

ALFALAH

Investments

ANNUAL REPORT

**JUNE 30,
2023**

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MISSION STATEMENT

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

VISION STATEMENT

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

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

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Islamic Stock Fund (AGISTF), Alfalah Islamic Stable Return Fund Plan-1, Alfalah GHP Islamic Income Fund (AGIIF), Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF), Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF), Alfalah GHP Islamic Value Fund (AGIVF), Alfalah Islamic Rozana Amdani Fund (AIRAF), Alfalah Islamic Money Market Fund (AIMMF) and Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF-II CP 6) for the year ended June 30, 2023.

Economy Overview

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

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

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

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

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

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

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

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

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

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

Equity Market Review

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

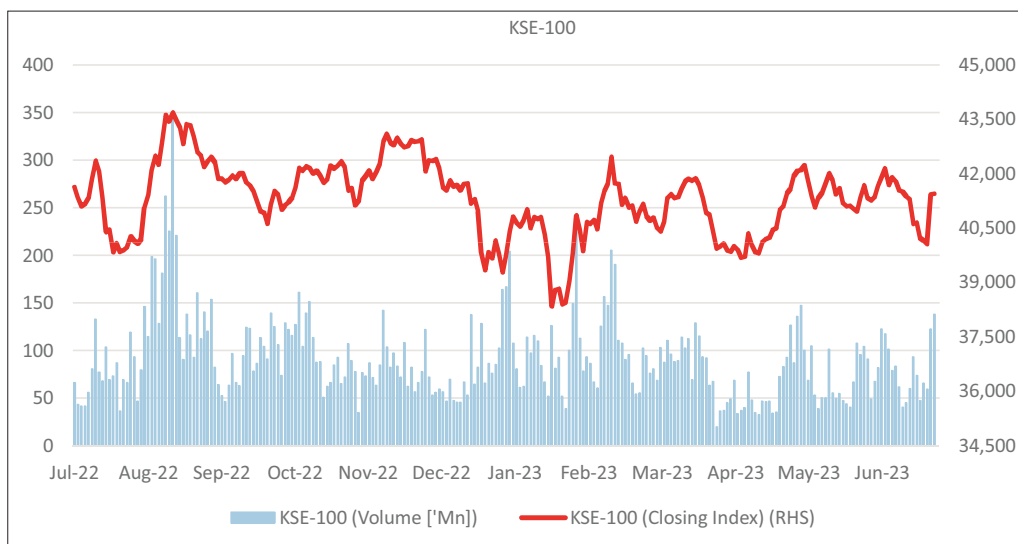
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment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

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

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

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

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



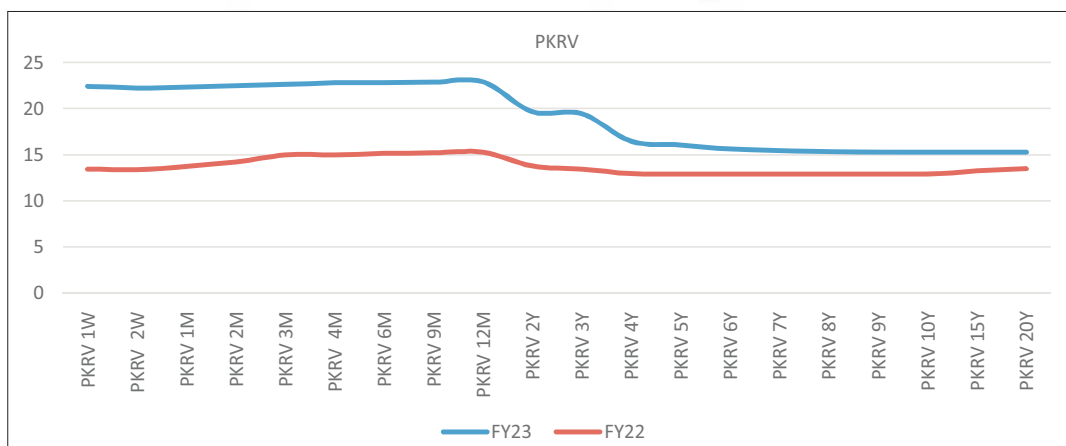
Money Market

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

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

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

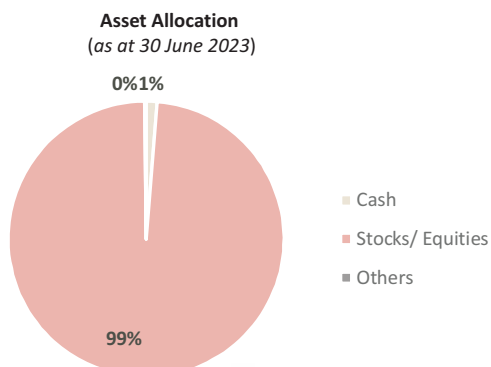
The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.



Fund Operations and Performance

Alfaluh GHP Islamic Stock Fund

In FY23, AGISTF earned a return of 1.26% while the benchmark return was 2.88% during year.



Key Financial Data

(Rupees in Million)

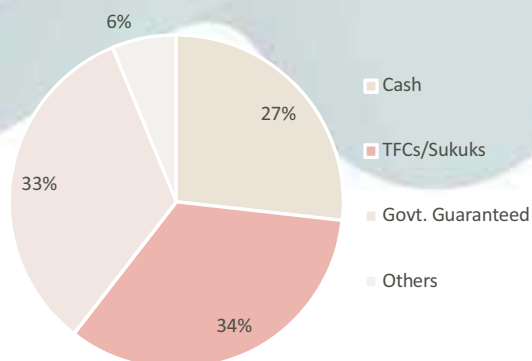
Description	For the year ended June 30 ,2023	For the year ended June 30, 2022
Average Net Assets	1,319.0385	1,973.6112
Gross (loss) / Profit	77.55	-360.01
Total Comprehensive Loss	14.55	-394.79
Net Assets Value per Unit (PKR)	36.9196	36.9032
Issuance of units during the year	502.45	1,527.17
Redemption of units during the year	-665.04	-2,041.69

Alfaluh GHP Islamic Income Fund

Alfaluh GHP Islamic Income Fund generated a return of 14.88% during the year under review while the benchmark return was 6.06%.

Payout

During the year, the fund paid out cash dividend of PKR 14.7455 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

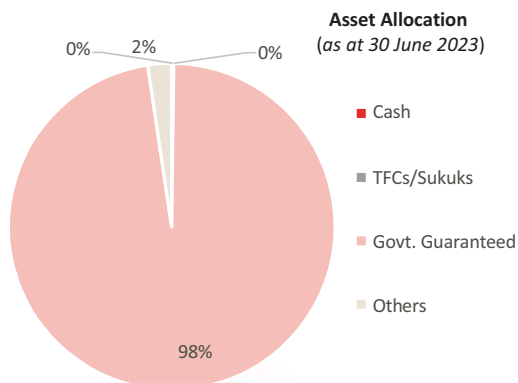
Description	For the year ended June 30 ,2023	For the year ended June 30, 2022
Average Net Assets	3,824.7289	6,391.2056
Gross income	567.47	646.86
Total Comprehensive Income	509.08	554.18
Net Assets Value per Unit (PKR)	102.8265	102.3990
Issuance of units during the year	4,011.29	17,881.70
Redemption of units during the year	-7,308.45	-18,563.98

Alfalsh Islamic stable Return Fund- Plan 1

During FY23, Alfalah Islamic Stable return Fund-Plan 1(AISRF-1) generated a return of 20.79% while the benchmark of the fund generated 7.16%.

Payout

During the year, the fund paid out cash dividend of PKR 1.3608 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

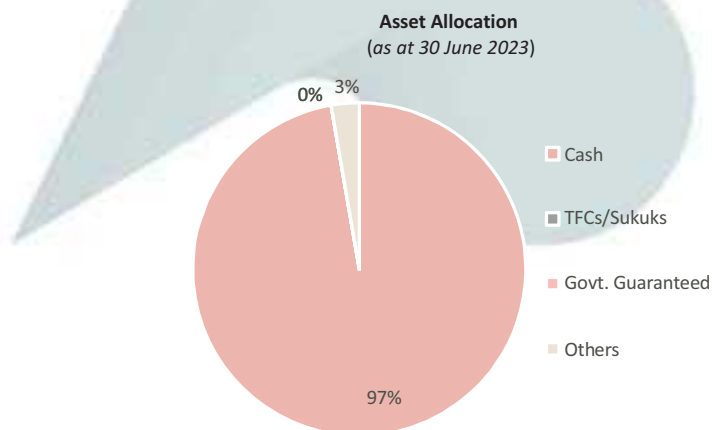
Description	For the year ended June 30, 2023
Average Net Assets	575.5788
Gross income	8.274
Net Comprehensive income	7.488
Net Assets Value per Unit (Rs.)	100.0000
Issuance of units during the period	1,410.843
Redemption of units during the period	-832.327

Alfalsh GHP Islamic Money Market Fund

During FY23, Alfalah Islamic Money Market Fund (AIMMF) generated a return of 19.88% while the benchmark of the fund generated 6.77%.

Payout

During the year, the fund paid out cash dividend of PKR 4.1753 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

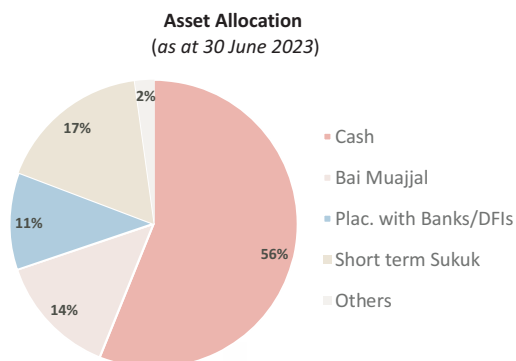
Description	For the year ended June 30, 2023
Average Net Assets	2,548.8338
Gross income	167.320
Net Comprehensive income	158.643
Net Assets Value per Unit (Rs.)	100.0000
Issuance of units during the period	22,204.300
Redemption of units during the period	-14,448.947

Alfalsh Islamic Rozana Amdani Fund

The fund's return stood at 17.07% against the benchmark return of 6.20%.

Payout

During the year, the fund paid out cash dividend of PKR 15.7702 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

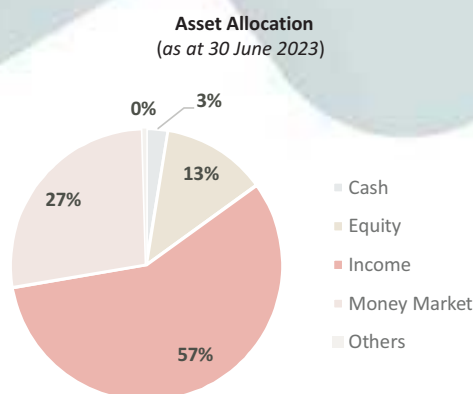
Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	16,876.2295	5,165.6954
Gross income	2,943.734	512.83
Net Comprehensive income	2,802.868	493.79
Net Assets Value per Unit (Rs.)	100.0000	100.0000
Issuance of units during the period	77,109.394	10,248.55
Redemption of units during the period	-52,690.959	-8,657.69

Alfalsh GHP Islamic Prosperity Planning Fund- Moderate Allocation Plan

The fund generated a return of 12.88% against the benchmark which generated 6.13%.

Payout

During the year, the fund paid out cash dividend of PKR 12.7217 per unit to the unit holders.

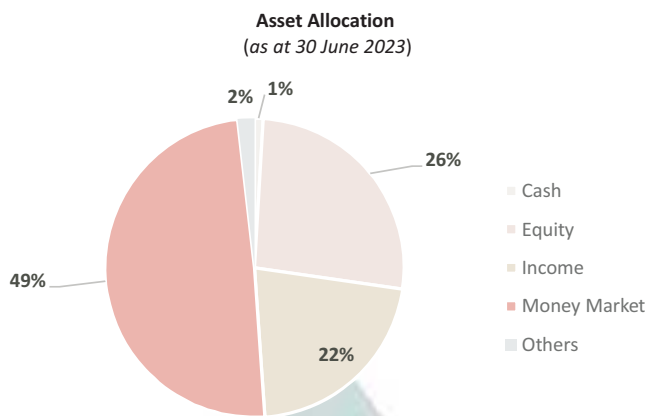


Alfalsh GHP Islamic Prosperity Planning Fund- Active Allocation Plan II

The fund generated a return of 10.63% against the benchmark which generated 6.51%.

Payout

During the year, the fund paid out cash dividend of PKR 8.8644 per unit to the unit holders.

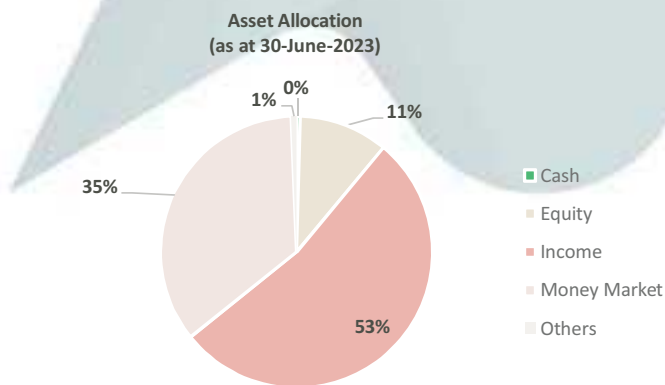


Alfalsh GHP Islamic Prosperity Planning Fund - Balance Allocation Plan

The fund generated a return of 12.67% against the benchmark which generated 5.92%.

Payout

During the year, the fund paid out cash dividend of PKR. 12.2024 per unit to the unit holders.



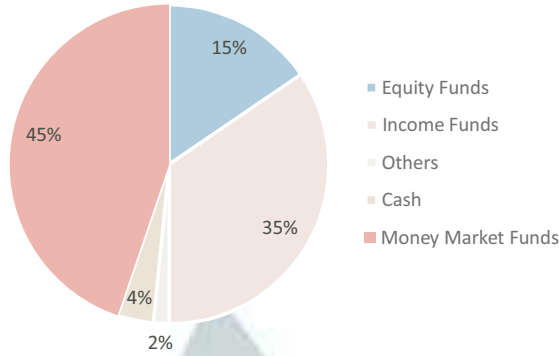
Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation 4

The fund generated a return of 11.92% against the benchmark which generated 5.83%.

Payout

During the year, the fund paid out cash dividend of PKR. 11.0495 per unit to the unit holders.

