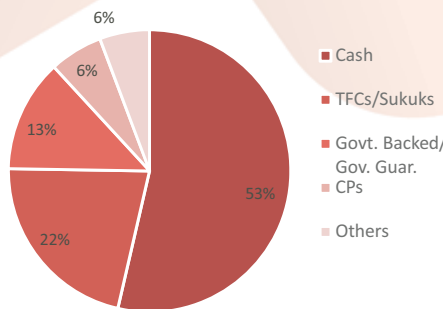
الفلاح GHP اسلامک انکم فنڈ

زیر جائزہ مدت کے دوران، الفلاح GHP اسلامک انکم فنڈ نے 9.09 فیصد ریٹرن کیا جبکہ پیچ مارک ریٹرن 3.34 فیصد تھا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 8.7609 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2022)



Key Financial Data

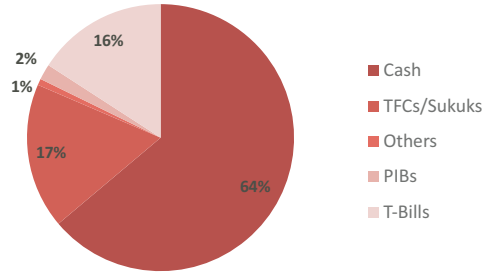
(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	6,391.2056	7,628.6863
Gross income	646.86	577.23
Total Comprehensive Income	554.18	474.30
Net Assets Value per Unit (PKR)	102.3990	102.1553
Issuance of units during the year	17,881.70	32,205.55
Redemption of units during the year	-18,563.98	-35,890.98

الفلاح GHP انکم فنڈ

زیر جائزہ مدت کے دوران، AGIF نے 7.97 فیصد ریٹرن کمایا جبکہ فنڈ کا بنچ مارک 10.8 فیصد پر قائم رہا۔

Asset Allocation
(as at 30 June 2022)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	1,694.2748	1,335.1209
Gross income	146.72	113.52
Total Comprehensive Income	126.19	90.60
Net Assets Value per Unit (PKR)	113.1815	113.2834
Issuance of units during the year	4,557.85	4,789.11
Redemption of units during the year	-5,014.42	-4,170.17

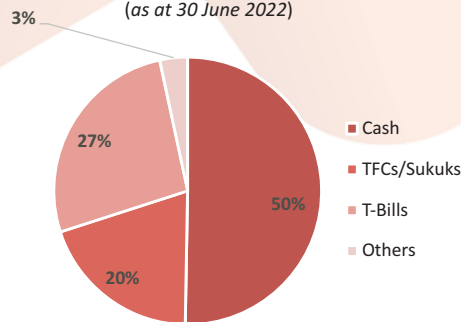
الفلاح GHP انکم ملٹی پلائر فنڈ

سال کے دوران، الفلاح GHP انکم ملٹی پلائر فنڈ کی NAV میں 6.84 فیصد کمی ہوئی جبکہ بنچ مارک ریٹرن 11.2 فیصد پر قائم رہا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 2.7655 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2022)



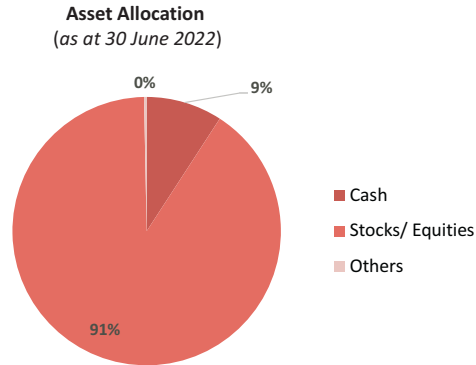
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	109.4885	232.8614
Gross income	14.42	19.63
Total Comprehensive Income	5.66	-0.03
Net Assets Value per Unit (PKR)	53.9402	53.0835
Issuance of units during the year	13.66	201.69
Redemption of units during the year	-86.87	-238.25

الفلاح GHP اسٹاک فنڈ

مالی سال 22 کے دوران، AGSF نے اسی مدت کے دوران 12.28 فیصد بیچ مارک (KSE-100) ریٹرن کے برعکس 19.86 فیصد کارڈ ریٹرن کمایا۔



