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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi..
Board of Directors of the Management Company:	<ul style="list-style-type: none">- Ms. Maheen Rahman- Syed Ali Sultan- Mr. David Burlison- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Muhammad Asif Saad- Mr. Abid Naqvi
Head of Finance:	- Syed Hyder Raza Zaidi
Company Secretary:	- Moin Uddin
Audit Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Abid Naqvi- Mr. Amin Dawood Saleh
HR Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. David Burlison- Ms. Maheen Rahman
Trustee:	MCB Financial Services Limited 3rd Floor, Adamjee House, I.I. Chundrigarh Road, Karachi.
Fund Manager:	- Mr. Imran Altaf
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road P.O. Box 8517, Karachi.
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B,8th Floor,Executive Tower,Dolmen City,Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Stability Rating AAA by PACRA



MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

To our valued Unit Holders,

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the Annual Report of Alfalah GHP Cash Fund for the year ended June 30, 2014.

FY14 Economic Review & Outlook

Economic indicators during FY14 have shown improvement with GDP growing by 4.1%, fiscal deficit remaining within the budgeted target of 5.8% and Forex reserves clocking in at USD14bn compared to USD8bn at 1HFY14 end. The numbers indicate that the government has undertaken some economic reforms; however, the pace of reforms has been slower than required as highlighted by IMF in its latest quarterly report.

Privatization and Reform Underway

One key positive in the reform process has been a restart of the privatization program with secondary public offerings (SPO) of both UBL and PPL. It is expected that additional secondary offerings are in the pipeline with financial advisors for OGDC's international GDR issuance already appointed, while work has commenced for government shareholdings in HBL and ABL banks.

Budgetary Growth Targets

Going forward the government has set a GDP growth target of 5.1% for FY15 representing an incremental 1% growth over FY14 and a 7% GDP growth target for FY17. On the budgetary front, higher tax collection and medium term tax-GDP targets seem optimistic although somewhat concrete measures have been announced to broaden the tax net and focus on direct/indirect taxation methods seems progressive. It does appear that the government is attempting to tackle some key issues; however, actual results will depend on execution of reform process. Further, the continuity of policies is key factor in achieving long term goals of the government; however, the current political noise and resulting political uncertainty has the potential to negatively affect the outcome.

Balance of Payments and PKR

FY14 current account deficit (CAD) number stood at USD2.9bn as opposed to USD2.5bn witnessed in the corresponding period last year (CPLY). The main cause for this higher CAD is the shortfall in Coalition Support Fund (CSF) receipts. This has been offset in the overall balance of payment position due to improvement witnessed in both capital and financial account. Capital account during FY14 stood at US\$1.8bn versus USD0.3bn in the CPLY mainly due to USD1.5bn grant received from Saudi Arabia. Higher bilateral financing and launch of Euro bond has resulted in financial account head augmenting to USD5.2bn versus mere USD0.6bn in the CPLY. The bulk of repayments to IMF from the previous SBA loan has been made, and in FY15, receipts from current EFF loan will cover the projected repayments.

The net impact of the balance of payments improvement has been a hefty appreciation in the PKR of 7% in 3QFY14, making it one of the best performing currencies in the world during CY14. Since then, the PKR has remained relatively stable between PKR 98.50 - 99.50.

Inflation and Interest rates

Cumulative CPI number for FY14 stood at 8.6% which is higher as compared to 7.4% witnessed in FY13. However, compared to previous five years average inflation (FY09-FY13) of 10.5%, FY14's inflation number reflect an overall lower rate of inflation than has been witnessed in the past.

For FY15, the government has set CPI target of 8.0%, which would be an uphill task given the subsidy reduction (electricity & gas tariff hike) and additional taxation measures enforced in the budget. We foresee subdued inflation during the first half of coming fiscal year on the basis of a higher base effect, and it is likely to jump in the later half due to a hike in energy tariffs, and higher direct/indirect taxes. We do not foresee lower interest rates from current levels. In the past, the regulator has always adopted a hawkish stance in the presence of a depreciating currency and high inflation. Since the currency seems to have stabilized and inflation may remain within Government's targeted range, the probability of a rate hike is likely to resurface only in the later half of upcoming fiscal year.

Equity Market:

The equity market maintained its upward drive in FY14 with the KSE-100 index giving a return of 41%. This follows the 52% return witnessed in FY13 bringing total absolute return over 24 months to 115%. The stock market in FY14 continued to re-rate on the back of positive economic news and continued foreign flows in the bourses amid doubling of Pakistan's weight in MSCI Frontier Market Index. Forex reserves rebounded after a multi-year low, post re-entry in IMF program, successful Euro bond offering, higher financial aid and resumption of multilateral funding. Resultantly the PKR witnessed strong appreciation at the end of 3QFY14 and stayed steady thereon. Decline in headline inflation along with improving macro-economic indicators resulted in consistent foreign portfolio investment.

Further interest in the market developed with the secondary offerings of UBL and PPL. UBL in particular was able to attract strong foreign interest. FY14 also saw KSE-All Share volumes augment by 7% YoY to average 216mn shares per day, while in contrast, the value traded increased by a higher 51% YoY to PKR8.7bn indicating a broad based rather than select stock/blue chip rally.

Should the privatization process continue at this pace we can expect to see continued participation in the stock market from both domestic and foreign investors. Additionally corporate earnings will continue to dictate the price level of the KSE100 Index.

Money Market:

Higher inflation numbers and rise in the discount rate from 9% to 10% during 1st half of the year under review pushed money market yields upwards. The government's rising need for liquidity resulted in higher than targeted borrowing from scheduled banks. Despite stable interest rates during rest of the year, financial institutions benefitted from high yields on government bonds due to hefty demand from the government. Participation in PIB auctions was exceptionally strong due to attractive rates across all tenors in particular the 2 to 3 year government bond.

The corporate bond market was also relatively active with new issues being floated in the market by corporates along with increased interest from participants. Demand for higher rated corporate bonds and sukuks especially those issued by financial institutions remained high.

The Islamic bond market witnessed considerable maturities which widened the gap between demand and supply and increased demand for Islamic instruments. Total Government Sukuk issuance was 49.54 bn in the Ijarah auction held in June'14.

The outlook for FY15 could be somewhat different. Lower inflation numbers during 1HFY15 may keep the current discount rate unchanged; however, this is likely to be challenged in the later half where higher expected inflation may prompt the State Bank to turn decidedly hawkish. This would make the challenge of economic growth revival tougher over FY15 although it may lend further stability to the currency. We expect secondary market yields to remain stable with an upward bias over 2HFY15.

Overall outlook

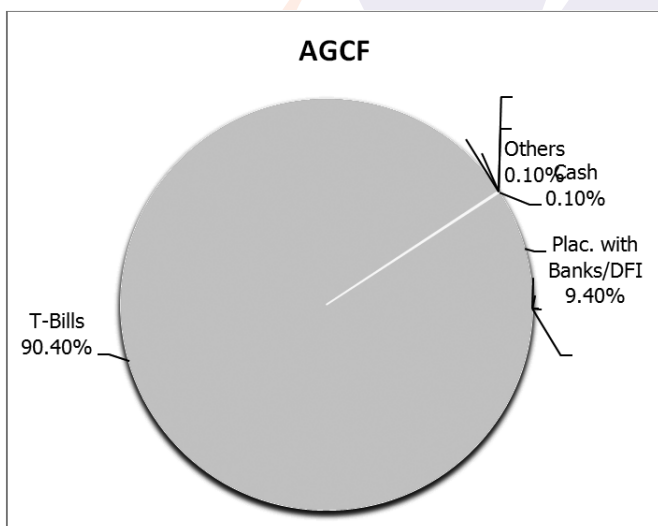
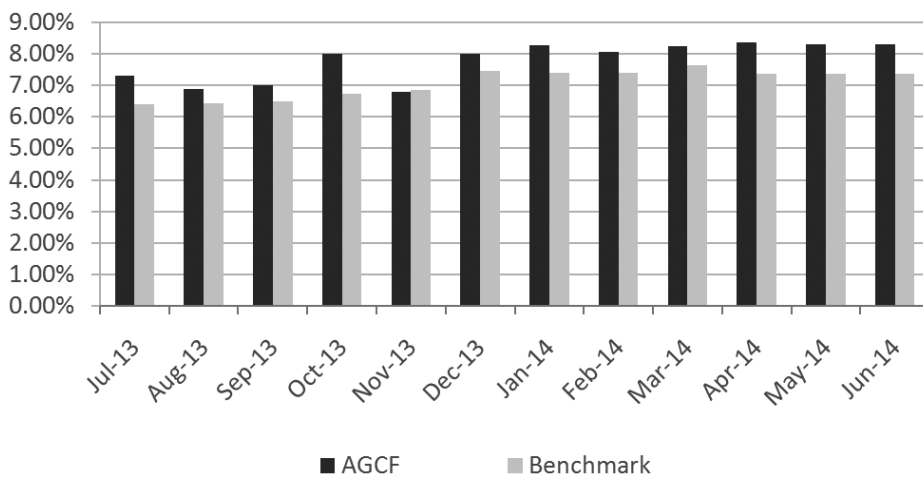
Political stability and a faster pace of economic reform will be key elements of the government's strategy to revive GDP growth over FY15. Significant issues remain unresolved and to a certain level unaddressed - in particular structural issues within the power sector, pace of tax collection and a general reluctance to widen the tax net will all filter into weaker economic growth and a miss in key budgetary targets. Positive developments on the external front need to be matched with stronger revenue generation on the internal side so that the economy may re-rate to an overall better level of growth.