Asset Allocation as at 30-June-2023



Key Financial Data

Alfalah GHP Islamic Prosperity Planning Fund

(Rupees in Million)

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Capital Preservation Plan - IV
Average Net Assets	68.992	181.327	175.593	29.971
Gross income / (loss)	8.70	22.53	18.26	3.39
Total Comprehensive Income / (loss)	8.39	21.70	17.15	3.25
Net Assets Value per Unit (PKR)	104.2928	101.1543	90.8003	100.5237
Issuance of units during the year	6.66	16.49	5.53	0.76
Redemption of units	-0.35	-5.95	-272.61	-28.83

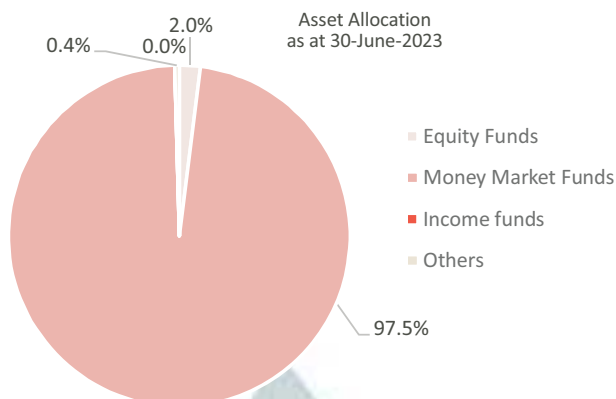
Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
	For the year ended June 30, 2022					
Average Net Assets	72.755	206.383	369.159	71.943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

Alfalsh GHP Islamic Prosperity Planning Fund II - Capital Preservation 6

The fund generated a return of 13.69% against the benchmark which generated 4.17%.

Payout

During the year, the fund paid out cash dividend of PKR. 13.2785 per unit to the unit holders.



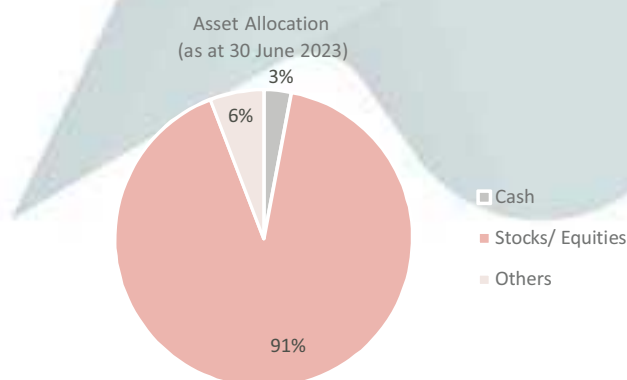
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2023
Average Net Assets	164.7056
Gross income	22.768
Net Comprehensive income	21.236
Net Assets Value per Unit (Rs.)	100.6164
Issuance of units during the period	95.93
Redemption of units during the period	-90.92

Alfalsh GHP Islamic Dedicated Equity Fund

The fund generated a return of -0.75% against the benchmark which generated -2.88%.



Key Financial Data

(Rupees in Million)

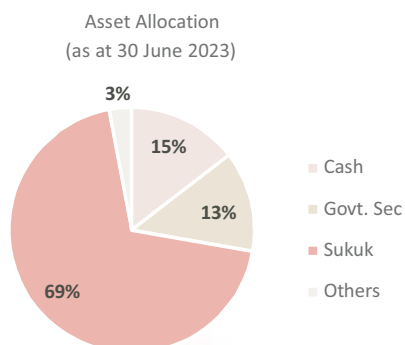
Description	For the year ended June 30 ,2023	For the year ended June 30, 2022
Average Net Assets	84.9414	273.509
Gross (Loss)	4.306	-50.321
Total Comprehensive Loss	0.21	-61.18
Net Assets Value per Unit (PKR)	63.1021	63.8012
Issuance of units during the year	63.10	215.62
Redemption of units during the year	-176.81	-471.85

Alfalsh GHP Islamic Value Fund

The fund generated a return of 17.47% against the benchmark which generated 6.23%.

Payout

During the year, the fund paid out cash dividend of PKR 15.0982 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	2,147.270	2,295.12
Gross (loss)	355.09	210.09
Total Comprehensive Loss	347.42	205.09
Net Assets Value per Unit (PKR)	89.4572	89.0616
Issuance of units during the year	5,866.60	2,458.93
Redemption of units during the year	-5,391.74	-2,828.55

Acknowledgement

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

For and behalf of the Board

Chief Executive Officer
August 25, 2023



**Alfalah GHP
Islamic Income Fund**

FUND INFORMATION

Management Company:	Alfalaha Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	BankIslami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalaha Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalsh GHP Islamic Income Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant (Islamic) Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review

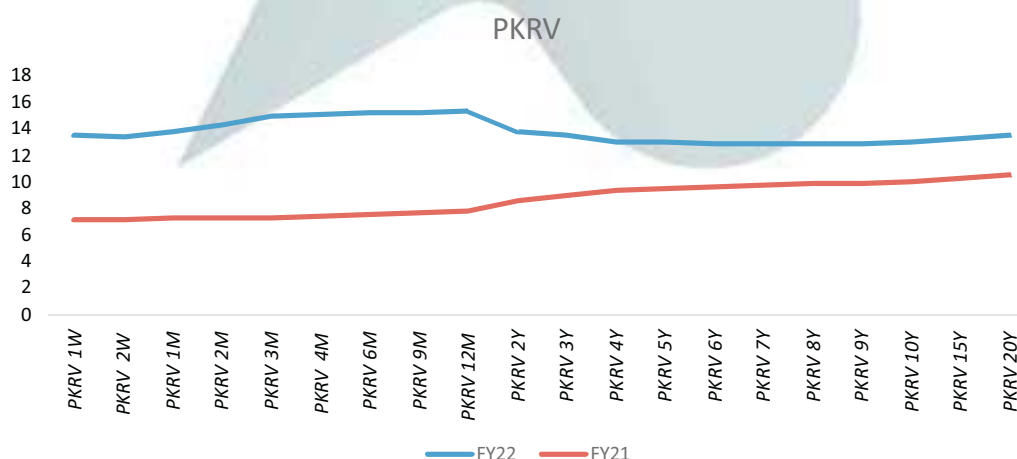
Pakistan is expected to post GDP growth of 5.97% during FY22 against 5.74% in FY21.

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

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

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

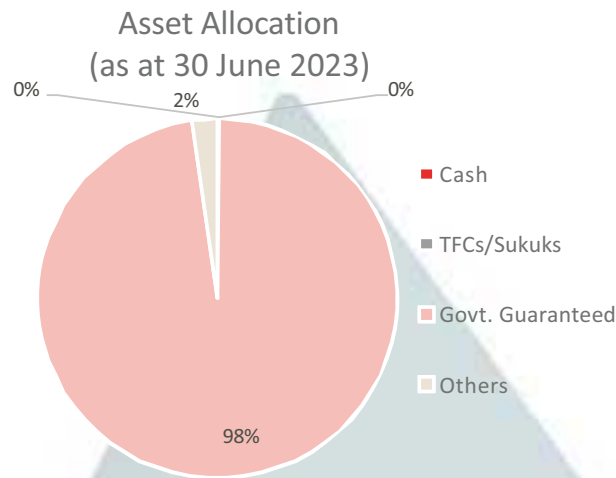
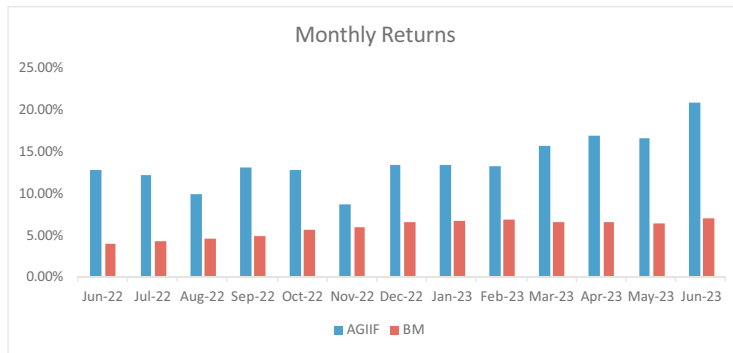
The next monetary policy is scheduled on August 22, 2022, where the market expects another hike in the policy rate as inflation is expected to remain elevated for whole of FY23, fueled by removal of subsidy on petroleum products and increase in utility tariffs.



Fund Performance

Alfalsh GHP Islamic Income Fund generated a return of 14.88% during the year under review while the benchmark return was 6.06%.

Performance comparison with Benchmark



Credit Quality (as % of Total Assets)			
Govt. Guaranteed (Rated AAA)	97.46%	A	0.00%
AAA	0.20%	A-	0.00%
AA+	0.00%	BBB+	0.00%
AA	0.00%	BBB	0.00%
AA-	0.00%	NR/UR/MTS	2.34%
A+	0.00%		

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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block-B
S.M.C.H.S., Main Shaheen-Faisal
Karachi - 74400, Pakistan,
Tel: (92-21) 111-111-500
Fax: (92-21) 34520021 - 22
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Email: info@cdcpk.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2023





Alfalsh Investments

Shariah Advisory Board

Mufti Shaikh Noman
Mufti Javed Ahmad



**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC INCOME FUND**

We, the Shariah Advisors of the Alfalah GHP Islamic Income Fund ('AGIIF') (formerly IGI Islamic Income Fund) managed by Alfalah Asset Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplemental Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have reviewed and given approval for investment in following avenues during the period from July 01, 2022 to June 30, 2023.

Investment Avenue
<p><i>Govt (Government of Pakistan) Ijarah Sukuk</i> <i>Approved Shariah Compliant Sukuk</i> <i>Approved Islamic Commercial Papers</i> <i>Approved Bai Mu'ajjal Transactions</i> <i>Term Deposit Receipts with Approved Islamic Banks</i></p>

We hereby certify that all the above-mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2023, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board,


Mufti Shaikh Noman
Shariah Advisor


Mufti Javed Ahmad
Shariah Board Member



Alfalsh Asset Management Limited

2nd Floor, Islamic Chamber of Commerce, Industry and Agriculture Building, Block-9, Clifton, Karachi - 75600 Pakistan.
U: +92 (21) 111-090-090 | W: www.alfalahamc.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Income Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 28, 2023

Mr. Khaldoon Bin Latif
Chief Executive Officer





17 Feroz Road
Chartered Accountants
Progressive Park, Babcock Road
P.O. Box 15541, Karachi 75330
Pakistan

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfalah GHP Islamic Income Fund

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
<p>The bank balances and investments (comprised of debt securities) represent 95.77% of the Total Assets of the Fund at the year end.</p> <p>In view of the significance of existence and valuation of bank balances and investments in relation to determination of the Net Asset Value of the Fund, we have considered these to be a key audit matter.</p> <p>Refer to Notes 4 and 5 of the financial statements of the Fund for the year ended 30</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over receipts and payments, and bank reconciliations as well as acquisition, disposals, and periodic valuation of investments portfolio. - We obtained independent confirmations for verifying the existence of the bank balances

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

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Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

Date: 28 September 2023

Karachi

UDIN Number: AR202310120KPMg7wx0r

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Assets			
Bank balances	4	574,904,882	2,943,952,385
Investments	5	1,694,974,399	2,445,031,087
Profit receivable	6	95,942,807	104,682,394
Advance, deposit and prepayment	7	4,320,039	4,314,439
Total assets		2,370,142,127	5,497,980,305
Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	8	6,000,633	14,795,283
Payable to Central Depository Company of Pakistan Limited - Trustee	9	287,426	530,588
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	764,952	1,281,373
Accrued and other liabilities	11	9,000,810	28,742,980
Advance against issuance of units - net		100,000	-
Total liabilities		16,153,821	45,350,224
Net assets attributable to the unit holders		2,353,988,306	5,452,630,081
Unit holders' fund (as per the statement attached)		2,353,988,306	5,452,630,081
Contingencies and commitments			
	12	----- (Number of units) -----	
Number of units in issue		22,892,818	53,248,859
		----- (Rupees) -----	
Net asset value per unit		102.8265	102.3990

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 -----
Income			
Profit earned	13	606,252,489	618,777,089
Loss on sale of investments - net		(14,528,872)	(16,766,408)
Unrealised (loss) / gain on revaluation of remeasurement of investments classified as 'fair value through profit or loss' - net	5.6	(24,249,767)	9,453,898
Total income		567,473,850	611,464,579
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	8.1	42,168,630	61,397,993
Sindh sales tax on remuneration of the Management Company	8.2	5,481,923	7,981,738
Allocated expenses	8.4	2,382,653	6,406,920
Selling and marketing expenses	8.5	2,332,629	7,948,974
Remuneration of Central Depository Company of Pakistan - Trustee	9.1	2,868,621	4,805,340
Sindh sales tax on remuneration of the Trustee	9.2	372,923	624,693
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	764,977	1,281,423
Brokerage expense		438,336	351,261
Settlement and bank charges		558,000	847,800
Auditors' remuneration	14	336,493	324,054
Annual listing fee		21,900	21,900
Annual rating fee		220,505	220,705
Printing charges		29,939	47,281
Shariah advisory fee		420,070	420,061
Total expenses		58,397,599	92,680,143
Operational income for the year		509,076,251	518,784,436
Reversal against Sindh Worker's Welfare Fund		-	35,392,564
Net income for the year before taxation		509,076,251	554,177,000
Taxation	16	-	-
Net income for the year after taxation		509,076,251	554,177,000
Allocation of net income for the year after taxation			
Net income for the year after taxation		509,076,251	554,177,000
Income already paid on units redeemed		(262,495,208)	(209,129,475)
		246,581,043	345,047,525
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		246,581,043	345,047,525
		246,581,043	345,047,525

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income for the year after taxation	509,076,251	554,177,000
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>509,076,251</u>	<u>554,177,000</u>