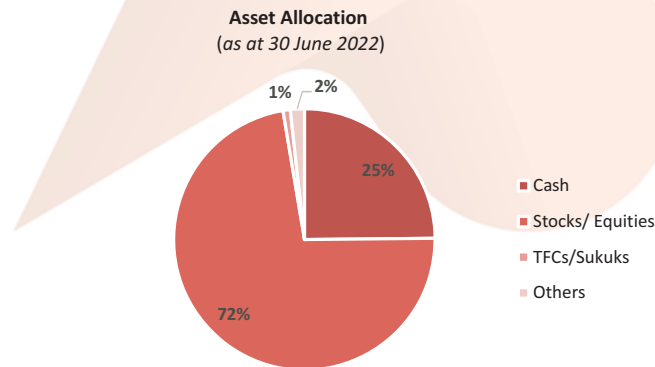
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	1,969.2843	1,841.8518
Gross (loss) / Profit	-311.05	623.63
Net Comprehensive Loss	-377.21	531.82
Net Assets Value per Unit (Rs.)	90.5762	113.0227
Issuance of units during the year	558.91	2,973.77
Redemption of units during the year	-1,036.81	-2,319.26

الفلاح GHP ویلیو فنڈ

مالی سال 22 کے دوران، AGVF نے 8.55 فیصد بیچ مارک ریٹرن کے برعکس 13.89 فیصد ریٹرن کے ساتھ اپنی بیچ مارک کی ایٹر کارڈ ریٹرن کا مظاہرہ کیا۔



Key Financial Data

(Rupees in Million)

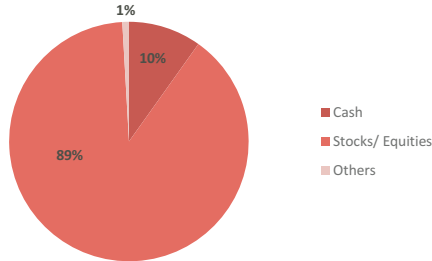
Description	For the year ended June 30, 2022	For the year ended June 30, 2022
Average Net Assets	531.8269	787.3721
Gross (loss) / profit	-60.58	247.06
Total Comprehensive income / (loss)	-69.01	207.63
Net Assets Value per Unit (PKR)	48.6897	56.5443
Issuance of units during the year	25.09	106.23
Redemption of units during the year	-158.99	-468.16

فٹ کے آپریٹرز اور کارکردگی

الفلاح GHP الفانڈ

مالی سال 22 کے دوران، AGAF نے گزشتہ اسی مدت کے دوران 12.28 فیصد کی بیچ مارک (KSE-100) ریٹرن کے برعکس 17.98 فیصد کار ریٹرن کمایا۔

Asset Allocation
(as at 30 June 2022)



Key Financial Data

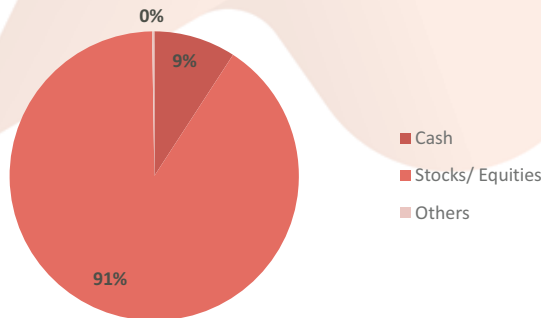
(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	812.0516	1016.3470
Gross (loss)/ Profit	-129.97	352.72
Total Comprehensive Loss	-150.96	301.87
Net Assets Value per Unit (PKR)	49.08	59.84
Issuance of units during the year	203.18	1,287.45
Redemption of units during the year	-399.34	-1,278.91

الفلاح GHP اسلامک اسٹاک فٹ

مالی سال 22 کے دوران، AGISTF نے 18.67 فیصد کار ریٹرن کمایا جبکہ اسی مدت کے دوران بیچ مارک ریٹرن 10.25 فیصد کمایا تھا۔