Alfalah GHP Cash Fund: Fund Operations and Performance

For the year ended June 30, 2014, the fund posted a return of 8.09% (FY13: 9.06% p.a.) and completed the year with net assets amounting to PKR 2,108 million (FY13: PKR 2,888 million). During the same period the benchmark return (avg. 3M deposits rates of 3 "AA" rated banks) was 7.08%. AGCF was focused on maintaining duration in the range of 35 - 45 days to maintain the highest credit quality level of AAA. Majority of net assets were invested in short tenor treasury bills at attractive rates. This duration-targeted strategy allowed the fund to stave off volatility that negatively impacted funds during periods of monetary contraction. Along with T-bill exposure, the fund also allocated investments to high yielding TDRs and LOPs with financial institutions having high credit ratings.

The fund's credit rating was upgraded to "AAA" by PACRA. The fund size on June 30th 2014 stood at PKR 2.108 bn compared to PKR 2.887 bn on June 30th 2013.

AGCF



Payout

At the end of the year under review, the fund paid out final cash dividend of Rs.1.3678 per unit translating into 0.2723 bonus units for every 100 units held. This payout was in addition to interim distribution of Rs. 35.32 per unit making the full year payout of Rs. 36.68 per unit. This is 95% payout of total earnings as per NBFC regulations.

Future Outlook

Going forward, the Fund shall maintain duration slightly short of 45 days to benefit from any easing in the yield curve. Exposure shall also be taken in TDRs and LOPs in a timely manner at attractive rates to prop-up fund returns. The fund will continue to maintain low cash reserves, opting for short term T-Bills and high yielding placements to bolster the bottom line.

Corporate Governance

The Management Company is committed to maintain the highest standards of Corporate Governance. Accordingly, the Board of Directors states that:

- a) Financial Statement represents fairly the state of affairs of funds under management of Alfalah GHP Investment Management Limited, the results of their operations, cash flow and the changes in Unit-holders funds.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon Funds under management of Alfalah GHP Investment Management Limited's ability to continue as a going concern except for IGI Aggressive Income Fund for which appropriate disclosure is given in note # 1.2 to the Financial Statements of the Fund.
- g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- h) The summary of key financial data is given in annexure (A) to these financial statements.
- i) Details of meetings of the Board of Directors held and the attendance of each director for these meetings are given in note # (iv.) of supplementary non financial information of this annual report.
- j) The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- k) The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2014 as given in note # 19.2
- l) Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2014 is given in note # 19.2;

Board of Directors

Name of Director	Designation	Meetings Held	Attended	Leave Granted
Syed Ali Sultan	Chairman	8	7	61ST
Mr. Amin Dawood Saleh	Director	8	8	-
Mr. Kashif Abdur Rahman	Director	4	3	55th BOD
Mr. David Burlison	Director	8	6	56th & 61st
Mr. Suleman Hudda	Director	4	-	54th, 55th, 56th, 57th BOD
Mr. Hanspeter Beier	Director	8	4	54th, 56th, 60th, 61st BOD
Mr. Abdul Aziz Anis	Chief Executive Officer	2	2	-
Ms. Maheen Rahman	Chief Executive Officer	6	6	-
Mr. Abid Naqvi	Director	4	4	-
Mr. Asif Saad	Director	4	2	59th & 60th BOD

Change in Board Members during the period

Name	Designation	Appointed	Resigned
Ms. Maheen Rahman	Chief Executive Officer	Appointed	
Mr. Abid Naqvi	Director	Appointed	
Mr. Asif Saad	Director	Appointed	
Mr. Suleman Hudda	Director	-	Resigned
Mr. Kashif Abdur Rahman	Director	-	Resigned
Mr. Abdul Aziz Anis	Chief Executive Officer	-	Resigned

The Board places on record their thanks and appreciation to outgoing Directors for their valuable contributions in the progress of the Company.

Audit Committee Meetings

Below are the detail of Audit Committee meetings held during the period and attendance of Audit Committee Members.

Member	Meetings Held	Meetings Attended
Mr. Kashif Abdur Rahman	3	3
Mr. Abid Naqvi	3	3
Syed Ali Sultan	6	6
Mr. Amin Dawood Saleh	6	6

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

For and on behalf of the Board

August 27, 2014
Karachi

Maheen Rahman
Chief Executive

REPORT OF THE FUND MANAGER

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.

Market Review

Higher inflation numbers and rise in the discount rate from 9% to 10% during 1st half of the year under review pushed money market yields upwards. The government's rising need for liquidity resulted in higher than targeted borrowing from scheduled banks. Despite stable interest rates during rest of the year, financial institutions benefitted from high yields on government bonds due to hefty demand from the government. Participation in PIB auctions was exceptionally strong due to attractive rates across all tenors in particular the 2 to 3 year government bond.

The corporate bond market was also relatively active with new issues being floated in the market by corporates along with increased interest from participants. Demand for higher rated corporate bonds and Sukuks, especially those issued by financial institutions, remained high.

The outlook for FY15 could be somewhat different. Lower inflation numbers during 1HFY15 may keep the current discount rate unchanged; however, this is likely to be challenged in the later half where higher expected inflation may prompt the State Bank to turn decidedly hawkish. This would make the challenge of economic growth revival tougher over FY15 although it may lend further stability to the currency. We expect secondary market yields to remain stable with an upward bias over 2HFY15.

Fund Performance

For the year ended June 30, 2014, the fund posted a return of 8.09% (FY13: 9.06% p.a.) and completed the year with net assets amounting to PKR 2,108 million (FY13: PKR 2,887 million). During the same period the benchmark return (avg. 3M deposits rates of 3 "AA" rated banks) was 7.08%. AGCF was focused on maintaining duration in the range of 35 - 45 days to maintain the highest credit quality level of AAA. Majority of net assets were invested in short tenor treasury bills at attractive rates. This duration-targeted strategy allowed the fund to stave off volatility that negatively impacted funds during periods of monetary contraction. Along with T-bill exposure, the fund also allocated investments to high yielding TDRs and LOPs with financial institutions having high credit ratings.