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



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

Chief Executive Officer

Chief Financial Officer

Director

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

	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----			----- (Rupees) -----		
Net assets at the beginning of the year	5,371,566,352	81,063,729	5,452,630,081	5,997,006,631	68,503,658	6,065,510,289
Issuance of 36,924,623 units (2022: 171,792,635 units)						
- Capital value (at net asset value per unit at the beginning of the year)	3,781,044,397	-	3,781,044,397	17,549,528,193	-	17,549,528,193
- Element of income	230,241,109	-	230,241,109	332,168,801	-	332,168,801
Total proceeds on issuance of units	4,011,285,506	-	4,011,285,506	17,881,696,994	-	17,881,696,994
Redemption of 67,280,664 units (2022: 177,919,169 units)						
- Capital value (at net asset value per unit at the beginning of the year)	6,889,472,699	-	6,889,472,699	18,175,386,285	-	18,175,386,285
- Element of income	156,479,205	262,495,208	418,974,413	179,464,910	209,129,475	388,594,385
Total payments on redemption of units	(7,045,951,904)	(262,495,208)	(7,308,447,112)	(18,354,851,195)	(209,129,475)	(18,563,980,670)
Total comprehensive income for the year	-	509,076,251	509,076,251	-	554,177,000	554,177,000
Distributions made (refer note 23)	(74,043,272)	(236,513,148)	(310,556,421)	(152,286,078)	(332,487,454)	(484,773,532)
Net assets at the end of the year	2,262,856,682	91,131,624	2,353,988,306	5,371,566,352	81,063,729	5,452,630,081
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		71,609,831			54,664,103	
- Unrealised income		9,453,898			13,839,555	
		<u>81,063,729</u>			<u>68,503,658</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		246,581,043			345,047,525	
		<u>246,581,043</u>			<u>345,047,525</u>	
Distributions made		(236,513,148)			(332,487,454)	
Undistributed income carried forward		<u>91,131,624</u>			<u>81,063,729</u>	
Undistributed income carried forward						
- Realised income		115,381,391			71,609,831	
- Unrealised (loss) / gain		(24,249,767)			9,453,898	
		<u>91,131,624</u>			<u>81,063,729</u>	
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		<u>102.3990</u>			<u>102.1555</u>	
Net asset value per unit at the end of the year		<u>102.8265</u>			<u>102.3990</u>	

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		509,076,251	554,177,000
Adjustments for:			
Unrealised loss / (gain) on revaluation of investments classified as 'fair value through profit or loss' - net		24,249,767	(9,453,898)
Reversal for Sindh Workers' Welfare Fund		-	(35,392,564)
		<u>533,326,018</u>	<u>509,330,539</u>
Decrease / (increase) in assets			
Investments - net		725,806,921	880,080,786
Advance, deposit and prepayment		(5,600)	(5,731)
Profit receivable		8,739,587	52,987,090
		<u>734,540,908</u>	<u>933,062,145</u>
(Decrease) / increase in liabilities			
Payable to Alfalah Asset Management Limited - Management Company		(8,794,650)	2,079,810
Payable to Central Depository Company of Pakistan Limited - Trustee		(243,162)	53,044
Annual fee payable to the Securities and Exchange Commission of Pakistan		(516,421)	(244,368)
Advance against issuance of units - net		100,000	-
Accrued and other liabilities		(19,742,170)	4,676,334
		<u>(29,196,403)</u>	<u>6,564,820</u>
Net cash flows generated from operating activities		<u>1,238,670,523</u>	<u>1,448,957,503</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units - net of refund of capital		3,937,242,234	17,729,410,916
Payments made against redemption of units		(7,308,447,112)	(18,563,980,670)
Dividend paid		(236,513,148)	(320,919,577)
Net cash flows used in financing activities		<u>(3,607,718,026)</u>	<u>(1,155,489,331)</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(2,369,047,503)</u>	<u>293,468,172</u>
Cash and cash equivalents at beginning of the year		2,943,952,385	2,650,484,213
Cash and cash equivalents at end of the year	4	<u>574,904,882</u>	<u>2,943,952,385</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Islamic Income Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, between IGI Funds Limited (Former Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee on July 3, 2008, the management rights of the Fund were transferred from the former Management Company to Alfalah Asset Management Limited [formerly Alfalah GHP Investment Management Limited] (the Management Company) by order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013 of the Securities and Exchange Commission of Pakistan (SECP). The SECP has approved the first, second and third Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SEC/NBFC-II/DD/IGIII&GF/782/2008, No. SCD/NBFC-II/AD/IGI/INF/791/2009, No. SCD/AMCW/AGISF/240/2015 dated September 19, 2008, August 19, 2009 and February 03, 2015, respectively to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Fund (formerly IGI Income Fund).

After promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan, the abovementioned Trust Deeds have been registered under the Sindh Trust Act on 13 September, 2021.

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

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

1.4 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificates of investment, Musharika and Morabaha arrangements and debt securities. The investment objectives and policy are explained in the Fund's offering document.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2023 (2022: AM2++ (stable outlook) on August 31, 2022) and AA-(f) to the Fund in its credit rating report dated April 13, 2023 (2022: AA-(f) on April 8, 2022).

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

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

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

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

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

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

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

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of investments (notes 3.3.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund
- iii. Provision against Federal Excise Duty (note 8.3)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.2 Impairment

3.3.2.1 Impairment other than debt securities

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

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

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

3.3.2.2 Impairment on debt securities

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

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

Deferred

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Income on debt securities and Government securities is recognised on a time proportion basis using the effective yield method.
- Profit income on bank balances is recognised on an accrual basis.

3.13 Expenses

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

3.14 Earnings per unit

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

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

3.15 Foreign currency translation

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

	Note	2023 (Rupees)	2022 (Rupees)
4 BANK BALANCES			
Savings accounts	4.1	574,894,882	2,943,952,385
Current accounts		10,000	-
		<u>574,904,882</u>	<u>2,943,952,385</u>

4.1 These carry Profit Rates ranging between 8.5% to 21% (2022: 3.20 to 15.20%) per annum and include bank balance of Rs. 8.86 million (2022: Rs 52.73 million) maintained with Bank Alfalah (a related party).

	Note	2023 (Rupees)	2022 (Rupees)
5 INVESTMENTS			
At 'fair value through profit or loss'			
Sukuk certificates	5.1	880,334,699	1,793,514,618
Short term sukuk certificates	5.2	175,000,000	250,000,000
Islamic Commercial papers	5.3	-	348,416,346
Government of Pakistan Ijara Sukuks	5.4	639,639,700	64,668,000
		<u>1,694,974,399</u>	<u>2,456,598,964</u>

5.1 Sukuk certificates

Name of the investee company	Profit payments / principal redemption	Profit rate	Maturity date	As at July 1, 2022	Purchased during the year	Matured / sold during the year	As at June 30, 2023	Balances as at June 30, 2023			Market value as a percentage of		Investment as percentage of issue size
								Carrying value	Market value	Unrealised gain	Net Assets	Total Investments	
							(Number of certificates)	(Rupees)			(%)		
COMMERCIAL BANKS													
Meezan Bank Limited [(AA+, VIS, Face value Rs.1,000,000) (2022 : AA+, VIS , Face value Rs. 1,000,000)]	Semi-annually / bullet payment at maturity	6 Months KIBOR + 0.90%	Jan 09, 2030	158	-	-	158	164,320,000	158,800,967	(5,519,033)	6.75%	9.37%	3.97%
Dubai Islamic Bank Pakistan Limited [(AA-, VIS Face value Rs. 1,000,000) (2022 : AA-, VI , Face value Rs. 1,000,000)]	Semi-annually / bullet payment at maturity	6 Months KIBOR + 0.50%	Feb 12, 2032	-	222	-	222	222,000,000	222,304,222	304,222	9.44%	13.12%	5.56%
POWER GENERATION & DISTRIBUTION													
The Hub Power Company Limited [(AA+, PACRA, Face value Rs. 25,000) (2022 : AA+, PACRA , Face value Rs. 75,000)]	Quarterly	3 Months KIBOR + 1.9%	22-Aug-23	4,475	70	200	4,345	125,624,363	108,948,359	(16,676,003)	4.63%	6.43%	1.56%
Hub Power Holdings Limited [(AA+, PACRA, Face value Rs. 100,000) (2022: AA+, PACRA, Face value Rs. 100,000)]	Semi-annually	6 Month KIBOR + 2.5%	Nov 12, 2025	235	-	-	235	19,377,752	24,118,050	4,740,298	1.02%	1.42%	0.54%
Engro Powergen Thar (Private) Limited [(AA-, PACRA, Face value Rs. 100,000) (2022: A, PACRA ,Face value Rs. 100,000)]	Quarterly	3 Months KIBOR + 1.10%	Aug 02, 2024	9,600	-	-	9,600	38,691,696	36,369,171	(2,322,525)	1.55%	2.15%	1.21%
Pakistan Energy Sukuk II [(AAA, PACRA) (Face value Rs. 5,000) (2022: AAA, PACRA Face value Rs. 5,000)*]	Semi-annually	6 Months KIBOR - 0.1%	May 25, 2030	85,600	-	62,600	23,000	115,805,000	115,023,000	(782,000)	4.89%	6.79%	0.06%
ENGINEERING													
Mughal Iron & Steel Industries Limited [(A+, PACRA, Face value Rs. 687,500) (2022: A+, PACRA, Face value Rs. 937,500)]	Quarterly	3 Months KIBOR + 1.3%	Mar 2, 2026	250	10	20	240	168,268,250	165,000,000	(3,268,250)	7.01%	9.73%	5.50%

Name of the investee company	Profit payments / principal redemption	Profit rate	Maturity date	As at July 1, 2022	Purchased during the year	Matured / sold during the year	As at June 30, 2023	Balances as at June 30, 2023			Market value as a percentage of		Investment as percentage of issue size
								Carrying value	Market value	Unrealised gain	Net Assets	Total Investments	
MISCELLANEOUS													
Pakistan International Corporation Limited	Quarterly / Monthly	3 Months KIBOR + 0.50%	Jul, 26 2031	41,000	-	41,000	-	-	-	-	-	-	-
K-Electric [(AA, PACRA, Face value Rs. 4,250) (2022: AA, PACRA, Face value Rs. 5,000)]	Quarterly / Monthly	3 Months KIBOR + 0.50%	Aug, 03 2027	2,200	9,300	-	11,500	49,726,105	49,770,929	44,824	2.11%	2.94%	1.76%
Total as at June 30, 2023								903,813,166	880,334,699	(23,478,466)	37.40%	51.94%	
Total as at June 30, 2022								1,783,610,220	1,793,514,618	9,904,397	37.06%	73.01%	

* These investments have been carried at cost as they were not valued by MUFAP as at June 30, 2023.

5.2 Short Term Sukuks

Name of the investee company	Profit rate	Date of Maturity	As at July 01, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as percentage of		
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments	
												(Number of certificates)
K-electric [(A1+, PACRA) (2022: A1+, PACRA)]	6 Months KIBOR + 1.5%	12-Oct-22	250,000,000	7,000,000	257,000,000	-	-	-	-	-	-	-
K-electric STS 13 [(A1+, PACRA) (2022: A1+, PACRA)]	6 Months KIBOR + 1.5%	9-Aug-23	-	172,000,000	172,000,000	-	-	-	-	-	-	-
K-electric STS 16 [(A1+, PACRA) (2022: A1+, PACRA)]	6 Months KIBOR + 1.5%	11-Oct-23	-	25,000,000	-	25,000,000	25,000,000	25,000,000	-	1.06%	1.47%	
Lucky Electric Power Company [(A1+, PACRA) (2022: A1+, PACRA)]	6 Months KIBOR + 1.5%	14-Mar-23	-	150,000,000	150,000,000	-	-	-	-	-	-	-
ABHI (PRIVATE) LIMITED [(A1+, PACRA) (2022: A1+, PACRA)]	6 Months KIBOR + 1.5%	13-Nov-23	-	150,000,000	-	150,000,000	150,000,000	150,000,000	-	6.37%	8.85%	
Total as at June 30, 2023			250,000,000	504,000,000	579,000,000	175,000,000	175,000,000	175,000,000	-	7.43%	10.32%	
Total as at June 30, 2022			-	-	-	250,000,000	250,000,000	250,000,000	-	4.58%	10.18%	

5.3 Islamic Commercial Papers

Name of the investee company	Profit rate	As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June 30, 2023		Market value as a percentage of	
						Carrying Value	Market Value	Net Assets	Total Investments
Lucky Electric Power Company Limited	6 Months KIBOR + 0.10%	350	-	350	-	-	-	-	-
Total as at June 30, 2023									
Total as at June 30, 2022						348,416,346	348,416,346	6.39%	14.18%

5.4 Government of Pakistan (GOP) Ijara Sukuks (face value of Rs. 100,000/- each)

Name of the investee company	Yield per annum	Issue date	Maturity date	As at July 01, 2022	Purchased during the year	Matured / sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain	Market value as a percentage of	
											Net Assets	Total Investments
GOP Ijara Sukuk - 05 years	6.27%	9-Dec-20	9-Dec-25	600	-	-	600	59,868,000	59,826,000	(42,000)	2.54%	3.53%
GOP Ijara Sukuk - 05 years	6.27%	15-Dec-21	15-Dec-26	50	-	-	50	4,800,000	4,504,000	(296,000)	0.19%	0.27%
GOP Ijara Sukuk - 05 years	17.65%	29-Jul-20	29-Jul-25	-	4,340	1,340	3,000	298,710,000	298,200,000	(510,000)	12.67%	17.59%
GOP Ijara Sukuk - 05 years	14.60%	29-May-20	29-May-25	-	3,640	3,640	-	-	-	-	-	-
GOP Ijara Sukuk - 01 years	22.29%	17-Apr-23	17-Apr-24	-	4,480	3,060	1,420	142,015,500	142,085,200	69,700	6.04%	8.38%
GOP Ijara Sukuk - 05 years	22.67%	22-May-23	22-May-24	-	5,360	5,010	350	35,017,500	35,024,500	7,000	1.49%	2.07%
GOP Ijara Sukuk - 01 years	21.29%	26-Jun-23	26-Jun-24	-	1,000	-	1,000	100,000,000	100,000,000	-	4.25%	5.90%
GOP Ijara Sukuk - 03 years	21.79%	26-Jun-23	26-Jun-26	-	500	500	-	-	-	-	-	-
Total as at June 30, 2023								640,411,000	639,639,700	(771,300)	27.18%	37.74%
Total as at June 30, 2022								65,118,500	64,668,000	(450,500)	1.19%	2.64%

5.5 Term Deposit Receipts

Name of investee company	Maturity date	Profit rate	Face value				Market Value as at June 30, 2023	Market value as a percentage of	
			As at July 01, 2022	Purchased during the period	Matured during the period	As at June 30, 2023		net assets of the Fund	total investments of the Fund
Bank Alfalah Limited	August 30, 2022	14.70%	-	500,000,000	500,000,000	-	-	-	-
Bank Alfalah Limited	September 13, 2022	15.20%	-	400,000,000	400,000,000	-	-	-	-
Bank Alfalah Limited	October 13, 2022	15.35%	-	500,000,000	500,000,000	-	-	-	-
Bank Alfalah Limited	November 14, 2022	15.15%	-	200,000,000	200,000,000	-	-	-	-
Bank Alfalah Limited	January 3, 2023	16.00%	-	100,000,000	100,000,000	-	-	-	-
Total as at June 30, 2023			-	1,700,000,000	1,700,000,000	-	-	-	-
Total as at June 30, 2022			-	-	-	-	-	-	-

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

	Note	2023 ----- (Rupees) -----	2022 -----
Market value of investments at year end		1,694,974,399	2,456,598,964
Less: Carrying value of investments at year end		(1,719,224,166)	(2,447,145,066)
		(24,249,767)	9,453,898

6 PROFIT RECEIVABLE

Profit receivable on:			
- Bank balances		21,032,516	43,832,168
- Sukuk certificates		44,988,916	60,446,959
- GOP Ijara Sukuks		29,921,375	403,267
		95,942,807	104,682,394

7 ADVANCE, DEPOSIT AND PREPAYMENT

Advance:			
Advance tax	7.1	4,202,767	4,202,767
Deposit:			
Security deposit with Central Depository Company of Pakistan Limited - Trustee		100,000	100,000
Prepayment:			
Annual listing fee		17,272	11,672
		4,320,039	4,314,439

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

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

8 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2023	2022
		----- (Rupees) -----	
Management remuneration payable	8.1	2,517,582	7,007,580
Sindh sales tax payable on management remuneration	8.2	296,887	874,404
Sindh sales tax payable on federal excise duty management remuneration	8.3	99,601	99,601
Federal excise duty on management remuneration	8.3	779,745	779,745
Payable against allocated expenses	8.4	1,046,161	3,136,199
Selling and marketing expenses	8.5	1,255,206	2,895,129
Sales load payable to management company		5,451	2,625
		6,000,633	14,795,283

8.1 During the year, the Management Company has charged remuneration at the rate of 10% (2022: 10%) of the gross earnings of the Fund calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the offering document, provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Fund. Remuneration was charged on similar basis during the year ended June 30, 2023.