Asset Allocation
(as at 30 June 2022)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2022	For the year ended June 30, 2021
Average Net Assets	1,973.6112	2,297.8734
Gross (loss) / Profit	-360.01	841.49
Total Comprehensive Loss	-394.79	719.13
Net Assets Value per Unit (PKR)	36.9032	45.3768
Issuance of units during the year	1,527.17	3,609.61
Redemption of units during the year	-2,041.69	-3,494.08

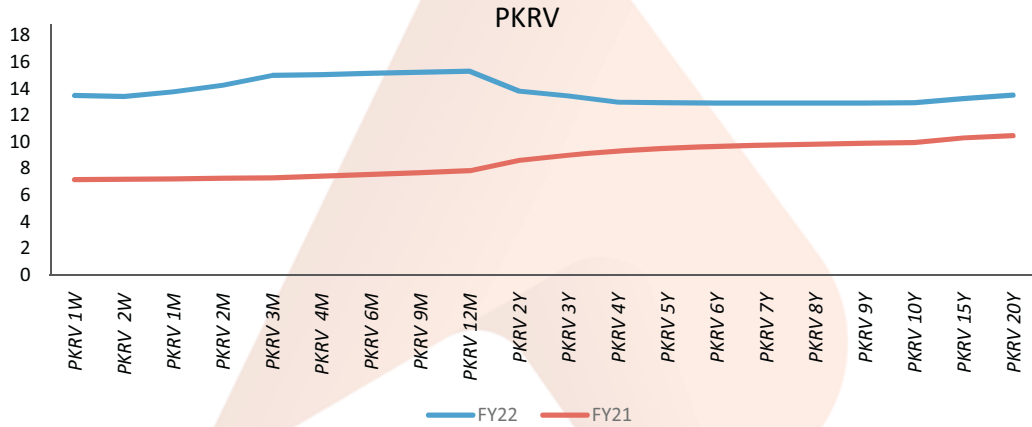
منی مارکیٹ

مالی سال 22 کے دوران پاکستان کی جی ڈی پی نمو 5.97 فیصد متوقع ہے جبکہ مالی سال 21 کے دوران نمو 5.74 فیصد تھی۔

IMF پروگرام کے مطابق پیٹرولیم مصنوعات اور یوٹیلیٹی ٹیرف میں ایڈجسٹمنٹ کے ساتھ اشیاء اور توانائی کی غیر معمولی قیمتوں کے نتیجے میں افراط زر کی شرح FY22 کے لیے اوسطاً 12.43% تک پہنچ گئی ہے، جب کہ FY23 کے لیے توقع 22%-20% کے درمیان ہے جب تک کہ FY24 کے اوائل میں اس کا اثر نہ شروع ہو جائے۔

اشیاء کی قیمتوں میں اضافے اور معاشی سرگرمیوں میں اضافے کی وجہ سے بڑھتے ہوئے افراط زر کے دباؤ کے جواب میں، مرکزی بینک نے پہلے ہی پالیسی شرح میں نمایاں اضافہ کر دیا ہے۔ اسی طرح کی حرکت ثانوی مارکیٹ کی پیداوار میں دیکھی گئی ہے کیونکہ ان میں 1W سے 12M ٹینور بلوں کے لیے اوسطاً 8.1% اضافہ ہوا ہے۔ جبکہ مجموعی پیداوار کا منحنی خط اس وقت الٹا ہے جو طویل مدت میں شرحوں میں کمی کی مارکیٹ کے شرکاء کی توقعات کو ظاہر کرتا ہے۔

اگلی مانیٹری پالیسی 22 اگست 2022 کو شیڈول ہے، جہاں پالیسی شرح میں ایک اور اضافے کو خارج از امکان قرار دیا جاسکتا ہے کیونکہ پیٹرولیم مصنوعات پر سبسڈی کے خاتمے اور یوٹیلیٹی ٹیرف میں اضافے کی وجہ سے پورے مالی سال 23 میں افراط زر کے بلند رہنے کی توقع ہے۔