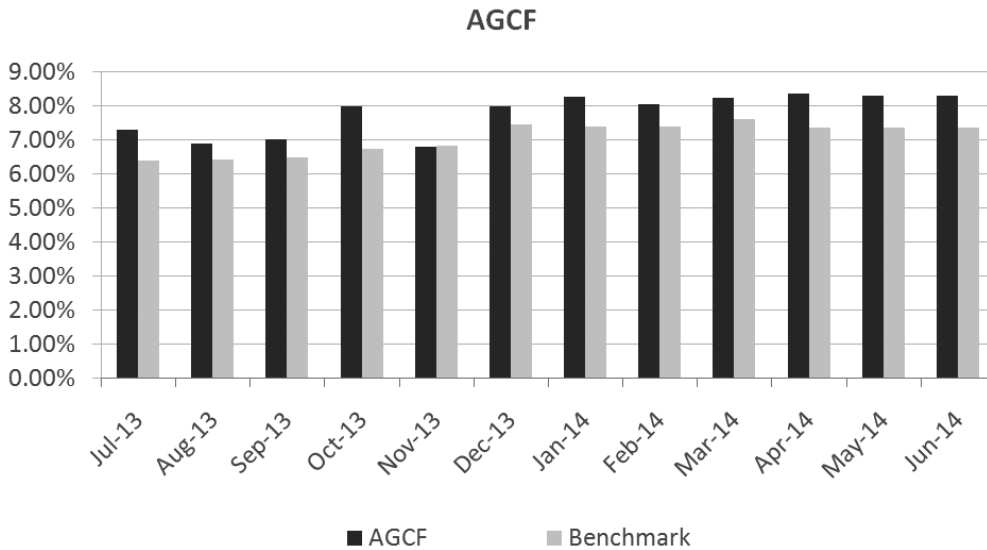
Going forward, the Fund shall maintain duration near 45 days to benefit from any easing in the yield curve. Exposure shall also be taken in TDRs and LOPs in a timely manner at attractive rates to prop-up fund returns. The fund will continue to maintain low cash reserves, opting for short term T-Bills and high yielding placements to bolster the bottom line.

The fund's credit rating was upgraded to "AAA" by PACRA. The fund size on June 30th 2014 stood at PKR 2.108bn compared to PKR 2.887bn on June 30th 2013.

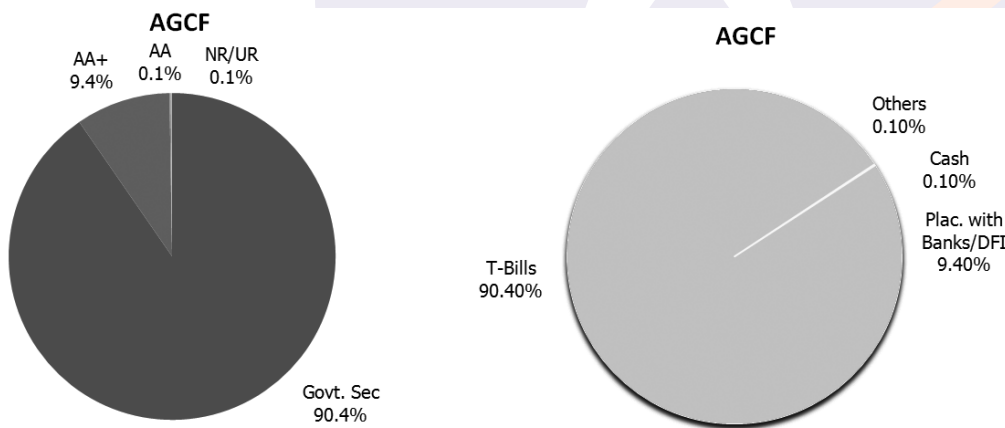
Benchmark

The Fund's benchmark is **Average three month deposit rates offered by AA rated Commercial Banks.**

Performance comparison with Benchmark



Asset Allocation



Significant changes in Assets Allocation during the period

The fund continued to maximize exposure to short-term treasury bills to limit volatility, curtail interest rate risk and maintain desired duration level. Exposure to T-bills was increased from 68% to 90%, while exposure to term deposits was reduced from 29% to 9% in order to achieve desired duration.

Distribution

At the end of the year under review, the fund paid out final cash dividend of Rs.1.3678 per unit translating into 0.2723 bonus units for every 100 units held. This payout was in addition to interim distribution of Rs. 35.32 per unit making the full year payout of Rs. 36.68 per unit. This is 95% payout of total earnings as per NBFC regulations.

Significant changes in the state of the affairs

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

Breakdown of unit holdings by size

Holdings	No. of unit holder	Investment Amount
PkR 01 to 100,000	22	414,390
PkR 100,000 to 1,000,000	9	2,352,618
PkR 1,000,000 to 10,000,000	25	65,456,706
PkR 10,000,000 and above	13	2,040,207,100
Total	69	2,108,430,814

Unit Splits

There were no unit splits during the period.

Circumstances materially affecting the interest of unit holders

Any significant change in market rates of the instruments invested in and any significant change in the credit profile of the counterparties can materially affect the interest of unit holders.

Fund Manager

**REPORT OF THE TRUSTEE TO THE UNIT HOLDERS****ALFALAH GHP CASH FUND****Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

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

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

1. Alfalah GHP Investment Management Limited, the Management Company of Alfalah GHP Cash Fund has in all material respects managed Alfalah GHP Cash Fund during the year ended 30th June 2014 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement



Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: October 22, 2014

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2014

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

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

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

Category	Names
Executive Director	Ms. Maheen Rahman (deemed director u/s 200 of Companies Ordinance, 1984)
Independent Directors	Mr. Asif Saad Mr. Abid Naqvi
Non-Executive Directors	Mr. Syed Ali Sultan Mr. David Burlison Mr. Hanspeter Beier Mr. Amin Dawood Saleh Mr. Asif Saad Mr. Abid Naqvi

The independent directors meets the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year two casual vacancies occurred on the Board on 05 December 2013 which have been filled by the directors on 16 December 2013.
5. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before such meetings except for the 56th, 57th and 58th Board meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Three directors have obtained certification under the 'Board Development Series' program conducted by Institute of Corporate Governance.
10. The Board has approved appointment of CFO and Company Secretary, including their remuneration and terms and conditions of employment. However, CFO has resigned from its position on March 28, 2014.
11. The Directors' Report of the Fund for the year ended 30 June 2014 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding and notes to the financial statements.
14. The Fund has complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director. However during the period, the CFO was the secretary of the Audit Committee.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the Committee is a non-executive director. However, the appointment of the CEO, CFO, and Head of Internal Audit was not considered by the Human Resource and Remuneration Committee prior to approval by the Board.
18. The board has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the Net asset value of Fund, was not determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through the Exchange.
23. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board

Karachi, _____

Maheen Rahman
Chief Executive Officer

REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Alfalah GHP Investment Management Limited, the Management Company of Alfalah GHP Cash Fund (the Fund) for the year ended 30 June 2014 to comply with the requirements of Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange, where the Fund is listed.

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

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

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and behalf of the Fund, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2014.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph references where these are stated in the Statement of Compliance:

Paragraph reference	Description
8	The notice along with the agenda of 56th, 57th and 58th Board of directors' meeting were not circulated before seven days of the meeting.
15	The Chief Financial Officer acted as secretary to the Audit Committee in all its meetings conducted during the year.
17	The appointment of the CEO, CFO, and Head of Internal Audit was not considered by the Human Resource and Remuneration Committee prior to approval by the Board of directors.
21	The 'closed period' was not determined and intimated to directors, employees and stock exchange.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Alfalah GHP Cash Fund** ("the Fund"), which comprise the statement of assets and liabilities as at **30 June 2014** and the related statements of income, statements of comprehensive income, distribution statement, cash flows statement, statement of movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2014 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

August 27, 2014
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2014

	<i>Note</i>	30 June 2014	30 June 2013
		----- (Rupees) -----	
Assets			
Bank balances	4	2,872,515	931,051,181
Investments	5	2,130,864,042	1,980,514,224
Profit receivable	6	1,746,745	6,687,406
Prepayments	7	507,694	121,000
Preliminary expenses and floatation costs	8	443,125	1,080,020
Total assets		2,136,434,121	2,919,453,831
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	9	7,409,958	2,950,470
Payable to MCB Financial Services Limited - Trustee	10	156,929	188,506
Payable to Securities and Exchange Commission of Pakistan - Annual fee	11	2,048,464	2,215,062
Accrued expenses and other liabilities	12	18,387,956	26,158,033
Total liabilities		28,003,307	31,512,071
Contingencies and commitments	13	-	-
Net assets		2,108,430,814	2,887,941,760
Unit holders' fund (as per statement attached)		2,108,430,814	2,887,941,760
		----- (Number of units) -----	
Number of units in issue		4,194,560	5,772,161
		----- (Rupees) -----	
Net asset value per unit		502.66	500.32