8.2 During the year, an amount of Rs. 5.5 million (2022: Rs. 7.98 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 6.099 million (2022: Rs. 7.66 million) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED is not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 11.40 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2023 would have been higher by Rs 0.03 per unit (2022: Rs 0.01 per unit).

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

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

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

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		----- (Rupees) -----	
Trustee remuneration payable	9.1	214,018	429,208
Sindh sales tax payable on trustee remuneration	9.2	73,408	101,380
		287,426	530,588

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration is payable to the trustee at the rate of 0.17% (2022: 0.17%) per annum of the net assets of the Fund.

9.2 During the year, an amount of Rs. 0.37 million (2022: Rs. 0.63 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.31 million (2022: Rs. 0.58 million) was paid to the Trustee which acts as a collecting agent.

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

Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Annual fee payable to the SECP	10.1 <u>764,952</u>	<u>1,281,373</u>

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Under the provisions of NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay as annual fee to the Securities and Exchange Commission of Pakistan (SECP), an amount equal to 0.02% (2022: 0.02%) of the average net assets of the Fund.

11 ACCRUED AND OTHER LIABILITIES

	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Withholding tax and capital gain tax payable	4,356,218	10,854,811
Sales load payable	1,398,916	13,833,015
Brokerage charges	153,222	1,547,725
Auditors' remuneration	218,798	491,624
Annual rating fee	252,946	325,999
Shariah advisory fee	489,350	421,280
Printing charges	175,395	204,226
Settlement charges	<u>1,955,965</u>	<u>1,064,301</u>
	<u>9,000,810</u>	<u>28,742,981</u>

12 CONTINGENCIES AND COMMITMENTS

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

13 PROFIT EARNED

	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Profit on:		
- GoP ijara sukuks	116,903,142	81,982,601
- Sukuk certificates	249,376,839	223,201,964
- Commercial papers	1,285,390	83,090,984
- Bank balances	221,818,338	208,457,643
- Term deposit receipts	16,868,780	14,589,765
- Bai Muajjal	-	7,454,132
	<u>606,252,489</u>	<u>618,777,089</u>

14 AUDITORS' REMUNERATION

Audit fee	177,381	161,255
Review and other certifications	93,124	84,658
Out of pocket expenses	41,063	46,172
Sindh sales tax	<u>24,925</u>	<u>31,969</u>
	<u>336,493</u>	<u>324,054</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.29% (2022: 1.45) which includes 0.08% (2022: 0.15%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% (2022: 2.5%) (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

16 TAXATION

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

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

17 NON SHARIAH COMPLIANT INCOME

According to the instructions of the Shariah Advisor, if any income is earned by the Fund from the investments whereby a portion of income of such investees has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2023, no such income is earned.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

18.1 Unit Holders' Fund

	2023									
	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023
	(Units)					(Rupees)				
Associated companies / undertakings										
Alfalah Asset Management Limited	22	3	-	-	25	2,529	-	276	-	2,540
Bank Alfalah Limited	-	-	-	-	-	-	-	-	-	-
Alfalah GHP Islamic Prosperity Planning Fund	6,292,632	2,224,453	156,360	7,431,256	1,242,189	644,359,202	237,271,503	16,011,094	801,400,071	127,729,952
Key Management Personnel										
Chief Executive Officer	-	67,405	-	67,405	-	-	7,578,021	-	7,776,538	-
Vice President - IT	8,033	-	983	5	9,011	822,595	-	100,628	500	926,598
Senior Vice President - IAS	6	-	1	-	7	614	-	80	-	698
Head of HR	11	-	1	-	12	1,105	-	77	-	1,245
	6,300,704	2,291,861	157,345	7,498,665	1,251,244	645,186,045	244,849,524	16,112,155	809,177,109	128,661,032

2022										
As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022	
(Units)					(Rupees)					
Associated companies / undertakings										
Alfalah Asset Management Limited	21	-	1	-	22	2,252	-	131	2,257	
Bank Alfalah Limited	-	-	-	-	-	-	-	-	-	
Alfalah GHP Islamic Prosperity Planning Fund	3,504,369	4,353,653	411,885	2,937,067	5,332,840	544,777,855	449,069,818	59,346,224	303,350,000	546,077,468
Key Management Personnel										
Chief Executive Officer	-	2	-	-	2	232	233	14	-	233
Vice President - IT	1,083	7,713	334	1,097	8,033	820,638	800,100	34,098	112,430	822,595
Senior Vice President - IAS	6	-	-	-	6	613	-	609	45	614
Head of HR	10	-	1	-	11	1,102	-	77	-	1,105
	<u>3,505,489</u>	<u>4,361,368</u>	<u>412,221</u>	<u>2,938,164</u>	<u>5,340,914</u>	<u>545,602,692</u>	<u>449,870,151</u>	<u>59,381,153</u>	<u>303,462,475</u>	<u>546,904,272</u>

	2023	2022
	(Rupees)	
18.2 Other transactions		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Remuneration of the Management Company	42,168,630	61,397,993
Sindh sales tax on remuneration of the Management Company	5,481,923	7,981,738
Allocated expenses	2,382,653	6,406,920
Selling and marketing expenses	2,332,629	7,948,974
Sales load	82,947	393,423
Bank Alfalah Limited		
Profit on bank balances	1,478,080	-
Bank charges	2,335,855	1,377,613
Bank charges	55,000	25,000
Sales load	16,133,847	10,798,428
Alfalah GHP Islamic Rozana Amdani		
Short Term Sukuk -purchased	-	450,000,000
Alfalah GHP Income Fund		
Sukuk certificates - purchased	-	25,592,500
Alfalah GHP Sovereign Fund		
GOP Ijara sukuk certificates - purchased	-	51,185,000
Alfalah GHP Money Market Fund		
K-Electric Limited STS -13 -Sold	172,000,000	-
CDC-Trustee AISRF - Alfalah Islamic Stable Return Plan I		
GOP Ijara Sukuk purchases	1,000,500	-
Alfalah GHP Islamic Pension Fund -Money Market		
GOP Ijara sukuk certificates - Sold	20,390,344	-
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,868,621	4,805,340
Sindh sales tax on remuneration of the Trustee	372,923	624,693

	2023	2022
	----- (Rupees) -----	
18.3 Other balances		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	2,517,582	7,007,580
Sindh sales tax payable on management remuneration	296,887	974,005
Federal excise duty on management remuneration	779,745	779,745
Payable against allocated expenses	1,046,161	3,136,199
Selling and marketing expenses	1,255,206	2,895,129
Sales load payable to management company	5,451	2,625
Bank Alfalah Limited		
Bank balance	57,407,936	52,725,295
Profit receivable	2,188,039	2,164,016
Sale load payable	1,398,916	13,833,015
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	214,018	429,208
Sindh sales tax payable on trustee remuneration	73,408	101,380
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

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

Particulars	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	574,904,882	-	574,904,882
Investments	-	1,694,974,399	1,694,974,399
Profit receivable	95,942,807	-	95,942,807
Advance, deposit and prepayment	117,272	-	117,272
	<u>670,964,961</u>	<u>1,694,974,399</u>	<u>2,365,939,360</u>
Financial Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	6,000,633	-	6,000,633
Payable to Central Depository Company of Pakistan Limited - Trustee	287,426	-	287,426
Accrued and other liabilities	4,644,592	-	4,644,592
	<u>10,932,651</u>	<u>-</u>	<u>10,932,651</u>
Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	2,943,952,385	-	2,943,952,385
Investments	-	2,456,598,964	2,456,598,964
Profit receivable	104,682,394	-	104,682,394
Advance, deposit and prepayment	100,000	-	100,000
	<u>3,048,734,779</u>	<u>2,456,598,964</u>	<u>5,505,333,743</u>

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Financial Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	14,795,283	-	14,795,283
Payable to Central Depository Company of Pakistan Limited - Trustee	530,588	-	530,588
Accrued and other liabilities	4,055,153	-	4,055,153
Other Liabilities	11,567,877	-	11,567,877
	<u>30,948,901</u>	<u>-</u>	<u>30,948,901</u>

20 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

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

20.1 Market risk

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

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

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

20.1.1 Currency risk

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

20.1.2 Yield / profit rate risk

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

	2023	2022
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	574,904,882	2,943,952,385
Sukuk certificates	880,334,699	1,793,514,618
Commercial papers	-	348,416,346
GOP Ijara Sukuks	362,535,841	59,868,000
	<u>1,817,775,422</u>	<u>5,145,751,349</u>
Fixed rate instruments (financial assets)		
GOP Ijara Sukuks	277,103,859	4,800,000
	<u>277,103,859</u>	<u>4,800,000</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 18.18 million (2022: Rs. 51.46 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 2.77 million (2022: Rs. 0.048 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

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

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

Particulars	2023					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and upto one	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	8.5% - 21%	574,904,882	-	-	-	574,904,882
Investments	15.48% - 22.9%	-	-	1,694,974,399	-	1,694,974,399
Profit receivable		-	-	-	95,942,807	95,942,807
Advance, deposit and prepayment		-	-	-	117,272	117,272
Sub total		574,904,882	-	1,694,974,399	96,060,079	2,365,939,360

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company		-	-	-	6,000,633	6,000,633
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	287,426	287,426
Accrued and other liabilities		-	-	-	4,644,592	4,644,592
Sub total		-	-	-	10,932,651	10,932,651

On-balance sheet gap

574,904,882 - 1,694,974,399 85,127,428 2,355,006,709

Total profit rate sensitivity gap

574,904,882 - 1,694,974,399 85,127,428 2,355,006,709

Cumulative profit rate sensitivity gap

574,904,882 574,904,882 2,269,879,281

Particulars	2022					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and upto one	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	5.50% - 7.09%	2,943,952,385	-	-	-	2,943,952,385
Investments	6.27% - 9.36%	641,693,384	941,279,858	-	64,668,000	1,647,641,242
Profit receivable		-	-	-	104,682,394	104,682,394
Advance, deposit and prepayment		-	-	-	100,000	100,000
Sub total		3,585,645,769	941,279,858	-	169,450,394	4,696,376,021

Financial liabilities

Payable to Alfalah Asset Management Limited - Management Company		-	-	-	14,795,283	14,795,283
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	530,588	530,588
Accrued and other liabilities		-	-	-	4,055,153	4,055,153
Other liabilities		-	-	-	11,567,877	11,567,877
Sub total		-	-	-	30,948,901	30,948,901

On-balance sheet gap

3,585,645,769 941,279,858 - 138,501,493 4,665,427,120

Total profit rate sensitivity gap

3,585,645,769 941,279,858 - 138,501,493 4,665,427,120

Cumulative profit rate sensitivity gap

3,585,645,769 4,526,925,627 4,526,925,627

20.1.3 Price risk

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

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

20.2 Credit risk

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

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

20.2.1 Exposure to credit risk

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	574,904,882	574,904,882	2,943,952,385	2,943,952,385
Investments	1,694,974,399	1,055,334,699	2,445,031,087	2,380,363,087
Profit receivable	95,942,807	66,021,432	104,682,394	104,279,127
Advance, deposit and prepayment	117,272	117,272	100,000	100,000
	2,365,939,360	1,696,378,285	5,493,765,866	5,428,694,599

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities including profit receivable of Rs. 669.56 million (2022: Rs 65.07 million) are not exposed to credit risk.