مالیاتی محاذ پر، گزشتہ سال کے مقابلے میں مالی سال 22 کے لیے ٹیکس ریونیو میں 29 فیصد کا زبردست اضافہ ہوا ہے، جو ایف بی آر کے ہدف سے 0.4 فیصد زائد ہے۔ مالی سال 22 کے ٹیکس ریونیو بریک اپ کے مطابق، براہ راست ٹیکس ریونیو میں 31 فیصد اضافہ ہوا ہے جبکہ ڈیوٹیز اور سیلز ٹیکس سمیت بالواسطہ ٹیکسوں میں 28 فیصد اضافہ ہوا ہے۔ معاشی سرگرمیوں میں نمو، پوائنٹ آف سیلز کا نفاذ، ٹریک اینڈ ٹریس سسٹم اور اشیاء کی قیمتوں میں اضافہ اس کارنامے کے حصول کی اہم وجوہات ہیں۔ مزید برآں، زیادہ ترقیاتی اخراجات اور Covid-19 اخراجات کے نتیجے میں مالیاتی خسارہ 22 MFY 11 کے لیے GDP کے 5.2% تک پہنچ گیا ہے جو گزشتہ سال کی اسی مدت کے لیے 3.9% تھا۔ حکومت کو توقع ہے کہ اس سال مالیاتی خسارہ جی ڈی پی کے 7.1 فیصد کے قریب رہے گا۔

ایکویٹی مارکیٹ کا جائزہ

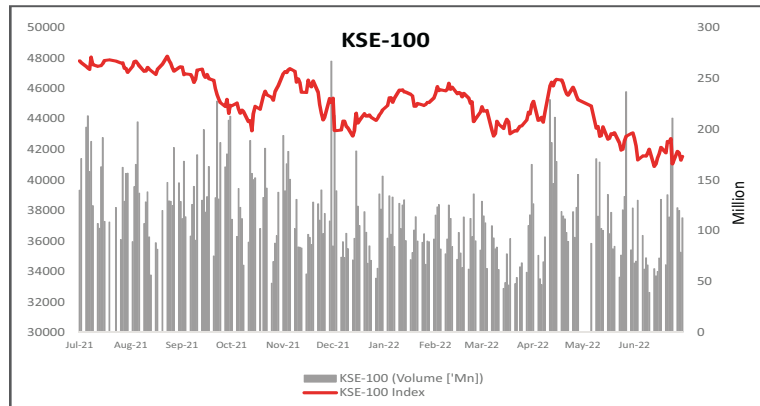
مالی سال 22 کے دوران، بگڑتے ہوئے معاشی اشاریوں کی وجہ سے بیچ مارک انڈیکس نے 12.28 فیصد کی منفی منفعت درج کی۔ سال کے دوران انڈیکس ریٹج باؤنڈر ہا کیونکہ یہ اگست 21 میں 48,112 کی بلند سطح پر پہنچ گیا تھا، تاہم 41,541 پوائنٹس کی بہت کم سطح پر بند ہوا۔

اجناس اور توانائی کی قیمتوں میں غیر معمولی اضافے کے نتیجے میں خاص طور پر روس یوکرین جنگ کے بعد کرنٹ اکاؤنٹ خسارے میں اضافہ، افراط زر میں اضافہ، شرح سود میں بے پناہ اضافہ، پاکستانی روپیہ کمزور ہوا اور FX ذخائر کم ہو گئے۔ مزید برآں، مالی سال 23 کا بجٹ بھی ایکویٹی مارکیٹ کے لیے ایک منفی واقعہ ثابت ہوا کیونکہ حکومت نے کارپوریٹس پر ٹیکسوں میں اضافہ کر دیا اور زیادہ منافع والے شعبوں پر غربت کے خاتمے کا ایک ٹیکس بھی لگایا۔