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

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

Chief Executive

Director

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	<i>Note</i>	30 June 2014	30 June 2013
		----- (Rupees) -----	
Income			
Capital (loss) / gain on sale of investments		(86,453)	2,904,749
Profit from term deposit receipts		24,402,341	31,249,685
Income from placements		13,478,339	1,043,447
Profit on deposit accounts with banks		8,596,411	8,211,243
Income from government securities		211,609,203	260,528,933
Unrealised appreciation in the value of investments - 'at fair value through profit or loss'	5.2	<u>283,903</u>	<u>1,413,896</u>
Total income		258,283,744	305,351,953
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	9.1	27,312,750	29,534,158
Sindh sales tax on management fee	9.2	5,069,250	4,760,465
FED on management fee	9.3	4,370,047	224,401
Remuneration of Central Depository Company of Pakistan Limited - Outgoing Trustee	10.1	-	314,233
Remuneration of MCB Financial Services Limited - Trustee	10.1	2,238,766	2,150,238
Annual fee - Securities and Exchange Commission of Pakistan	11	2,048,464	2,215,062
Amortisation of preliminary expenses and floatation costs	8	636,895	636,845
Bank and settlement charges		73,909	51,000
Legal and professional charges		28,425	-
Auditors' remuneration	16	480,000	476,761
Brokerage		203,042	173,776
Provision for workers' welfare fund	14	4,301,057	5,218,222
Fees and subscriptions		296,082	271,546
Printing and related cost		154,631	146,001
Total expenses		<u>47,213,318</u>	<u>46,172,708</u>
Net income from operating activities		211,070,426	259,179,245
Net element of loss and capital losses included in prices of units issued less those in units redeemed - net		<u>(318,658)</u>	<u>(3,485,941)</u>
Net income for the year before taxation		210,751,768	255,693,304
Taxation		-	-
Net income for the year after taxation		<u><u>210,751,768</u></u>	<u><u>255,693,304</u></u>

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

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

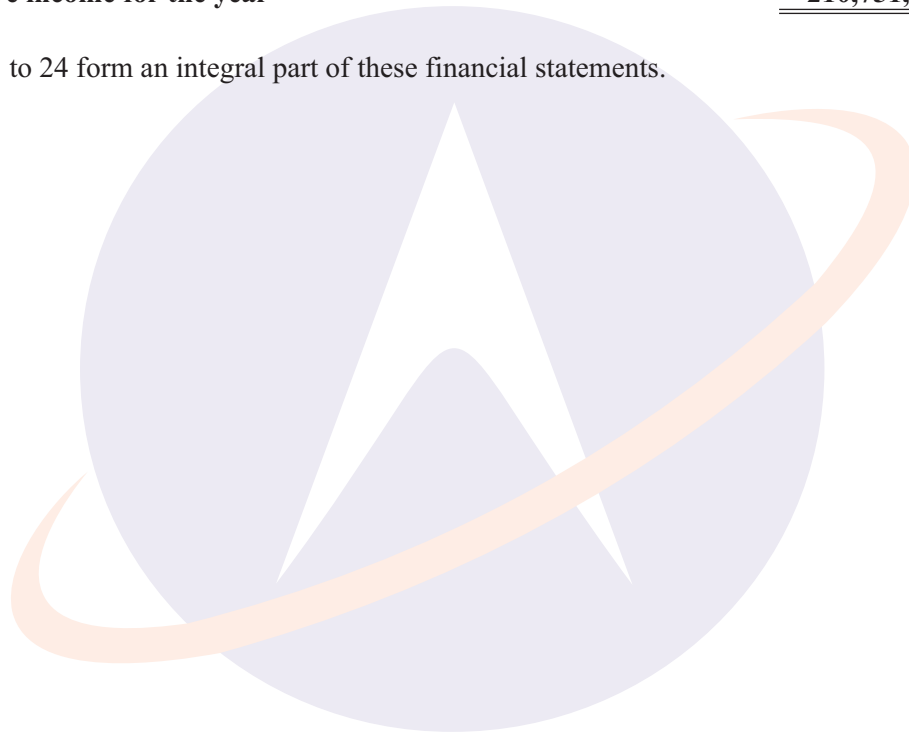
Chief Executive

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	30 June 2014	30 June 2013
	----- (Rupees) -----	
Net income for the year after taxation	210,751,768	255,693,304
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>210,751,768</u>	<u>255,693,304</u>

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



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

Chief Executive

Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	<i>Note</i>	30 June 2014	30 June 2013
		----- (Rupees) -----	-----
Undistributed income brought forward:			
- Realised		441,948	5,834,709
- Unrealised		1,413,896	(784,709)
		1,855,844	5,050,000
Net income for the year after taxation		210,751,768	255,693,304
Interim distribution for the year ended 30 June 2014:			
- Cash distribution of Rs. 36.68 per unit (2013: Rs. 43.91 per unit)	17	(96,081,958)	(139,636,140)
- Issue of bonus units 209,989 (2013: 238,498 units)	17	(105,518,559)	(119,251,320)
		9,151,251	(3,194,156)
Undistributed income carried forward:			
Realised		10,723,192	441,948
Unrealised		283,903	1,413,896
		11,007,095	1,855,844

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

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

Chief Executive

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2014

	<i>Note</i>	30 June 2014	30 June 2013
----- (Rupees) -----			
Net assets at the beginning of the year		2,887,941,760	3,513,821,962
Issue of 4,708,276 units (2013: 2,371,245 units)		2,290,525,423	1,191,394,040
Redemption of 6,495,866 units (2013: 3,855,114 units)		(3,185,024,837)	(1,936,817,347)
		(894,499,414)	(745,423,307)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to the Income Statement		318,658	3,485,941
Interim bonus distribution of 209,989 units for the year ended 30 June 2014 (2013: 238,498 units)	17	105,518,559	119,251,320
Capital (loss) / gain on sale of investments		(86,453)	2,904,749
Unrealised appreciation in the value of investments - 'at fair value through profit or loss'		283,903	1,413,896
Other net income for the year		210,554,318	251,374,659
Interim distribution for the year ended 30 June 2014:			
- Cash distribution of Rs. 36.68 per unit (2013: Rs. 43.91 per unit)	17	(96,081,958)	(139,636,140)
- Issue of bonus units 209,989 (2013: 238,498 units)	17	(105,518,559)	(119,251,320)
Net loss for the year less distribution		9,151,251	(3,194,156)
Net assets at the end of the year		2,108,430,814	2,887,941,760
Net asset value per unit at the beginning of the year		500.32	500.72
Net asset value per unit at the end of the year		502.66	500.32

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

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

Chief Executive

Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	<i>Note</i>	30 June 2014	30 June 2013
		----- (Rupees) -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		210,751,768	255,693,304
Adjustments for:			
Unrealised appreciation in the value of investments - 'at fair value through profit or loss'		(283,903)	(1,413,896)
Profit on deposit accounts with banks		(8,596,411)	(8,211,243)
Amortisation of preliminary expenses and floatation costs		636,895	636,845
Profit from term deposit receipts		(24,402,341)	(31,249,685)
Income from placements		(13,478,339)	(1,043,447)
Provision for workers' welfare fund		4,301,057	5,218,222
Net element of loss and capital losses included in prices of units issued less those in units redeemed		318,658	3,485,941
		169,247,384	223,116,041
(Increase) / decrease in assets			
Investments		49,934,085	974,789,105
Prepayments		(386,694)	(121,331)
		49,547,391	974,667,774
Increase / (decrease) in liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		4,459,488	46,211
Payable to Central Depository Company of Pakistan Limited - Outgoing Trustee		-	(282,183)
Payable to MCB Financial Services Limited - Trustee		(31,577)	189,131
Payable to Securities and Exchange Commission of Pakistan - Annual fee		(166,598)	1,024,212
Accrued expenses and other liabilities		2,023	(129,624)
		4,263,336	847,747
Profit received during the year		51,417,752	35,688,103
Net cash from operating activities		274,475,863	1,234,319,665
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units		2,290,525,423	1,191,391,482
Payment against redemption of units		(3,184,953,475)	(1,935,308,916)
Cash dividend paid		(108,226,477)	(127,490,241)
Net cash used in financing activities		(1,002,654,529)	(871,407,675)
Net (decrease) / increase in cash and cash equivalents during the year		(728,178,666)	362,911,990
Cash and cash equivalents at beginning of the year		931,051,181	568,139,191
Cash and cash equivalents at end of the year	20	202,872,515	931,051,181

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

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

Chief Executive

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Fund is an open end money market scheme. The primary investment objective of the Fund is to provide a regular stream of income at competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted mostly money market securities and placements.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset management rating of 'AM3+' (outlook stable) to the Management Company in its rating report dated 20 June 2014 and AAA (f) to the Fund in its credit rating report dated 24 February 2014.