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

20.2.2 Bank balances

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

Bank name	Rating agency	Rating (Short Term / Long Term)	2023	2022	2023	2022
			Percentage of total bank balances		Percentage of total profit receivable on saving balances	
Soneri Bank Limited	PACRA	A1+/AA-	0.0013%	0.07%	0.00%	0.00%
Bank Alfalah Limited	PACRA	A1+/AA+	1.52%	1.79%	2.28%	4.03%
MCB Bank Limited	PACRA	A1+/AAA	0.03%	0.01%	4.48%	3.89%
Habib Bank Limited	VIS	A-1+/AAA	0.002%	0.04%	0.27%	0.08%
Dubai Islamic Bank Limited	VIS	A-1+ / AA	0.06%	0.28%	0.96%	1.12%
Bank Islami Pakistan Limited	PACRA	A1+/AAA	1.81%	0.36%	2.68%	0.59%
National Bank of Pakistan	PACRA	A1+/AAA	0.10%	0.20%	0.00%	0.00%
Allied Bank Limited	PACRA	A1+/AAA	0.14%	70.61%	0.62%	23.12%
Meezan Bank Limited	VIS	A-1+/AAA	0.01%	0.00%	0.02%	0.02%
Habib Metropolitan Bank	PACRA	A1+/AA+	0.02%	0.04%	0.22%	0.19%
Faysal Bank Limited	PACRA	A1+/AA	27.87%	14.72%	5.59%	2.84%
Al Baraka	VIS	A+ / A-1	68.33%	11.88%	3.87%	5.99%
Bank Al Habib Limited	PACRA	A1+/AAA	0.11%	0.00%	0.33%	0.00%
U-Microfinance Bank Limited	PACRA	A1+/AA-	0.01%	0.00%	0.60%	0.00%
			100.00%	100.00%	21.92%	41.87%

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

Investments

The Fund held investments in sukuk certificates with entities having following credit ratings:

Entity name	Rating agency	Rating (Short Term / Long Term)	2023	2022	2023	2023
			Percentage of investments		Percentage of profit receivable on investments	
Meezan Bank Limited	VIS	A-1+ / AAA	9.36%	6.69%	13.97%	8.40%
Engro Powergen Thar (Private) Limited	PACRA	A1 / AA-	2.15%	2.06%	1.43%	1.11%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA-	13.10%	13.29%	4.06%	15.54%
Hub Power Company Limited	PACRA	A1+ / AA+	7.80%	15.16%	3.80%	7.48%
Mughal Iron & Steel Industries Limited	VIS	A-2 / A+	9.73%	9.68%	3.10%	2.70%
K-Electric Limited	PACRA	A1+ / AA	2.94%	10.63%	3.25%	7.24%
Pakistan Energy Sukuk II	PACRA	A1+ / AAA	6.79%	0.00%	2.88%	5.98%
			51.87%	57.53%	32.48%	48.45%

This excludes investments made by the Fund in Government securities namely GoP Ijara Sukuks.

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

20.2.4 Concentration of credit risk

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

20.3 Liquidity risk

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

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

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

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

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

2023	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	With no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	574,904,882	-	-	-	-	574,904,882
Investments	-	-	-	1,694,974,399	-	1,694,974,399
Profit receivable	-	-	95,942,807	-	-	95,942,807
Advance, deposit and prepayment	-	-	-	-	100,000	100,000
	574,904,882	-	95,942,807	1,694,974,399	100,000	2,365,922,088
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	6,000,633	-	-	-	-	6,000,633
Payable to Central Depository Company of Pakistan Limited - Trustee	287,426	-	-	-	-	287,426
Accrued and other liabilities	4,644,592	-	-	-	-	4,644,592
	10,932,651	-	-	-	-	10,932,651
Net assets	563,972,231	-	95,942,807	1,694,974,399	100,000	2,354,989,437

2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	With no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	2,943,952,385	-	-	-	-	2,943,952,385
Investments	-	348,416,346	430,996,000	1,427,186,618	-	2,206,598,964
Profit receivable	43,832,168	-	60,850,226	-	-	104,682,394
Advance, deposit and prepayment	-	-	-	-	100,000	100,000
	2,987,784,553	348,416,346	491,846,226	1,427,186,618	100,000	5,255,333,743
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	14,795,283	-	-	-	-	14,795,283
Payable to Central Depository Company of Pakistan Limited - Trustee	530,588	-	-	-	-	530,588
Accrued and other liabilities	4,055,153	-	-	-	-	4,055,153
Other liabilities	11,567,877	-	-	-	-	11,567,877
	30,948,901	-	-	-	-	30,948,901
Net assets	<u>2,956,835,652</u>	<u>348,416,346</u>	<u>491,846,226</u>	<u>1,427,186,618</u>	<u>100,000</u>	<u>5,224,384,842</u>

20.4 Fair value measurement

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

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

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	2023			
	Level 1	Level 2	Level 3	Total
(Rupees)				
At fair value through profit or loss				
Sukuk certificates	-	880,334,699	-	880,334,699
Short term sukuk certificates	-	175,000,000	-	175,000,000
GOP Ijara Sukuks	-	639,639,700	-	639,639,700
	-	<u>1,694,974,399</u>	-	<u>1,694,974,399</u>
	2022			
	Level 1	Level 2	Level 3	Total
(Rupees)				
At fair value through profit or loss				
Sukuk certificates	-	1,793,514,618	-	1,793,514,618
Short term sukuk certificates	-	250,000,000	-	250,000,000
Commercial papers*	-	348,416,346	-	348,416,346
GOP Ijara Sukuks	-	64,668,000	-	64,668,000
	-	<u>2,456,598,964</u>	-	<u>2,456,598,964</u>

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

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

20.5 Unit holder's fund management

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

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

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

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

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

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

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22 GENERAL

22.1 Figures are rounded off to the nearest rupee.

22.2 Corresponding figures have been rearranged, reclassified or additionally incorporated in the financial statements, wherever necessary, to facilitate comparison and to conform with the changes in presentation. No significant rearrangements or reclassifications were made in these financial statements.

23 DISTRIBUTIONS MADE

Particulars	Date of distribution	Per unit distribution	Capital value	Undistributed income
Interim distribution for the year ended June 30, 2023	23-Jun-23	14.7455	74,043,272	236,513,148
For the year ended June 30, 2023			74,043,272	236,513,148
1st interim distribution for the year ended June 30, 2022	29-Jul-21	0.4604	2,842,260	23,163,262
2nd interim distribution for the year ended June 30, 2022	26-Aug-21	1.0816	14,334,193	44,645,877
3rd interim distribution for the year ended June 30, 2022	29-Sep-21	0.7789	11,054,367	33,539,721
4th interim distribution for the year ended June 30, 2022	29-Oct-21	0.5831	10,002,715	28,117,915
5th interim distribution for the year ended June 30, 2022	27-Nov-21	0.4187	6,922,634	19,924,184
6th interim distribution for the year ended June 30, 2022	28-Dec-21	0.7300	6,566,870	39,899,498
7th interim distribution for the year ended June 30, 2022	24-Jun-22	4.7082	100,563,039	143,196,997
For the year ended June 30, 2022			152,286,078	332,487,454

24 DATE OF AUTHORISATION FOR ISSUE

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

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	3999	15,794,492	1,624,092,826	69%
Insurance Co.	19	724,417	74,489,292	3%
Retirement & Other Funds	59	4,059,424	417,416,379	18%
Others	79	2,314,479	237,989,809	10%
	4156	22,892,812	2,353,988,306	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	2049	37,824,791	3,873,220,832	71%
Insurance Co.	7	2,663,653	272,755,386	5%
Retirement & Other Funds	16	1,986,385	203,403,863	4%
Others	61	10,774,031	1,103,250,000	20%
	2133	53,248,860	5,452,630,081	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023
	%
Next Capital Limited	18.18%
BIPL Securities Limited	49.84%
Continental Exchange (Pvt.) Limited	4.45%
Summit Capital (Private) Limited	6.12%
AKD Securities Limited	21.40%
	30 June 2022
	%
Bright Capital (Pvt.) Limited	32.27%
JS Global Capital (Pvt) Limited	23.81%
Next Capital Limited	21.46%
C & M Capital	7.85%
Paramount Capital Limited	3.87%
Vector Capital (Pvt) Limited	3.66%
Invest One Markets Limited	3.36%
Continental Exchange (Pvt.) Limited	2.62%
Magenta Capital (Pvt.) Limited	0.68%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Mr. Khaldoon Bin Latif - CEO

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

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

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

Mr. Ayub Khorro – Chief Investment Officer

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

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

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

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

Mr. Noman Soomro - Chief Operating Officer

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

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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

Mr. Muddasir Ahmed Shaikh -- Head of Equities

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

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

Mr. Mustafa Kamal - Head of Fixed Income

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

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

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

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

Mr. Omar Mukhtar – Head of Risk

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

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

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

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

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

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

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

PERFORMANCE TABLE - AGISIF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
	----- (Rupees in '000) -----				
Net Assets	3,824,729	6,391,206	7,628,686	9,724,629	4,604,327
NAV per unit	102.8265	102.3990	102.1553	102.0298	101.9017
Selling price per unit	103.9884	103.5561	103.3097	103.1827	103.0532
Redemption price per unit	102.8265	102.3990	102.1553	102.0298	101.9017
Highest selling price per unit	118.4682	108.1036	103.8015	108.4693	107.5010
Highest redemption price per unit	117.1445	106.8957	102.6416	107.2573	106.2998
Lowest selling price per unit	103.5910	103.3202	103.1530	103.0741	102.9520
Lowest redemption price per unit	102.4335	102.1657	102.0004	101.9224	101.3135
1st interim distribution per unit	Nil	0.4604	0.05686	2.8076	4.5581
Interim distribution date	N/A	29-Jul-21	29-Jul-20	26-Sep-19	29-Mar-19
2nd interim distribution per unit	Nil	1.0816	0.6052	5.3556	1.4397
Interim distribution date	N/A	26-Aug-21	1-Sep-20	27-Feb-20	29-May-19
3rd interim distribution per unit	Nil	0.7789	0.4775	2.0736	Nil
Interim distribution date	N/A	29-Sep-21	30-Sep-20	5-May-20	N/A
4th interim distribution per unit	Nil	0.5831	0.4672	0.5331	Nil
Interim distribution date	N/A	29-Oct-21	28-Oct-20	29-May-20	N/A
5th interim distribution per unit	Nil	0.4187	0.5375	Nil	Nil
Interim distribution date	N/A	27-Nov-21	28-Nov-20	N/A	N/A
6th interim distribution per unit	Nil	0.73	0.5044	Nil	Nil
Interim distribution date	N/A	28-Dec-21	29-Dec-20	N/A	N/A
7th interim distribution per unit	Nil	Nil	0.4842	Nil	Nil
Interim distribution date	N/A	N/A	28-Jan-21	N/A	N/A
8th interim distribution per unit	Nil	Nil	0.5459	Nil	Nil
Interim distribution date	N/A	N/A	25-Feb-21	N/A	N/A
9th interim distribution per unit	Nil	Nil	0.4654	Nil	Nil
Interim distribution date	N/A	N/A	27-Mar-21	N/A	N/A
10th interim distribution per unit	Nil	Nil	0.6118	Nil	Nil
Interim distribution date	N/A	N/A	30-Apr-21	N/A	N/A
11th interim distribution per unit	Nil	Nil	0.4873	Nil	Nil
Interim distribution date	N/A	N/A	28-May-21	N/A	N/A
Final distribution per unit	14.7455	4.7082	0.4686	0.4669	0.911
Final distribution date	23-Jun-23	24-Jun-22	26-Jun-21	24-Jun-20	30-Jun-19
Annualized returns	14.88%	9.09%	6.40%	11.56%	7.60%
Income distribution	14.40%	8.58%	5.60%	11.03%	6.55%
Weighted avg. portfolio duration	2.50Yrs	1.84Yrs	2.06Yrs	0.56Yrs	1.48Yrs

Return since inception is 8.02%

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



Alfalah
GHP Islamic Stock Fund

FUND INFORMATION

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

Alfalah GHP Islamic Stock Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

The investment objective of Alfalah GHP Islamic Stock Fund (AGISF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds via investments in Shariah Compliant avenues.

Equity Market Review

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

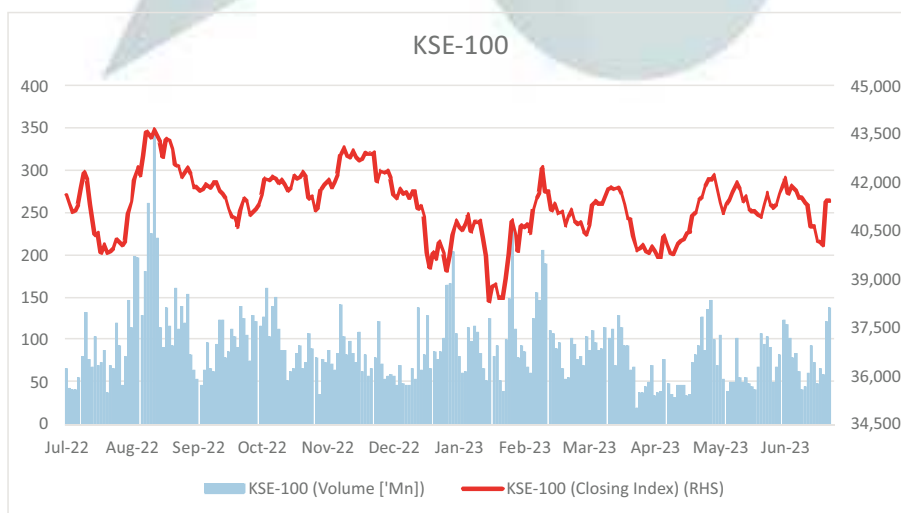
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment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

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

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

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

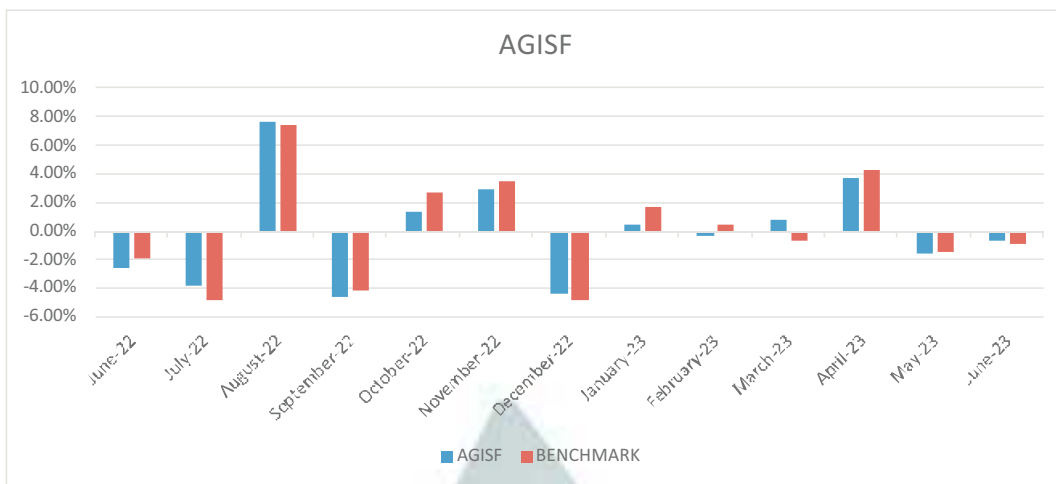
A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double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



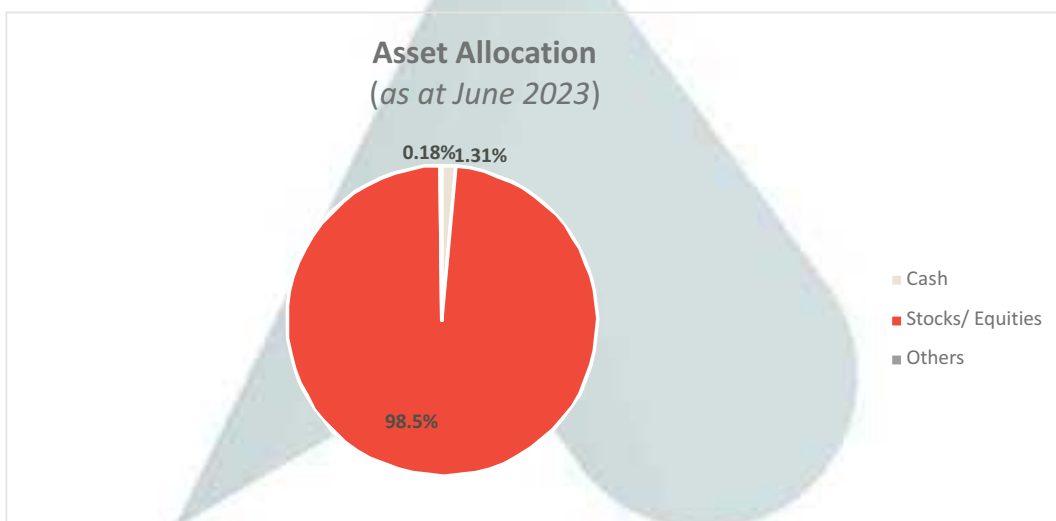
Fund Performance

In FY23, AGISTF earned a return of -0.63% while its benchmark earned a negative return of -0.83% during the same period.