مالی سال 22 میں کمپنیوں کی جانب سے بیچ مارک انڈیکس میں ریکارڈ منافع کے باوجود، مذکورہ بالا عوامل نے سرمایہ کاروں کو ایکویٹی مارکیٹ سے دور رکھا کیونکہ KSE-100 انڈیکس کا اوسط تجارتی حجم بھی 56% سالانہ کمی کی صورت میں 115.08 ملین شیئرز پر آ گیا۔ فریٹلائزر اور کیمیکل سیکٹر نے انڈیکس میں سب سے زیادہ حصہ ڈالا، کیونکہ سرمایہ کاروں نے مستحکم طلب، زیادہ منافع کی پیداوار اور کیمیکل سیکٹر کی صورت میں امریکی ڈالر کی متوقع آمدنی والے شعبوں میں جھلانگ لگائی، جبکہ سیمنٹ سیکٹر نے ایندھن کی قیمتوں میں ریکارڈ اضافے اور مستقبل میں طلب کے کمزور ہونے کے خدشات کی وجہ سے انڈیکس میں سب سے زیادہ منفی کردار ادا کیا۔ کیونکہ مینوفیکچررز لاگت کے دباؤ کے اثرات سے گزرتے نظر آئے ہیں۔

مزید برآں MSCI نے پاکستان کی ابھرتی ہوئی مارکیٹوں سے فرنیئر مارکیٹس انڈیکس میں دوبارہ درجہ بندی کی اور اس تنازعے کے نتیجے میں، غیر ملکیوں نے FY22 کے دوران پاکستانی ایکویٹیز سے 295 ملین امریکی ڈالر کا اخراج کیا۔ بینکوں/DFIs کے بعد افراد ہم خریدار تھے۔

آگے بڑھتے ہوئے، ہمیں یقین ہے کہ تھقل کے شکار آئی ایم ایف پروگرام کی بحالی اور سیاسی محاذ پر وضاحت سرمایہ کاروں کو ایکویٹی میں واپس آنے کے لیے بہت زیادہ اعتماد فراہم کرے گی، کیونکہ مارکیٹ اس وقت انتہائی منافع بخش قیمت یعنی KSE 100 انڈیکس کے لیے 4.5-4 کی فارورڈ پی ای پر تجارت کر رہی ہے۔



ڈائریکٹرز کی یونٹ ہولڈرز کو رپورٹ

برائے مختتمہ سال 30 جون 2022

بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2022 کو ختم ہونے والے سال کے لئے میں الفلاح GHP انکم ٹیلی پلائر فنڈ (AGIMF)، الفلاح GHP کیش فنڈ (AGCF)، الفلاح GHP اسلامک اسٹاک فنڈ (AGISTF)، الفلاح GHP الفافنڈ (AGAF)، الفلاح GHP ویلیو فنڈ (AGVF)، الفلاح GHP سورجین فنڈ (AGSOF)، الفلاح GHP انکم فنڈ (AGIF)، الفلاح GHP اسٹاک فنڈ (AGSTF)، الفلاح GHP منی مارکیٹ فنڈ (AGMMF)، الفلاح GHP اسلامک انکم فنڈ (AGIIF)، الفلاح GHP پراسپیئرٹی پلاننگ فنڈ (AGPPF)، الفلاح GHP اسلامک پراسپیئرٹی پلاننگ فنڈ (AGIPPF)، الفلاح GHP ڈیڈ ویل کیڈ ایکٹیو فنڈ (AGIDEF)، الفلاح GHP اسلامک ویلیو فنڈ (AGIVF)، الفلاح اسلامک روزانہ آمدنی فنڈ (AIRAF)، الفلاح GHP اسلامک پراسپیئرٹی پلاننگ فنڈ (AGIPPF-II CP6) اور الفلاح کنزرویٹو ریمانڈیکس ایکٹیو ٹریڈ فنڈ (ACIETF) کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

معاشی جائزہ

حکومت نے مالی سال 21 میں 5.74 فیصد کے مقابلے میں مالی سال 22 کے لیے جی ڈی پی کی شرح نمو 5.97 فیصد رہنے کا تخمینہ لگایا ہے۔ نیا پاکستان ہاؤسنگ اسکیم جیسے تعمیراتی شعبے کو فروغ دینے کے لیے حکومت اور اسٹیٹ بینک کے اقدامات اور اس شعبے کو قرض دینے کے لیے بینکوں کو لازمی حدیں تفویض کیے جانے کی وجہ سے جی ڈی پی کی نمو بلند رہی۔ مزید برآں، زرعی شعبے کے قرضوں میں اضافے، یوریا کی فروخت اور گنے، کپاس اور چاول جیسی اہم فصلوں کی پیداوار میں اضافے کی وجہ سے زرعی شعبہ بھی اچھی نمونہ دکھانے کے لیے تیار ہے۔