The 'Title' to the assets of the Fund are held in the name of MCB Financial Services Limited as the trustee of the Fund.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the

Companies Ordinance, 1984, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) , the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008) and directives issued by the SECP.

Wherever, the requirements of the Trust Deed, the NBFC Rules, 2003, the NBFC Regulations, 2008 and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, 2008 and the said directives shall prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise their judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements are as follows:

- (a) Classification and valuation of financial instruments (notes 3.1 and 5);
- (b) Impairment of financial instruments (note 3.2);
- (c) Amortisation of preliminary expenses and floatation costs (notes 3.8 & 8);
- (c) Recognition of provision for Workers' Welfare Fund (note 14).

2.4.1 Change in accounting estimate

During the year, the management has revised the method of computation of the "Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed" (the Element) in the Fund. As per revised methodology, the Element is arrived at by comparing the unit prices with opening Ex-NAV at the beginning of the year. Previously, the Fund used to calculate the Element by comparing unit prices with the face value of the units.

The impact of change has been incorporated in the financial statements of the Fund with effect from 01 July 2013. However, the interim financial statements of the Fund for the half year ended 31 December 2013 and three months period ended 31 March 2014 did not include the effect of this change as the methodology to compute Element was changed during the last quarter of the financial year effective from the beginning of the current year.

The revised methodology would ensure that the continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. Since the element is an equalisation account between income for the period and undistributed income, the change did not have any impact on Net Asset Value (NAV) of the Fund. Had the methodology not been changed, the net income for the year ended 30 June 2014 would have been lower by Rs. 130,036.

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2014:

IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Fund's financial statements.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not likely to have an impact on Fund’s financial statements.

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

Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria.

Annual Improvements 2010-2012 and 2011-2013 (effective for annual periods beginning on or after 1 July 2014). The new cycle of improvements contains amendments to the following standards:

IFRS 2 ‘Share-based Payment’. IFRS 2 has been amended to clarify the definition of ‘vesting condition’ by separately defining ‘performance condition’ and ‘service condition’. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.

IFRS 3 ‘Business Combinations’. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves.

IFRS 8 ‘Operating Segments’ has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment’s assets to the entity assets is required only if this information is regularly provided to the entity’s chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.

Amendments to IAS 16 ‘Property, plant and equipment’ and IAS 38 ‘Intangible Assets’. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.

IAS 24 ‘Related Party Disclosure’. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.

IAS 40 ‘Investment Property’. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

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

a) Financial instruments at fair value through profit or loss

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

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

b) Available-for-sale

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

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as 'fair value through profit or loss' or 'available-for-sale'. This includes letter of placements, receivable against sale of investments and other receivables.

d) Financial liabilities

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

Recognition

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

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

Measurement

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

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

Fair value measurement principles

Basis of valuation of Government securities

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

3.2 Impairment

Impairment loss on investment is recognised in the Income Statement whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases the impairment is reversed through the Income Statement. amount. Impairment losses are recognised in the Income Statement.

3.3 Derecognition

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

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

3.4 Unit holders' fund

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

3.5 Issue and redemption of units

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

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

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

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

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

3.7 Provisions

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

3.8 Preliminary expenses and floatation costs

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

3.9 Net asset value per unit

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

3.10 Earnings per unit

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

3.11 Taxation

Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from tax to any income derived by a Mutual Fund, if not less than ninety percent of its accounting income of a year as reduced by capital gains whether realized or unrealized is distributed among the unit holders.

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

The Fund provides for deferred taxation using the balance sheet liability method on all temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.12 Offsetting of financial instruments

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

3.13 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.

3.14 Revenue recognition

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

3.15 Expenses

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

3.16 Cash and cash equivalents

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

3.17 Dividend distribution and appropriations

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

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

		30 June 2014	30 June 2013
	<i>Note</i>	----- (Rupees) -----	-----
4. BANK BALANCES			
In deposit accounts	4.1	2,872,515	81,051,181
Term deposit receipts	4.2	-	850,000,000
		<u>2,872,515</u>	<u>931,051,181</u>

4.1 These represent balances in saving deposit accounts maintained with various banks carrying mark-up rates of 6.00% to 9.25% (2013: 6.00% to 11%) per annum. This includes Rs. 2.862 million (2013: Rs. 81.050 million) with Bank Alfalah Limited, a related party that carry mark-up ranging from 8.00% to 9.00% per annum.

4.2 This represents term deposit receipts maintained with National Bank of Pakistan and Bank Alfalah Limited carrying mark-up rates ranging from 9.75% to 9.90% per annum.

	30 June 2014	30 June 2013
<i>Note</i>	----- (Rupees) -----	
5. INVESTMENTS		
At fair value through profit or loss - held for trading		
Market treasury bills	5.1 1,930,864,042	1,980,514,224
Loans and receivables		
Letter of placement	5.3 200,000,000	-
	<u>2,130,864,042</u>	<u>1,980,514,224</u>

5.1 Market treasury bills

Issue date	Note	As at July 01, 2013	Purchased during the year	Sold / matured during the year	As at 30 June 2014	Carrying amount as at 30 June 2014	Market value as at 30 June 2014	Unrealised gain on revaluation	Fair value as a percentage of net assets	Fair value as a percentage total investment
		----- (Number of certificates) -----				----- (Rupees) -----				
Treasury bills - having face value of Rs.100 each										
Maturity upto 3 months	5.1.1	15,200,000	119,232,304	120,085,150	14,347,154	1,436,686,635	1,436,741,042	54,407	0.60	0.67
Maturity upto 6 months	5.1.2	4,930,000	21,240,000	21,170,000	5,000,000	494,087,572	494,123,000	35,428	0.20	0.23
Maturity upto 12 months		-	11,740,000	11,740,000	-	-	-	-	-	-
		<u>20,130,000</u>	<u>152,212,304</u>	<u>152,995,150</u>	<u>19,347,154</u>	<u>1,930,774,207</u>	<u>1,930,864,042</u>	<u>89,835</u>		

5.1.1 These represents Market treasury bills having face value of Rs. 1,450 million (30 June 2013: Rs. 1,520 million) and carrying purchase yield ranging between 9.85% to 9.99% (30 June 2013: 8.91% to 9.46%) per annum. These Treasury bills have maturity upto 18 September 2014 (30 June 2013: 19 September 2013).

5.1.2 These represents Market treasury bills having face value of Rs. 500 million (30 June 2013: Rs. 4,930 million) and carrying purchase yield ranging between 8.88% to 9.89% (30 June 2013: 8.92% to 9.45%) per annum. These Treasury bills have maturity upto 4 September 2014 (30 June 2013: 26 December 2013).

	30 June 2014	30 June 2013
	----- (Rupees) -----	
5.2 Net unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'		
Fair value of investments classified as 'at fair value through profit or loss'	1,930,864,042	1,980,514,224
Cost of investments classified as 'at fair value through profit or loss'	(1,930,774,207)	(1,980,708,292)
Net unrealised appreciation / (diminution) in the value of investments 'at fair value through profit or loss'	89,835	(194,068)
Net unrealised appreciation in the value of investments at the beginning of the year	<u>194,068</u>	<u>1,607,964</u>
Net unrealised appreciation in the value of investments at the end of the year	<u>283,903</u>	<u>1,413,896</u>

5.3 This letter of placement with Pak Brunei Investment Company carries mark-up rate of 10.40% per annum and will mature on 10 September 2014 and has a credit rating of AA+.

Investment in letter of placement represents 9.36% of total investments on the basis of face value and 9.49% of net assets on the basis of face value.