Performance comparison with Benchmark



Asset Allocation



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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

Tel: (92-21) 111-111-000

Fax: (92-21) 34326021 - 23

URL: www.cdc-pakistan.com

Email: info@cdc-pak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC STOCK FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 28, 2023





Alfalah Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT ALFALAH GHP ISLAMIC STOCK FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Stock Fund ('AGISF') managed by Alfalah Asset Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplement Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we provide consent for investment in equities securities based on the Shariah Guidelines during the period from July 1, 2022 to June 30, 2023.

We hereby certify that the investments made by the Funds are in compliance with Shariah principles.

For the Year 2022-23 provision against Charity is made amount to Rs. 2,593,989/- in respect of dividend purification.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalah Asset Management Limited

2nd Floor, Islamic Chamber of Commerce, Industry and Agriculture Building, Block-9, Clifton, Karachi - 75600 Pakistan.
U: +92 (21) 111-090-090 | W: www.alfalahamc.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Stock Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 28, 2023

Mr. Khaldoun Bin Latif
Chief Executive Officer





EY Firm Profile
Chartered Accountants
Progressive Plaza / Gulshan-e-Iqbal
P.O. Box 33541, Karachi 75250
Pakistan

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of **Alfalah GHP Islamic Stock Fund**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of investments</p> <p>The investments (comprised of listed equity securities) represent 98.26% of the Total Assets of the Fund at the year end.</p> <p>In view of the significance of existence and valuation of investments in relation to determination of the Net Asset Value of the Fund, we have considered these to be a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over acquisition, disposals, and periodic valuation of investments portfolio. - We obtained independent confirmations for verifying the existence of the investments as on 30 June 2023. Where such confirmations

Key audit matter	How our audit addressed the key audit matter
<p>Refer to Note 5 of the financial statements of the Fund for the year ended 30 June 2023 in relation to the above referred investments.</p>	<p>were not available, we reviewed custodian statements.</p> <ul style="list-style-type: none"> - We re-performed valuations on investments in accordance with the accounting policy of the Fund. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9. - We assessed the Fund's compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits. - We also evaluated the adequacy of the disclosures in the financial statements regarding the investments in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation





precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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


Chartered Accountants
Date: 28 September 2023
Karachi
UDIN Number: AR202310120RaxrU60qs

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Assets			
Bank balances	4	19,549,324	132,771,615
Investments	5	1,263,758,600	1,312,740,146
Advance and deposits	6	2,653,230	2,653,230
Profit and other receivables	7	220,296	976,494
Total assets		1,286,181,450	1,449,141,485
Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	8	20,187,456	25,664,874
Payable to Central Depository Company of Pakistan Limited - Trustee	9	194,350	227,179
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	263,605	394,724
Payable against purchase of investments		4,793,538	-
Accrued expenses and other liabilities	11	8,480,676	7,541,763
Dividend payable		50,944	1,853
Total liabilities		33,970,569	33,830,393
Net assets attributable to the unit holders		1,252,210,881	1,415,311,092
Unit holders' fund (as per statement attached)		1,252,210,881	1,415,311,092
Contingencies and commitments			
	12	----- (Number of units) -----	
Number of units in issue		33,917,239	38,352,015
		----- (Rupees) -----	
Net asset value per unit		36.9196	36.9032

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 -----
Income			
Profit on bank balances		8,810,995	3,581,937
Gain / (loss) on sale of investments - net		8,229,592	(236,456,714)
Dividend income		113,783,395	117,491,950
Unrealised loss on revaluation of investments classified as 'fair value through profit or loss' - net	5	(53,275,211)	(244,645,113)
Other income		-	16,867
Total income / (loss)		77,548,771	(360,011,073)
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	8.1	26,362,933	39,474,854
Sindh sales tax on remuneration of the Management Company	8.2	3,427,177	5,131,729
Allocated expenses	8.4	6,401,865	13,445,928
Selling and marketing expenses	8.5	17,356,631	23,493,153
Remuneration of Central Depository Company of Pakistan - Trustee	9.1	2,300,210	2,973,763
Sindh sales tax on remuneration of the Trustee	9.2	299,027	386,591
Annual fee to the Securities and Exchange Commission of Pakistan	10	263,630	394,749
Brokerage expense and capital value tax		2,318,577	4,937,717
Bank and settlement charges		151,317	604,695
Auditors' remuneration	13	863,164	839,500
Annual listing fee		27,375	27,500
Printing charges		29,986	30,000
Charity expense	11.1	2,593,989	2,751,905
Shariah advisory fee		600,055	600,000
Total expenses		62,995,937	95,092,084
Operating income / (loss) or the year		14,552,834	(455,103,156)
Reversal for Sindh Workers' Welfare Fund		-	60,312,857
Net profit / (loss) for the year before taxation		14,552,834	(394,790,300)
Taxation	15	-	-
Net income / (loss) for the year after taxation		14,552,834	(394,790,300)
Allocation of net income / (loss) for the year after taxation			
Net income / (loss) for the year after taxation		14,552,834	(394,790,301)
Less: Income already paid on units redeemed		(1,320,529)	-
		13,232,305	(394,790,301)
Accounting income available for distribution			
- Relating to capital gains		1,320,529	-
- Excluding capital gains		11,911,776	-
		13,232,305	-

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income / (loss) for the year after taxation	14,552,834	(394,790,300)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive income / (loss) for the year	<u>14,552,834</u>	<u>(394,790,300)</u>

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.



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

Chief Executive Officer

Chief Financial Officer

Director

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

	2023			2022		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the year	2,098,139,024	(682,827,932)	1,415,311,092	2,612,659,578	(288,037,631)	2,324,621,947
Issuance of 13,340,044 units (2022: 35,177,227 units)						
- Capital value (at net asset value per unit at the beginning of the year)	492,290,312	-	492,290,312	1,596,229,995	-	1,596,229,995
- Element of income	10,164,831	-	10,164,831	(69,060,276)	-	(69,060,276)
Total proceeds on issuance of units	502,455,143	-	502,455,143	1,527,169,719	-	1,527,169,719
Redemption of 17,774,824 units (2022: 48,054,569 units)						
- Capital value (at net asset value per unit at the beginning of the year)	655,947,885	-	655,947,885	2,180,562,575	-	2,180,562,575
- Element of income	7,776,289	1,320,529	9,096,818	(138,872,302)	-	(138,872,302)
Total payments on redemption of units	(663,724,174)	(1,320,529)	(665,044,703)	(2,041,690,273)	-	(2,041,690,273)
Total comprehensive income / (loss) for the year	-	14,552,834	14,552,834	-	(394,790,301)	(394,790,301)
Interim distribution for the year ended June 30, 2023 @ Rs. 0.449 per unit on June 27, 2023	(1,307,230)	(13,756,255)	(15,063,485)	-	-	-
Net assets at end of the year	1,935,562,763	(683,351,882)	1,252,210,881	2,098,139,024	(682,827,932)	1,415,311,092
	(Rupees)			(Rupees)		
Undistributed accumulated loss brought forward						
- Realised loss		(438,182,818)			(613,436,460)	
- Unrealised (loss) / gain		(244,645,114)			325,398,829	
		(682,827,932)			(288,037,631)	
Accounting income available for distribution						
- Relating to capital gains		1,320,529				
- Excluding capital gain / (loss)		11,911,776				
		13,232,305				
Total comprehensive loss for the year					(394,790,301)	
Distribution during the year		(13,756,255)			-	
Undistributed accumulated loss carried forward		(683,351,882)			(682,827,932)	
Undistributed accumulated loss carried forward						
- Realised loss		(630,076,671)			(438,182,818)	
- Unrealised loss		(53,275,211)			(244,645,114)	
		(683,351,882)			(682,827,932)	
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		36.9032			45.3768	
Net asset value per unit at the end of the year		36.9196			36.9032	

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Net income / (loss) for the year after taxation		14,552,834	(394,790,301)
Adjustment for:			
Unrealised loss on revaluation of investments classified as 'fair value through profit or loss' - net		53,275,211	244,645,114
Reversal for Sindh Workers' Welfare Fund		-	(60,312,857)
		<u>67,828,045</u>	<u>(210,458,044)</u>
Decrease / (Increase) in assets			
Investments - net		<u>(4,293,665)</u>	832,514,542
Dividend, profit and other receivable		756,198	12,255,143
		<u>(3,537,467)</u>	844,769,685
Increase / (decrease) in liabilities			
Payable to Alfalah Asset Management Limited - Management Company		<u>(5,477,418)</u>	(11,423,923)
Payable to Central Depository Company of Pakistan Limited - Trustee		(32,829)	(97,393)
Annual fee payable to the Securities and Exchange Commission of Pakistan		(131,119)	(64,887)
Accrued expenses and other liabilities		988,003	(20,759,093)
Payable against purchase of investments		<u>4,793,538</u>	-
		<u>140,176</u>	<u>(32,345,296)</u>
Net cash generated from operating activities		<u>64,430,754</u>	601,966,345
CASH FLOW FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		<u>501,147,913</u>	1,527,169,719
Payments made against redemption of units		<u>(665,044,703)</u>	(2,041,690,273)
Dividend Paid		<u>(13,756,255)</u>	(1,979,710)
Net cash used in financing activities		<u>(177,653,045)</u>	(516,500,264)
Net (decrease) / increase in cash and cash equivalents during the year		<u>(113,222,291)</u>	85,466,081
Cash and cash equivalents at the beginning of the year		132,771,615	47,305,534
Cash and cash equivalents at the end of the year	4	<u><u>19,549,324</u></u>	<u><u>132,771,615</u></u>

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Islamic Stock Fund (formerly Alfalah GHP Islamic Fund) (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah Asset Management Limited (formerly Alfalah GHP Investment Management Limited), (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee) on April 11, 2007. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on March 29, 2007. The SECP approved the first and second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. NBFC/RS/AGIML/AGIF/178/2010 and No. AMCW/03/AGIML/AMS/02/2014 dated February 26, 2010 and March 10, 2014, respectively to modify and restate the previous Trust Deed to effectuate the amendments listed in Annexure A of the first and second Supplemental Trust Deed.

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

- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) through a certificate issued by the SECP on February 3, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at 2nd Floor, Islamic Chambers of Commerce, Industry and Agriculture Building, Clifton, Karachi, Pakistan.
- 1.3 The Fund is categorised as a 'shariah compliant equity scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+ (stable outlook) on March 3, 2022).
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 During the year, the Fund has made a distribution of Rs. 15.08 million (including income already paid on units redeemed of Rs. 1.32 million). However, the maximum amount of income available for distribution for the current year as per the criteria given in the constitutive documents of the Fund was Rs. 13.23 million. The Fund intends to adjust the same in the future years through subsequent available profits.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

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

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

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

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

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

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- iii. Provision against Federal Excise Duty (note 8.3)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets at fair value through profit or loss' which are measured at their fair values.

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Equity instruments

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

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as fair value through profit or loss (FVPL). Accordingly, the irrevocable option has not been considered.

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

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

3.2.1.2 Impairment other than debt securities

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

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

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

3.2.1.3 Regular way contracts

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

3.2.1.4 Initial recognition and measurement

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

3.2.1.5 Derecognition

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

3.2.1.6 Derivatives

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

Deferred

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

3.7 Net asset value per unit

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

3.8 Issue and redemption of units

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

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

3.9 Distributions to unit holders

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

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

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

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

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.

- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.

3.12 Expenses

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

3.13 Earnings / (loss) per unit

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

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

3.14 Foreign currency translation

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

4 BANK BALANCES	Note	2023	2022
		----- (Rupees) -----	
Balances with banks in:			
- savings accounts	4.1	3,076,024	77,621,472
- current accounts	4.2	16,473,300	55,150,143
		<u>19,549,324</u>	<u>132,771,615</u>

4.1 These carry profit rates ranging between 8.50% to 21.75% (2022: 5.50% to 15.20%) per annum and include bank balance of Rs. 17.12 million (2022: Rs. 0.11 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 20.50% (2022: 5.14%) per annum.