اقتصادی سرگرمیوں میں اضافے، اجناس کی پر جوش قیمتوں اور TERE کے تحت COVID-19 ویکسینز اور مشینری کی درآمد سمیت کچھ غیر معمولی درآمدات کی وجہ سے درآمدات میں بڑے پیمانے پر اضافہ کے نتیجے میں مالی سال 22 میں بیرونی کھاتوں کے دباؤ میں اضافہ ہوا ہے کیونکہ مالی سال 22 کے لیے CAD بچھلے سال کی اسی مدت میں 2.82 بلین امریکی ڈالر خسارے کے مقابلے میں 17.41 بلین امریکی ڈالر تک پہنچ گیا ہے۔ مزید برآں، ترسیلات زر، جو سفری پابندیوں کے پس منظر میں کلیدی معاون بنی ہوئی تھیں، کی اب رفتار کم ہونا شروع ہو گئی ہے، لہذا، رواں مالی سال کے لیے CAD جی ڈی پی کے 5% تا 4.5% تک پہنچ گیا، تاہم اس کا مطلب عالمی اجناس اور توانائی کی قیمتوں کی واپسی کو CAD کو مہلت فراہم کرنی چاہیے۔

ماہانہ CAD کے بھاری نمبروں کی وجہ سے، شرح مبادلہ کو بہت زیادہ دباؤ کا سامنا کرنا پڑا کیونکہ مئی 2021 کے مہینے کے دوران 152.2 پاکستانی روپے کی اپنی حالیہ بلندی سے 30 جون 2022 کو 204.85 تک تقریباً 26 فیصد کم ہو گیا۔ 239.94 کی ہمہ وقتی چٹائی پر لیکن جون کے اختتام کے بعد سے 215.49 پر بحال ہو گیا ہے۔ اجناس اور توانائی کی قیمتوں میں کوئی بڑی کمی اور IMF پروگرام کا دوبارہ آغاز درمیانی مدت میں پاکستانی روپے کو مزید مدد فراہم کر سکتا ہے۔

مزید برآں، IMF کے رُکے ہوئے پروگرام کو دوبارہ شروع کرنے کے لیے بجلی کے نرخوں میں ایڈجسٹمنٹ کے ساتھ ساتھ اجناس اور توانائی کی غیر معمولی بلند قیمتوں نے نومبر 2021 اور اس کے بعد مہنگائی دوہرے ہندسوں کو عبور کرنے کا سبب بنی۔ IMF پروگرام کے مطابق پیٹرولیم مصنوعات اور یوٹیلیٹی ٹیرف میں ایڈجسٹمنٹ کے ساتھ، FY23 کے لیے افراط زر اوسطاً 22% تا 20% کے درمیان متوقع ہے جب تک کہ FY24 میں بائی بنیادی اثر شروع نہ ہو جائے۔ اشیاء کی بڑھتی ہوئی قیمتوں اور بڑھتی ہوئی معاشی سرگرمیوں کی وجہ سے بڑھتے ہوئے افراط زر کے دباؤ کے جواب میں، مرکزی بینک نے ستمبر 2021 سے پالیسی شرح کو تقریباً 800bps تک بڑھا کر 15% (30 جون 2022 کو 13.75%) کر دیا ہے۔ 07 جولائی 2022 کو منعقد ہونے والے بورڈ اجلاس میں 125bps کے حالیہ اضافے کے ساتھ، مرکزی بینک کو توقع ہے کہ شرح سود میں اضافہ (a) معاشی سرگرمیوں میں سست روی کا باعث بنے گا، (b) افراط زر کی توقعات کو کم کرنے سے روکے گا اور (c) روپیہ کو مدد فراہم کرے گا۔