	30 June 2014	30 June 2013
	----- (Rupees) -----	
6. PROFIT RECEIVABLE		
Profit receivable on saving accounts with banks	664,009	-
Profit receivable on letter of placements	1,082,736	-
Profit receivable on term deposit receipts	-	6,687,406
	<u>1,746,745</u>	<u>6,687,406</u>
7. PREPAYMENTS		
Annual fee - PACRA	121,075	121,000
Professional fee	386,619	-
	<u>507,694</u>	<u>121,000</u>
8. PRELIMINARY EXPENSES AND FLOATATION COSTS		
Balance at the beginning of the year	1,080,020	1,716,865
Amortization during the year	(636,895)	(636,845)
Balance at the end of the year	<u>443,125</u>	<u>1,080,020</u>
8.1	Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund and are being amortized over a period of five years commencing from 13 March 2010 as per the requirements set out in the Trust Deed of the Fund and NBFC Regulation 2008.	
	30 June 2014	30 June 2013
	----- (Rupees) -----	
9. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Management fee	<u>7,409,958</u>	<u>2,950,470</u>
9.1	Under the provisions of NBFC Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the life of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter, of an amount equal to the two percent of such assets of the Fund. However, currently the Management fee is charged @ 1% per annum.	
9.2	Effective from 1 July 2011, through the Sindh Sales Tax on Services Act, 2011, sales tax @ 16% has been imposed on the Fund management services. Sales tax on the Management Company remuneration was charged to the Fund during the year amounting to Rs. 5.069 million. Securities and Exchange Commission of Pakistan vide letter No.SCD/PR&DD/AMCW/MUFAP /232/2012 dated 24 July 2012 has allowed the amount of sales tax to be charged as an expense to Collective Investment Scheme.	
9.3	As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication.	

However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED in its financial statements with effect from 13 June 2013.

	30 June 2014	30 June 2013
	----- (Rupees) -----	
10. PAYABLE TO TRUSTEE		
Payable to MCB Financial Services Limited - Trustee	<u>156,929</u>	<u>188,506</u>

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

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

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

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

	30 June 2014	30 June 2013
	----- (Rupees) -----	
12. ACCRUED AND OTHER LIABILITIES		
Auditors' remuneration	382,973	400,000
Withholding tax	17,783	75
Distribution payable	-	12,144,519
Provision for Workers' Welfare Fund	16,071,753	11,770,696
Redemption payable	1,824,551	1,753,189
Redemption payable	20,896	9,554
Brokerage payable	70,000	80,000
Other payable	<u>18,387,956</u>	<u>26,158,033</u>

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 June 2014.

14. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable

income, whichever is higher. In this regard, during the year ended 30 June 2010, a constitutional petition has been filed by certain CISs through their Trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

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

In 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 declared the said amendments as unlawful and unconstitutional. In March 2013 a large bench of Sindh High Court (SHC) in various Constitutional Petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the court.

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. However, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF for the year ended 30 June 2014. As at June 30, 2014, the Fund has recognised WWF amounting to Rs. 16.07 million which includes Rs. 4.30 million pertaining to the current year and Rs. 46 million pertaining to prior years. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 3.83.

15. CLASSES OF UNITS

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

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

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

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

16. AUDITORS' REMUNERATION

	30 June 2014	30 June 2013
	----- (Rupees) -----	
Audit fee	250,000	250,000
Half yearly review	120,000	120,000
Other certification and services	110,000	60,000
Out of pocket expenses	-	46,761
	480,000	476,761

17. INTERIM DISTRIBUTIONS

The Fund has made following distribution during the year.

Date	Rate / unit (Rupees)	Bonus		Cash Distribution	Total
		Units	Amount		
30-Jun-13	2.96	17,342	8,671,132	9,241,007	17,912,139
28-Aug-13	2.85	16,434	8,217,404	8,897,621	17,115,025
28-Sep-13	3.09	17,292	8,645,848	9,646,926	18,292,774
31-Oct-13	2.99	19,417	9,708,695	9,334,665	19,043,360
28-Nov-13	3.19	18,442	9,221,356	9,959,411	19,180,767
28-Dec-13	3.24	17,067	8,533,630	10,115,554	18,649,184
28-Jan-14	3.16	16,678	8,338,725	6,701,605	15,040,330
28-Feb-14	3.85	27,181	13,590,998	8,172,674	21,763,672
28-Mar-14	3.02	18,322	9,161,160	6,410,815	15,571,975
25-Apr-14	3.46	19,589	9,910,738	7,344,733	17,255,471
28-May-14	3.51	17,083	8,660,524	7,380,735	16,041,259
27-Jun-14	1.36	5,142	2,858,350	2,876,212	5,734,562
Total Interim Distribution	36.68	209,989	105,518,559	96,081,958	201,600,517

* Bonus units have been distributed to growth unit holders.

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

*** These distributions have been approved by the Board of Directors in their 54th, 55th, 56th, 57th, 58th and 59th meeting held on 12 August 2013, 8 October 2013, 31 October 2013, 4 December 2013, 27 February 2014, 2 April 2014 and 24 April 2014 respectively. Distribution for the month of May and June 2014 will be approved in the Board of Directors meeting to be held subsequent to the year end.

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

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

18. TAXATION

18.1 The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced

by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company distributed sufficient accounting income of the Fund for the year ending 30 June 2014 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these financial statements for the year ended 30 June 2014.

- 18.2** In March 2014, the Fund received an order from Federal Board of Revenue (FBR) under section 122 (1) and 123 (A) of the Income Tax Ordinance, 2001. The tax department considers that distribution of bonus shares should not be included in calculation of distribution of 90% of declared profit required to claim exemption from income tax. The reasons cited for this view are that tax has not been deducted on bonus units and the bonus issue is only exempt from tax where it results in increase in capital. In this respect, the Fund has filed a petition in the Office of the Commissioner Inland Revenue Appeals-II (CIRA) against the demands raised by the taxation officer. On 17 July 2014, CIRA has annulled the order passed by the FBR.

19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited, MAB Investment Incorporated being associated companies of Management Company, Alfalah Insurance Company Limited, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and MCB Financial Services Limited (MCBFSL) being the trustee of the fund, persons holding 10% or more units of the fund, and other associated companies and connected persons.

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

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

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

	30 June 2014	30 June 2013
	----- (Rupees) -----	
Alfalah GHP Investment Management Limited - Management Company		
Balance at beginning of the year	2,950,420	2,904,306
Remuneration for the year	27,312,750	29,534,158
Sales Tax for the year	5,069,250	4,760,465
FED on Management Fee for the year	4,370,047	224,325
	36,752,047	34,518,948
Amount paid during the year	(32,292,509)	(34,472,834)
Balance at the end of the year	7,409,958	2,950,420
Central Depository Company of Pakistan Limited - Outgoing Trustee		
Balance at beginning of the year	-	282,484
Remuneration for the year	-	314,233
	-	596,717
Amount paid during the year	-	(596,717)
Balance at the end of the year	-	-
MCB Financial Services Limited - Trustee		
Balance at beginning of the year	188,506	-
Remuneration for the year	2,238,766	2,150,238
	2,427,272	2,150,238
Amount paid during the year	(2,270,343)	(1,961,732)
Balance at the end of the year	156,929	188,506
Bank Alfalah Limited		
Deposits at the end of the year	2,861,485	81,050,149
Term deposit receipts at the end of the year	-	600,000,000
Market treasury bills at the end of the year	1,930,864,042	1,980,514,224
Profit receivable on deposit account at the end of the year	663,688	-
Profit on deposit accounts during the year	659,050	5,875,845
Profit receivable on term deposits receipts at the end of the year	-	2,889,863
Profit on term deposit receipts during the year	12,723,425	18,190,130
Bank charges during the year	73,909	49,198
Market treasury bills purchased during the year	4,491,531,200	6,557,843,150
Market treasury bills sold during the year	149,708,400	173,541,275
Alfalah GHP Income Multiplier Fund		
Market treasury bills purchased during the year	49,835,620	-
Market treasury bills sold during the year	184,217,354	-
Alfalah GHP Value Fund		
Market treasury bills sold during the year	34,971,265	-
IGI Money Market Fund		
Market treasury bills purchased during the year	73,910,994	-
Market treasury bills sold during the year	170,717,097	-
IGI Income Fund		
Market treasury bills sold during the year	189,135,910	-
Dividend paid to:		
Bank Alfalah Limited	91,708,081	131,727,365
Bank Alfalah Limited - Employees Gratuity Fund	3,668,780	4,391,000