4.2 This balance is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

5 INVESTMENTS	Note	2023	2022
		----- (Rupees) -----	
Fair value through profit or loss			
Listed equity securities	5.1	1,263,758,600	1,312,740,146

5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	Note	As at July 01, 2022	Acquired during the year during the period	Bonus / Right shares during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up value of shares held as a percentage of total paid-up capital of the Investee Company
							Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealized Gain/(Loss)			
						----- (Number of shares) -----			----- (Rupees) -----			
Fertilizer												
Engro Corporation Limited		430,112	72,500	-	203,000	299,612	77,191,377	77,866,163	674,786	6.22%	6.16%	0.05%
Engro Fertilizer Limited		642,114	649,221	-	359,000	932,335	70,873,636	68,426,778	(2,446,857)	5.46%	5.41%	0.07%
							148,065,013	146,292,941	(1,772,071)	11.68%	11.58%	
Cement												
Cherat Cement Company Limited		240,100	204,590	-	173,000	271,690	27,127,119	32,678,873	5,551,754	2.61%	2.59%	0.14%
D. G. Khan Cement Limited	5.1.1	158	205,000	-	158	205,000	9,621,664	10,516,500	894,836	0.84%	0.83%	0.05%
Fauji Cement Limited		-	1,554,000	-	15,000	1,539,000	18,345,806	18,098,640	(247,166)	1.45%	1.43%	0.06%
Kohat Cement Limited		134,600	43,702	-	-	178,302	23,965,503	30,929,701	6,964,198	2.47%	2.45%	0.09%
Lucky Cement Limited		188,195	34,500	-	25,700	196,995	89,662,721	102,849,120	13,186,399	8.21%	8.14%	0.06%
Maple Leaf Cement Factory Limited		900,660	643,901	-	347,000	1,197,561	32,374,335	33,926,903	1,552,568	2.71%	2.68%	0.11%
Power Cement Limited		-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited		128,500	333,000	-	208,500	253,000	16,349,542	21,917,390	5,567,848	1.75%	1.73%	0.11%
							217,446,690	250,917,127	33,470,437	20.04%	19.85%	

Name of the investee company	Note	As at July 01, 2022	Acquired during the year during the period	Bonus / Right shares during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up value of shares held as a percentage of total paid-up capital of the Investee Company
							Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealized Gain/(Loss)			
						----- (Number of shares) -----			----- (Rupees) -----			
Power generation and distribution												
Kot Addu Power Limited		-	455,000	-	455,000	-	-	-	-	0.00%	0.00%	0.00%
Hub Power Company Limited	5.1.1	1,179,210	370,000	-	856,292	692,918	47,628,494	48,213,234	584,740	3.85%	3.82%	0.05%
							47,628,494	48,213,234	584,740	3.85%	3.82%	
Refinery												
Attock Refinery Limited		-	87,000	-	10,000	77,000	12,106,985	13,215,510	1,108,525	1.06%	1.05%	0.07%
National Refinery Limited	5.1.1	-	22,500	-	-	22,500	3,883,664	3,375,000	(508,664)	0.27%	0.27%	0.03%
Chenergyco PK Limited	5.1.1	2,595,000	1,650,000	-	4,245,000	-	-	-	-	0.00%	0.00%	0.00%
							15,990,649	16,590,510	599,861	1.06%	1.05%	
Oil and gas marketing companies												
Attock Petroleum Limited	5.1.2	-	22,163	-	-	22,163	6,691,907	6,654,441	(37,466)	0.53%	0.53%	0.02%
Pakistan State Oil Limited		326,352	47,000	-	104,000	269,352	44,473,433	29,900,766	(14,572,667)	2.39%	2.37%	0.06%
Shell Pakistan Limited		-	123,500	-	54,300	69,200	6,284,712	8,002,980	1,718,268	0.64%	0.63%	0.03%
Sui Northern Gas Pipelines Limited		-	537,000	-	55,000	482,000	19,199,861	18,976,340	(223,521)	1.52%	1.50%	0.08%
Hi-Tech Lubricants Limited		166,700	-	-	166,700	-	-	-	-	0.00%	0.00%	0.00%
Hascol Petroleum Limited	5.1.2	4,221	-	-	-	4,221	17,813	23,427	5,614	0.00%	0.00%	0.00%
							76,667,726	63,557,954	(13,109,772)	5.08%	5.03%	
Oil and gas exploration companies												
Mari Petroleum Company Limited		72,767	4,600	-	11,514	65,853	113,910,696	99,743,588	(14,167,108)	7.97%	7.89%	0.05%
Oil & Gas Development Company Limited		1,095,099	222,000	-	232,000	1,085,099	85,947,777	84,637,722	(1,310,055)	6.76%	6.70%	0.03%
Pakistan Oilfields Limited		212,900	72,646	-	125,400	160,146	64,101,506	64,341,858	240,352	5.14%	5.09%	0.06%
Pakistan Petroleum Limited		1,119,714	415,351	-	313,000	1,222,065	81,620,991	72,272,924	(9,348,067)	5.77%	5.72%	0.04%
							345,580,970	320,996,092	(24,584,878)	25.63%	25.40%	
Automobile assembler												
Millat Tractors Limited		-	71,600	40,505	4,000	108,105	39,001,643	42,194,463	3,192,820	3.37%	3.34%	0.19%
Sazgar Engineering Works Limited		-	245,000	-	-	245,000	13,134,175	12,458,250	(675,925)	0.99%	0.99%	0.41%
							52,135,818	54,652,713	2,516,895	4.36%	4.32%	
Textile composite												
Interloop Limited		411,525	5,000	114,259	217,044	313,740	12,257,739	11,062,472	(1,195,267)	0.88%	0.88%	0.03%
Kohinoor Textile Limited	5.1.2	286,251	53,500	-	62,000	277,751	13,851,390	14,140,303	288,913	1.13%	1.12%	0.09%
Nishat Mills Limited		347,174	46,000	-	139,007	254,167	18,685,937	14,429,061	(4,256,876)	1.15%	1.14%	0.07%
							44,795,066	39,631,836	(5,163,230)	3.16%	3.14%	
Engineering												
Agha Steel Industries Limited		2,650	-	-	-	2,650	41,552	25,758	(15,794)	0.00%	0.00%	0.00%
International Industries Limited		224,896	3,000	-	186,293	41,603	4,308,393	3,047,004	(1,261,389)	0.24%	0.24%	0.03%
International Steels Limited		297,400	4,000	-	227,500	73,900	4,371,510	2,995,167	(1,376,343)	0.24%	0.24%	0.02%
Mughal Iron & Steel Industries Limited		420,801	-	-	420,801	-	-	-	-	0.00%	0.00%	0.00%
							8,721,455	6,067,929	(2,653,526)	0.48%	0.48%	
Pharmaceuticals												
Citi Pharma Limited		470,953	120,000	-	95,000	495,953	15,937,293	10,583,637	(5,353,656)	0.85%	0.84%	0.22%
Highnoon Laboratories Limited	5.1.2	16,130	5,000	5,082	1,950	24,262	10,253,401	8,156,157	(2,097,244)	0.65%	0.65%	0.06%
AGP Limited	5.1.2	-	244,756	-	-	244,756	15,363,660	13,823,762	(1,539,898)	1.10%	1.09%	0.09%
The Searle Company Limited	5.1.2	244,171	87,000	54,042	74,715	310,498	25,028,077	11,898,283	(13,129,794)	0.95%	0.94%	0.08%
							66,582,431	44,461,839	(22,120,592)	3.55%	3.52%	
Food and personal care products												
Al Shaheed Corporation Limited	5.1.2	475	-	-	201	274	2,477	1,981	(496)	0.00%	0.00%	0.00%
National Foods Limited		-	278,500	-	134,800	143,700	12,289,481	14,140,080	1,850,599	1.13%	1.12%	0.12%
							12,291,958	14,142,061	1,850,103	1.13%	1.12%	
Commercial Banks												
Meezan Bank Limited		767,768	257,000	80,776	125,500	980,044	102,240,982	84,646,400	(17,594,582)	6.76%	6.70%	0.05%
Bankislami Pakistan Limited		1,258,000	19,000	-	872,000	405,000	4,900,820	7,192,800	2,291,961	0.57%	0.57%	0.00%
Faysal Bank Limited		-	619,469	-	-	619,469	16,697,800	12,500,884	(4,196,916)	1.00%	0.99%	0.04%
							123,839,602	104,340,084	(19,499,537)	8.33%	8.26%	
Chemical												
Engro Polymer & Chemicals Limited		340,500	425,000	-	397,000	368,500	17,047,661	15,569,125	(1,478,536)	1.24%	1.23%	0.04%
Descon Oxychem Limited		-	663,500	-	663,500	-	-	-	-	0.00%	0.00%	0.00%
Lotte Chemical Pakistan Limited		-	239,878	-	239,878	-	-	-	-	0.00%	0.00%	0.00%
							17,047,661	15,569,125	(1,478,536)	1.24%	1.23%	

Name of the investee company	Note	As at July 01, 2022	Acquired during the year during the period	Bonus / Right shares during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up value of shares held as a percentage of total paid-up capital of the Investee Company
							Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealized Gain/(Loss)			
						(Number of shares)	(Rupees)					
Vanaspati & Allied Industries												
Unity Foods Limited		695,000	-	-	695,000	-	-	-	-	0.00%	0.00%	0.00%
Automobile parts & accessories												
Thal Limited		6,500	32,800	-	14,700	24,600	6,276,249	3,985,200	(2,291,049)	0.32%	0.32%	0.03%
Technology & communication												
Systems Limited		230,804	46,876	-	64,503	213,177	75,999,549	85,980,679	9,981,130	6.87%	6.80%	0.07%
Avanceon Limited		291,500	196,000	33,315	265,400	255,415	17,179,142	11,248,477	(5,930,665)	0.90%	0.89%	0.08%
Air Link Communication Limited		943	-	-	943	-	-	-	-	0.00%	0.00%	0.00%
Octopus Digital Limited		336	-	-	336	-	-	-	-	0.00%	0.00%	0.00%
							93,178,691	97,229,156	4,050,465	7.76%	7.69%	
Glass & Ceramics												
Tariq Glass Limited		140,000	217,750	13,740	97,538	273,952	19,901,510	18,656,131	(1,245,379)	1.49%	1.48%	0.16%
							19,901,510	18,656,131	(1,245,379)	1.49%	1.48%	
Miscellaneous												
Synthetic Products Limited	5.1.2	21,398	-	-	-	21,398	301,498	222,539	(78,959)	0.02%	0.02%	0.02%
Pakistan Aluminium Beverage Cans Limited		-	546,500	-	402,000	144,500	6,094,588	6,534,290	439,702	0.52%	0.52%	0.04%
							6,396,086	6,756,829	360,743	0.02%	0.02%	
Exchange Traded Funds												
Alfalsh Consumer Index ETF	5.1.2	1,987,000	1,000	-	140,000	1,848,000	14,487,725	11,697,840	(2,789,885)	0.93%	0.93%	268.60%
							14,487,725	11,697,840	(2,789,885)	0.93%	0.93%	
As at June 30, 2023							1,317,033,792	1,263,758,600	(53,275,211)	100%	100%	
As at June 30, 2022							1,557,385,258	1,312,740,147	(244,645,113)	92.75%	100.00%	

5.1.1 The above investments include shares having a market value (in aggregate) amounting to Rs. 27.83 million (2022: Rs. 61.35 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

	2023	2022	2023	2022
	Number of shares		Market Value	
	----- (Rupees) -----			

The Hub Power Company Limited	400,000	900,000	27,832,000	61,353,000
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5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50 percent of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50 percent of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2023, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of investee Company	2023	2022	2023	2022
	Number		Market value (Rupees)	
Hascol Petroleum Limited	4,223	4,223	23,438	17,821
Kohinoor Textile Mills Limited	1,287	1,287	65,521	64,350
The Searle Company Limited	18,790	15,031	720,033	1,638,680
Highnoon Laboratories Limited	-	1	-	530
Al Shaheer Corporation Limited	274	274	1,981	2,477
Pakistan State Oil Company Limited	9,104	9,104	1,010,635	1,564,431
Synthetic Products Enterprises Limited	20,494	20,494	213,138	288,760
			<u>2,034,746</u>	<u>3,577,049</u>

6 ADVANCE AND DEPOSITS

Advance:

Advance tax on dividend	53,230	53,230
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Deposits:

Central Depository Company of Pakistan Limited	100,000	100,000
National Clearing Company of Pakistan Limited	2,500,000	2,500,000
	<u>2,600,000</u>	<u>2,600,000</u>
	<u>2,653,230</u>	<u>2,653,230</u>

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

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

7 PROFIT AND OTHER RECEIVABLES

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Profit receivable on bank balances		220,048	367,796
Dividend receivable		248	607,695
Receivable against sale of investment		-	1,003
		<u>220,296</u>	<u>976,494</u>

8 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable	8.1	2,190,049	2,376,683
Sindh sales tax payable on management remuneration	8.2	1,069,013	1,097,919
Federal excise duty payable on management remuneration	8.3	5,412,371	5,412,371
Payable against allocated expenses	8.4	454,086	4,556,363
Payable against selling and marketing expenses	8.5	10,079,700	11,239,301
Sales load payable		982,237	982,237
		<u>20,187,456</u>	<u>25,664,874</u>

- 8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. The Management Company has charged remuneration at a rate of 2% (2022: 2%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

- 8.2 During the year, an amount of Rs. 3.427 million (2022: Rs. 5.132 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 3.456 million (2022: Rs. 5.356 million) has been paid to the Management Company which acts as a collecting agent.

- 8.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED is not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 9.78 million (2022: Rs 9.78 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2023 would have been higher by Rs. 0.16 per unit (2022: Rs. 0.14 per unit).

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

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

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

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2023 ----- (Rupees) -----	2022 -----
Trustee remuneration payable	9.1	171,989	201,041
Sindh sales tax payable on Trustee remuneration	9.2	22,361	26,138
		<u>194,350</u>	<u>227,179</u>

- 9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate of 0.1% per annum of net assets of the Fund (2022: 0.01% per annum of net assets of the Fund).

- 9.2** Accordingly during the year, an amount of Rs. 0.29 million (2022: Rs. 0.39 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.30 million (2022: Rs. 0.39 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

	Note	2023 ----- (Rupees) -----	2022 -----
Annual fee payable	10.1	263,605	394,724

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

11 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2023 ----- (Rupees) -----	2022 -----
Auditors' remuneration payable		481,473	811,434
Brokerage payable		1,094,706	429,297
Settlement charges		281,661	116,804
Withholding tax payable		1,397,972	1,032,257
Charity payable	11.1	2,593,989	2,751,905
Shariah advisor fee payable		735,708	663,653
Capital value tax payable		7,855	7,855
Sales load payable		198,785	198,785
Annual rating fee		235,413	235,413
Conversion payable		1,293,302	1,179,940
Other liabilities		159,812	114,420
		<u>8,480,676</u>	<u>7,541,763</u>

11.1 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments a portion of which has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the Fund.

12 CONTINGENCIES AND COMMITMENTS

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

13 AUDITORS' REMUNERATION	2023	2022
	----- (Rupees) -----	
Audit fee	440,000	400,000
Review and other certification	286,569	310,517
Out of pocket expenses	72,657	68,127
Sindh sales tax	63,938	60,856
	863,164	839,500

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 4.78% (2022: 4.82%) which includes 0.88% (2022: 0.3284%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. The TER excluding government levies is 3.99% (2022: 4.39%) which is within the prescribed limit of 4.5% (2022: 4.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "equity scheme".