19.2 Details of units issued, redeemed and bonus distributed as at the year end with related parties / connected persons, are as follows:

	June 30, 2014									
	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 June 2014	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2014
	(Units)					(Rupees)				
Associated Companies / Undertakings										
Bank Alfalah Limited	2,999,940	-	-	999,201	2,000,739	1,500,929,981	-	-	500,000,000	1,005,688,263
Alfalalah GHP Investment Management Limited	653,823	41,837	17,568	713,228	-	327,120,723	21,000,000	8,250,118	357,980,099	-
Other Related Parties										
Alfalalah Insurance Company Limited	187,090	-	11,668	43,840	154,918	93,604,869	-	5,835,012	22,000,000	77,870,834
Bank Alfalah Limited - Employees Gratuity Fund	100,000	-	-	-	100,000	50,032,000	-	3,668,780	-	50,265,840
Directors										
	-	-	-	-	-	-	-	-	-	-
Key Management Personal										
Other Executives	300	634	12	945	-	150,144	317,686	5,781	473,445	-
Unit holder holding 10% or more units										
Bank Alfalah Limited	2,999,940	-	-	999,201	2,000,739	1,500,929,981	-	-	500,000,000	1,005,688,263
Alfalalah GHP Investment Management Limited	653,823	41,837	17,568	713,228	-	327,120,723	21,000,000	8,250,118	357,980,099	-
Pakistan Petroleum Limited	103,218	478,830	32,815	164,943	449,920	51,642,030	240,000,000	16,410,641	83,000,000	226,156,067

	June 30, 2013									
	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 June 2013	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Amount outstanding as at June 2014
	(Units)					(Rupees)				
Associated Companies / Undertakings										
Bank Alfalah Limited	2,999,940	-	263,449	263,449	2,999,940	1,502,129,957	-	131,727,134	131,727,134	1,500,929,981
Alfalalah GHP Investment Management Limited	629,638	-	56,059	31,874	653,823	315,272,339	-	-	16,000,000	327,120,723
Other Related Parties										
Alfalalah Insurance Company Limited	451,971	39,907	20,575	325,364	187,089	226,310,919	20,044,489	-	164,000,000	93,604,368
Bank Alfalah Limited - Employees Gratuity Fund	100,000	-	8,782	8,782	100,000	50,072,000	-	4,391,088	4,391,088	50,032,000
Directors										
	-	-	-	-	-	-	-	-	-	-
Key Management Personal										
Chief Executive Officer	89	-	8	8	89	44,564	-	4,000	4,000	44,528
Other Executives	6,068	15,334	728	17,436	4,694	3,038,369	7,706,125	364,168	8,743,612	2,348,502
Unit holder holding 10% or more units										
Bank Alfalah Limited	2,999,940	-	-	-	2,999,940	1,502,129,957	-	-	131,727,134	1,500,929,981
Alfalalah GHP Investment Management Limited	629,638	-	56,059	31,874	653,823	315,272,339	-	-	16,000,000	327,120,723

20. CASH AND CASH EQUIVALENT

Balances with banks
Letter of placements
Term deposit receipts

	30 June 2014	30 June 2013
	----- (Rupees) -----	
	2,872,515	81,051,181
	200,000,000	-
	-	850,000,000
	<u>202,872,515</u>	<u>931,051,181</u>

21. FINANCIAL RISK MANAGEMENT FRAMEWORK

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

21.1 Market risk

Market risk is the risk that changes in market prices, such as interest rate or equity prices will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of Market risk management is to manage and control market risk exposures within the investment parameters as defined in Fund's constitutive and investment policy documents, while optimizing the return. The Fund is categorized as money market scheme. The objective of the Fund is to provide a regular stream of income at a competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted of money market securities and placements. The Management Company manages risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

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

21.1.1 Interest rate risk

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

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

As at 30 June 2014, investments in treasury bills exposed to interest rate risk are detailed in Note 5.1. Cash and cash equivalents are not subject to cash flow and fair value interest rate risk.

	Effective rate of mark-up/return %	Exposed to yield / profit rate risk			Not exposed to interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
June 30, 2014						
----- (Rupees) -----						
On balance sheet financial instruments						
Financial assets						
Bank balances	6.00 to 9.25	2,872,515	-	-	-	2,872,515
Investments	8.88 to 10.40	2,130,864,042	-	-	-	2,130,864,042
Profit receivable		-	-	-	6,687,406	6,687,406
Prepayments		-	-	-	121,000	121,000
Preliminary expenses and floatation costs		-	-	-	1,080,020	1,080,020
		<u>2,133,736,557</u>	-	-	<u>7,888,426</u>	<u>2,141,624,983</u>
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	2,950,470	2,950,470
Payable to MCB Financial Services Limited - Trustee		-	-	-	188,506	188,506
Accrued expenses and other liabilities		-	-	-	2,298,420	2,298,420
		-	-	-	<u>5,437,396</u>	<u>5,437,396</u>
On-balance sheet gap 2014		<u><u>2,133,736,557</u></u>	<u>-</u>	<u>-</u>	<u><u>2,451,030</u></u>	<u><u>2,136,187,587</u></u>

Effective rate of mark-up/return %	June 30, 2013				Total	
	Exposed to yield / profit rate risk			Not exposed to 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	6.00 to 11.00	931,051,181	-	-	-	931,051,181
Investments	8.92 to 11.90	1,545,699,768	434,814,456	-	-	1,980,514,224
Profit receivable		-	-	-	6,687,406	6,687,406
Prepayments		-	-	-	121,000	121,000
Preliminary expenses and floatation costs		-	-	-	1,080,020	1,080,020
		<u>2,476,750,949</u>	<u>434,814,456</u>	<u>-</u>	<u>7,888,426</u>	<u>2,919,453,831</u>
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	2,950,470	2,950,470
Payable to Central Depository Company of Pakistan Limited - Outgoing Trustee		-	-	-	-	-
Payable to MCB Financial Services Limited - Trustee		-	-	-	188,506	188,506
Accrued expenses and other liabilities		-	-	-	14,387,262	14,387,262
		<u>-</u>	<u>-</u>	<u>-</u>	<u>17,526,238</u>	<u>17,526,238</u>
On-balance sheet gap 2013		<u>2,476,750,949</u>	<u>434,814,456</u>	<u>-</u>	<u>(9,637,812)</u>	<u>2,901,927,593</u>

Sensitivity analysis for fixed rate instruments

Management of the Fund estimates that an increase of 100 basis points in the fixed interest rate, with all other factors remaining constant, would decrease the Fund's income and decrease in the net assets of the Fund by Rs 21.31 million (2013: Rs. 28.31 million and a decrease of 100 basis points would result in an increase in the Fund's income and increase in net assets of the Fund by the same amount.

The composition of the Fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2014 is not necessarily indicative of future movements in interest rates.

Sensitivity analysis for variable rate instruments

The Fund does not hold any variable rate instruments as on 30 June 2014.

21.1.2 Currency risk

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

21.1.3 Other price risk

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

Presently, the Fund is not exposed to equity price risk, as the Fund does not hold any equity security as at 30 June 2014.

21.2 Credit risk

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

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

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

	June 30, 2014 ----- (Rupees) -----	June 30, 2013 -----
Financial assets		
Bank balances	2,872,515	931,051,181
Investments	200,000,000	850,000,000
Profit receivable	1,746,745	6,687,406
	<u>204,619,260</u>	<u>1,787,738,587</u>

Investment in Government securities amounting to Rs. 1,930.864 million (2013: Rs. 1,980.514 million) is not exposed to credit risk.

	June 30, 2014 ----- (Rupees) -----	June 30, 2013 -----
Secured	-	-
Unsecured	204,619,260	1,787,738,587
	<u>204,619,260</u>	<u>1,787,738,587</u>

No financial assets carried at amortised cost were past due or impaired either at 30 June 2014 or 30 June 2013.

Concentration of credit Risk

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

All deposits with Banks and Development Financial Institution are highly rated and risk of default is considered minimal.

Details of credit ratings of the balances with Banks and investments with Investment Finance Company as at 30 June 2014 are as follows:

	June 30, 2014	June 30, 2013
	----- (Rupees) -----	
AAA	-	250,000,000
AA	2,862,515	1,531,051,181
AA+	200,010,000	-
	<u>202,872,515</u>	<u>1,781,051,181</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS (as of 30 June 2014).

21.3 Liquidity risk

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

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

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

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

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

	As at 30 June 2014			
	Total	Upto three month	More than one month and upto three months	More than three month and upto one year
	----- (Rupees) -----			
On balance sheet financial liabilities and others				
Liabilities				
Payable to Alfalah GHP Investment Management Limited - Management Company	7,409,958	7,409,958	-	-
Payable to MCB Financial Services Limited - Trustee	156,929	156,929	-	-
Accrued expenses and other liabilities	2,298,420	2,298,420	-	-
	<u>9,865,307</u>	<u>9,865,307</u>	<u>-</u>	<u>-</u>
Unit holders' fund	<u>2,108,430,814</u>	<u>2,108,430,814</u>	<u>-</u>	<u>-</u>
	<u>2,118,296,121</u>	<u>2,118,296,121</u>	<u>-</u>	<u>-</u>

	As at 30 June 2013			
	Total	Upto three month	More than one month and upto three months	More than three month and upto one year
On balance sheet financial liabilities and others	----- (Rupees) -----			
Liabilities				
Payable to Alfalah GHP Investment Management Limited - Management Company	2,950,470	2,950,470	-	-
Payable to MCB Financial Services Limited - Trustee	188,506	188,506	-	-
Accrued expenses and other liabilities	14,387,262	14,387,262	-	-
	17,526,238	17,526,238	-	-
Unit holders' fund	2,887,941,760	2,887,941,760	-	-
	2,905,467,998	2,905,467,998	-	-
	2,905,467,998	2,905,467,998	-	-

21.4 Operational risk

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

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

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

21.5 Capital Risk Management

Alfalah GHP Cash Fund (AGCF) is an open end collective investment scheme. The capital of the open end schemes is represented by net assets attributable to unit holders. The capital risk in case of open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the

Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

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

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

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

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

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	As at 30 June 2014			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Financial assets at 'fair value through profit or loss'				
Market treasury bills	-	1,930,864,042	-	1,930,864,042

	As at 30 June 2013			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Financial assets at 'fair value through profit or loss'				
Market treasury bills	-	1,980,514,224	-	1,980,514,224

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 and meetings of the Board of Directors, as required under Schedule V of Non Banking Finance Companies and Notified Entities Regulations, 2008 has been disclosed in Annexure to the financial statements.

24. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on August 27, 2014 by the Board of Directors of the Management Company.

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

Chief Executive

Director

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

1.2 PATTERN OF UNIT HOLDING

Category	30 June 2014			
	Number of unit holders	Units held	(Rupees)	Percentage of total investment (%)
Individual	42	212,513	106,821,306	5%
Associated companies and Directors	3	2,255,657	1,133,824,813	54%
Insurance Companies	3	120,202	60,420,791	3%
Banks / Financial institutions	2	607,296	305,262,574	14%
Retirement funds	6	17,847	8,970,943	0%
Others	13	981,045	493,130,387	23%
	<u>69</u>	<u>4,194,560</u>	<u>2,108,430,814</u>	<u>100%</u>

Category	30 June 2013			
	Number of unit holders	Units held	(Rupees)	Percentage of total investment (%)
Individual	73	326,458	163,334,267.89	6%
Associated companies and Directors	2	3,653,763	1,828,059,672.77	63%
Insurance Companies	4	485,864	243,088,669.09	8%
Banks / Financial institutions	3	460,982	230,639,645.78	8%
Retirement funds	7	121,411	60,744,649.54	2%
Public Limited Companies	-	-	-	0%
Others	17	723,683	362,074,854.93	13%
	<u>106</u>	<u>5,772,161</u>	<u>2,887,941,760</u>	<u>100%</u>

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2014	30 June 2013
Optimus Markets (Pvt.) Limited	15%	6.61%
BMA Capital Management Ltd.	14%	8.78%
JS Global Capital Ltd.	13%	8.67%
Invest Capital Markets Ltd	13%	40.05%
Pearl securities	11%	0.00%
ICON securities	9%	0.00%
KASB securities	7%	0.00%
Global Securities Pakistan Ltd.	6%	3.04%
C & M Management Pvt.	4%	0.00%
Invest and Finance Securities Ltd.	3%	32%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Maheen Rahman
Ather Husain Medina
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Imran Altaf

Maheen Rahman – CEO

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

Ather Husain Medina

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

Noman Soomro

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

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management

Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Imran Altaf

Mr. Altaf has over six years of experience in Investment Valuation, Financial Research and Portfolio Management. Before joining Alfalah GHP Investment Management as a portfolio manager, he was associated with Faysal Asset Management as a fixed income portfolio manager over 2012 to 2014. He was previously affiliated with Faysal Bank Limited and its Equity Capital Market (ECM) division from 2010 to 2012 in the capacity of an investment analyst. Mr. Altaf is a CFA Charter holder and has an MBA Degree from SZABIST University.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st Board Meetings were held on 12 Aug 2013, 08 Oct 2013, 04 Dec 2013, 27 Feb 2014, 02 Apr 2014, 24 Apr 2014 and 30 June 2014 respectively.

Name of Director	Number of Meetings			
	Held	Attended	Leave granted	Meeting not attended
Syed Ali Sultan	8	7	1	1
Mr. Amin Dawood Saleh	8	8	0	0
Mr. Kashif Abdur Rahman	4	3	1	1
Mr. David Burlison	8	6	2	2
Mr. Suleman Hudda	4	0	4	4
Mr. Hanspeter Beier	8	4	4	4
Mr. Abdul Aziz Anis	2	2	0	0
Ms. Maheen Rahman	6	6	0	0
Mr. Abid Naqvi	4	4	0	0
Mr. Asif Saad	4	2	2	2

PERFORMANCE TABLE AGCF

	30 June 2014	30 June 2013	30 June 2012	30 June 2011	30 June 2010
	----- (Rupees in '000) -----				
Net Assets	2,108,431	2,887,941	3,513,823	1,439,196	608,350
NAV per unit	502.6600	500.3200	500.7200	505.4400	504.6800
Selling price per unit	502.6600	500.3200	500.7200	505.4400	504.6800
Redemption price per unit	502.6600	500.3200	500.7200	505.4400	504.6800
Highest selling price per unit	503.6900	505.4700	505.7600	509.2800	504.6800
Highest redemption price per unit	503.6900	505.4700	505.7600	509.2800	504.6800
Lowest selling price per unit	500.6400	500.1900	500.2500	500.2600	500.2400
Lowest redemption price per unit	500.6400	500.1900	500.2500	500.2600	500.2400
Total interim distribution per unit	36.68	43.91	51.93	49.65	10.28
Interim distribution date	26-Jul-13	27-Jul-12	27-Jul-11	27-Jul-10	27-Mar-10
	28-Aug-13	27-Aug-12	27-Aug-11	27-Aug-10	27-Apr-10
	28-Sep-13	27-Sep-12	27-Sep-11	27-Sep-10	27-May-10
	31-Oct-13	28-Oct-12	27-Oct-11	27-Oct-10	N/A
	28-Nov-13	28-Nov-12	28-Nov-11	27-Nov-10	N/A
	28-Dec-13	27-Dec-12	27-Dec-11	27-Dec-10	N/A
	28-Jan-14	27-Jan-13	27-Jan-12	27-Jan-11	N/A
	28-Feb-14	27-Feb-13	27-Feb-12	28-Feb-11	N/A
	28-Mar-14	27-Mar-13	27-Mar-12	28-Mar-11	N/A
	25-Apr-14	29-Apr-13	27-Apr-12	28-Apr-11	N/A
	28-May-14	27-May-13	27-May-12	28-May-11	N/A
	27-Jun-14	28-Jun-13	27-Jun-12	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	5.4	4.68
Final distribution date	N/A	N/A	N/A	2-Jul-11	22-Oct-10
Annualized returns %	8.09%	9.06%	11.01%	11.56%	10.39%
Income distribution %	7.33%	8.77%	10.44%	10.99%	2.06%
Weighted avg. portfolio duration (Days)	41 Days	53.75 Days	36 Days	44 Days	41 Days

Return since inception is **11.72%**

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