15 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of the section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income tax Ordinance, 2001. Since the management has paid the required minimum percentage of income earned by the the Fund during the year ended 30 June 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

16.1 Unit holders' fund

	2023									
	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed /conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023
	----- Units -----					----- (Rupees) -----				
Key management personnel										
Head of Equity	37,534	72	248	13,580	24,274	1,385,115	2,708	9,171	500,000	896,994
Units more than 10%	24,503,820	-	277,125	1,714,189	23,066,756	904,269,364	-	10,234,823	65,000,000	851,615,405
	24,541,354	72	277,373	1,727,769	23,091,030	905,654,479	2,708	10,243,994	65,500,000	852,512,399

2022										
As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed /conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023	
Units					(Rupees)					
Key management personnel										
Head of Corporate sales	5,317	-	800	-	6,117	241,268	-	36,753	-	225,737
Head of Human Resource	-	-	-	-	-	-	-	-	-	-
Chief Executive Officer	27,855	5,623	-	28,221	5,257	1,263,963	154,503	195,546	569,770	194,006
Head of Investment Advisory and Senior Portfolio Manager	37,601	9,029	-	9,096	37,534	1,706,201	1,250,000	-	287,059	1,385,115
Units more than 10%	20,327,646	4,176,174	-	-	24,503,821	922,403,535	191,440,000	151,122,024	-	904,269,386
	20,398,419	4,190,826	800	37,317	24,552,729	925,614,967	192,844,503	151,354,323	856,829	906,074,244

16.2 Other transactions

Associated companies / undertakings

Alfalah Asset Management Limited - Management Company

	2023	2022
	(Rupees)	
Management Remuneration	26,362,933	39,474,854
Sindh sales tax on remuneration of the Management Company	3,427,177	5,131,729
Allocated expenses	6,401,865	13,445,928
Selling and marketing expenses	17,356,631	23,493,153
Sales load	262,855	262,855

Bank Alfalah Limited - Islamic Banking Division

Profit on bank balances	211	89
Bank charges	-	-
Sales load	31,298	31,298

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of Central Depository Company of Pakistan - Trustee	2,300,210	2,973,763
Sindh sales tax on remuneration of the Trustee	299,027	386,591
Settlement charges	600,055	603,095

16.3 Other balances

Associated companies / undertakings

Alfalah Asset Management Limited - Management Company

Management remuneration payable	2,190,049	2,376,683
Sindh sales tax payable on management remuneration	1,069,013	1,097,919
Federal excise duty payable on management remuneration	5,412,371	5,412,371
Payable against allocated expenses	454,086	4,556,363
Payable against selling and marketing expenses	10,079,700	11,239,301
Sales load payable	982,237	982,237

Bank Alfalah Limited - Islamic Banking Division

Bank balances	16,586,334	55,262,966
Sales load payable	198,785	198,785

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	171,989	201,041
Sindh sales tax payable on Trustee remuneration	22,361	26,138
Security deposit	100,000	100,000

17 FINANCIAL INSTRUMENTS BY CATEGORY

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

Particulars	2023		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	19,549,324	-	19,549,324
Investments	-	1,263,758,600	1,263,758,600
Advance and deposits	2,600,000	-	2,600,000
Profit and other receivables	220,296	-	220,296
	<u>22,369,620</u>	<u>1,263,758,600</u>	<u>1,286,128,220</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	20,187,456	-	20,187,456
Payable to Central Depository Company of Pakistan Limited - Trustee	194,350	-	194,350
Accrued expenses and other liabilities	7,074,849	-	7,074,849
Dividend payable	50,944	-	50,944
	<u>27,507,599</u>	<u>-</u>	<u>27,507,599</u>

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	132,771,615	-	132,771,615
Investments	-	1,312,740,146	1,312,740,146
Advance and deposits	2,600,000	-	2,600,000
Profit and other receivables	1,029,724	-	1,029,724
	<u>136,401,339</u>	<u>1,312,740,146</u>	<u>1,449,141,485</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	25,664,874	-	25,664,874
Payable to Central Depository Company of Pakistan Limited - Trustee	227,179	-	227,179
Accrued expenses and other liabilities	6,501,651	-	6,501,651
Dividend payable	1,853	-	1,853
	<u>32,395,557</u>	<u>-</u>	<u>32,395,557</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

18.1 Market risk

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

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

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

18.1.1 Currency risk

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

18.1.2 Yield / Interest rate risk

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

Variable rate instrument (financial asset)	2023	2022
	----- (Rupees) -----	
Bank balance	<u><u>19,549,324</u></u>	<u><u>132,771,615</u></u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates on the last repricing date would have increased / decreased the net profit for the year and the net assets of the Fund by Rs. 0.20 million (2022: Rs. 1.33 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

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

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

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

Particulars	2023					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	8.5%-21.75%	3,076,024	-	-	16,473,300	19,549,324
Investments		-	-	-	1,263,758,600	1,263,758,600
Security deposits		-	-	-	2,600,000	2,600,000
Advance and profit receivable		-	-	-	220,296	220,296
		<u>3,076,024</u>	<u>-</u>	<u>-</u>	<u>1,283,052,196</u>	<u>1,286,128,220</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	20,187,456	20,187,456
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	194,350	194,350
Accrued expenses and other liabilities		-	-	-	7,074,849	7,074,849
Dividend payable		-	-	-	50,944	50,944
		<u>-</u>	<u>-</u>	<u>-</u>	<u>27,507,599</u>	<u>27,507,599</u>
On-balance sheet gap (a)		<u>3,076,024</u>	<u>-</u>	<u>-</u>	<u>1,255,544,597</u>	<u>1,258,620,621</u>
Off-balance sheet financial instruments		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Off-balance sheet gap (b)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total profit rate sensitivity gap (a+b)		<u>3,076,024</u>	<u>-</u>	<u>-</u>	<u>1,255,544,597</u>	<u>1,258,620,621</u>
Cumulative profit rate sensitivity gap		<u>3,076,024</u>	<u>3,076,024</u>	<u>3,076,024</u>		

Particulars	2022					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5% - 15.20%	77,621,472	-	-	55,150,143	132,771,615
Investments		-	-	-	1,312,740,146	1,312,740,146
Advance and deposits		-	-	-	2,600,000	2,600,000
Profit and other receivables		-	-	-	1,029,724	1,029,724
		<u>77,621,472</u>	<u>-</u>	<u>-</u>	<u>1,371,520,013</u>	<u>1,449,141,485</u>
Financial liabilities						
Payable to Alfalah Aset Management Limited - Management Company		-	-	-	25,664,874	25,664,874
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	227,179	227,179
Accrued expenses and other liabilities		-	-	-	6,501,651	6,501,651
Dividend payable		-	-	-	1,853	1,853
		<u>-</u>	<u>-</u>	<u>-</u>	<u>32,395,557</u>	<u>32,395,557</u>
On-balance sheet gap (a)		<u>77,621,472</u>	<u>-</u>	<u>-</u>	<u>1,339,124,456</u>	<u>1,416,745,928</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total profit rate sensitivity gap (a+b)		<u>77,621,472</u>	<u>-</u>	<u>-</u>	<u>1,339,124,456</u>	<u>1,416,745,928</u>
Cumulative profit rate sensitivity gap		<u>77,621,472</u>	<u>77,621,472</u>	<u>77,621,472</u>		

18.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund's investment in equity securities classified as 'at fair value through profit or loss'. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Trust Deed. The NBFC Regulations also limit investment in individual equity securities to not more than 15% of the net assets and issued capital of the investee company and sector exposure upto 40% of the net assets.

In case of 1% increase / decrease in KSE 100 index on June 30, 2023, with all other variables held constant, the net income / loss and the net assets of the Fund would increase / decrease by Rs. 12.63 million (2022: Rs. 13.12 million) as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

The analysis is based on the assumption that equity index has increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

At June 30, 2023, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

18.2 Credit risk

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

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

18.2.1 Exposure to credit risk

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees) -----				
Bank balances	19,549,324	19,549,324	132,771,615	132,771,615
Investments	1,263,758,600	-	1,312,740,146	-
Advance and deposits	2,653,230	2,600,000	2,600,000	2,600,000
Profit and other receivables	220,296	220,296	1,029,724	1,029,724
	1,286,181,450	22,369,620	1,449,141,485	136,401,339

The difference in the balance as per the Statement of Assets and Liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs. 1,263.76 million (2022: Rs. 1,312.74 million) are not exposed to credit risk.

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

18.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of dividends receivable on equity securities. Credit risk on dividend receivable is minimal due to statutory protection.

Bank balances

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

Bank name	Rating agency	Rating (Short Term / Long Term)	2023	2022	2023	2022
			Percentage of total bank balances		Percentage of total profit receivable on bank	
Bank Alfalah Limited	PACRA	A1+/AA+	84.84%	41.62%	0.00%	0.00%
Meezan Bank Limited	VIS	A-1+/AAA	0.04%	0.01%	0.00%	0.00%
National Bank of Pakistan	VIS	A1+/AAA	0.12%	0.02%	0.00%	0.00%
Habib Bank Limited	VIS	A-1+/AAA	0.16%	0.02%	0.00%	0.07%
BankIslami Pakistan Limited	PACRA	A1+/AAA	0.91%	1.80%	96.40%	70.17%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	1.69%	0.05%	0.73%	0.24%
MCB Islamic Bank Limited	PACRA	A1 / A	0.34%	0.04%	2.86%	6.88%
Allied Bank Limited	PACRA	A1+/AAA	11.89%	56.45%	0.00%	22.65%
			100.00%	100.00%	100.00%	100.00%

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

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with banks having high credit rating and in listed equity securities which are not exposed to credit risk.

18.3 Liquidity risk

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

The Fund is exposed to the daily settlement of equity securities and to daily cash redemptions, if any. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund's investments in listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange.

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

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

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

2023					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					
Financial assets					
Bank balances	19,549,324	-	-	-	19,549,324
Investments	-	-	-	1,263,758,600	1,263,758,600
Advance and deposits	-	-	-	2,600,000	2,600,000
Profit and other receivables	220,296	-	-	-	220,296
	19,769,620	-	-	1,266,358,600	1,286,128,220
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company	20,187,456	-	-	-	20,187,456
Payable to Central Depository Company of Pakistan Limited - Trustee	194,350	-	-	-	194,350
Accrued expenses and other liabilities	7,074,849	-	-	-	7,074,849
Dividend payable	50,944	-	-	-	50,944
	27,507,599	-	-	-	27,507,599
Net Assets	(7,737,979)	-	-	1,266,358,600	1,258,620,621
----- Rupees -----					
2022					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					
Financial assets					
Bank balances	132,771,615	-	-	-	132,771,615
Investments	-	-	-	1,312,740,146	1,312,740,146
Advance and deposits	-	-	-	2,600,000	2,600,000
Profit and other receivables	1,029,724	-	-	-	1,029,724
	133,801,339	-	-	1,315,340,146	1,449,141,485
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company	25,664,874	-	-	-	25,664,874
Payable to Central Depository Company of Pakistan Limited - Trustee	227,179	-	-	-	227,179
Accrued expenses and other liabilities	6,501,651	-	-	-	6,501,651
Dividend payable	1,853	-	-	-	1,853
	32,395,557	-	-	-	32,395,557
Net Assets	101,405,782	-	-	1,315,340,146	1,416,745,928

18.4 Fair value measurement

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

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

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

2023			
Level 1	Level 2	Level 3	Total
(Rupees)			
1,263,758,600	-	-	1,263,758,600
<u>1,263,758,600</u>	<u>-</u>	<u>-</u>	<u>1,263,758,600</u>
2022			
Level 1	Level 2	Level 3	Total
(Rupees)			
1,312,740,146	-	-	1,312,740,146
<u>1,312,740,146</u>	<u>-</u>	<u>-</u>	<u>1,312,740,146</u>

Financial assets at 'fair value through profit or loss'

Investments - Listed equity securities

Financial assets at 'fair value through profit or loss'

Investments - Listed equity securities

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

18.5 Unit holders' fund risk management

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

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

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

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

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

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

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

20 GENERAL

Figures have been rounded off to the nearest rupee.

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

21 DATE OF AUTHORISATION FOR ISSUE

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



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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1809	2,236,169	82,558,483	7%
Retirement & Other Funds	66	19,899,919	734,697,119	59%
Insurance Co.	14	2,947,361	108,815,399	9%
Others	62	8,833,786	326,139,880	26%
	1951	33,917,235	1,252,210,881	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	602	4,774,501	176,194,222	14%
Retirement & Other Funds	24	26,222,018	967,675,651	77%
Insurance Co.	3	2,000,648	73,830,262	6%
Others	10	5,354,850	197,610,957	16%
	639	38,352,017	1,415,311,092	113%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023
	%
Chase Securities Pakistan (Pvt) Limited	8%
Topline Securities (Pvt) Limited	8%
EFG Hermes Pakistan Limited	8%
Insight Securities (Private) Limited	7%
JS Global Capital Limited	6%
Ismail Iqbal Securities (Pvt.) Limited	6%
Al Habib Capital Markets Limited	6%
MULTILINE SECURITIES LIMITED	5%
Khadim Ali Shah Bukhari Securities (Pvt.) Ltd	5%
BMA Capital Management Limited	5%

	30 June 2022
	%
Cedar Capital (Private) Limited	7%
Foundation Securities Limited	7%
Arif Habib Limited	7%
JS Global Capital Limited	6%
Al Habib Capital Markets Limited	6%
Inter Market Securities Limited	6%
Taurus Securities Limited	6%
EFG Hermes Pakistan Limited	5%
BMA Capital Management Limited	5%
Ismail Iqbal Securities (Pvt.) Limited	5%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Mr. Khaldoon Bin Latif - CEO

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

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

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

Mr. Ayub Khoro – Chief Investment Officer

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

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

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

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

Mr. Noman Soomro - Chief Operating Officer

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

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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

Mr. Muddasir Ahmed Shaikh -- Head of Equities

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

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

Mr. Mustafa Kamal - Head of Fixed Income

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

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

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

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

Mr. Omar Mukhtar – Head of Risk

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

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

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

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

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

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

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGISF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
	(Rupees in '000)				
Net Assets	1,252,211	1,415,311	2,324,622	1,899,448	2,062,099
NAV per unit	36.9196	36.9032	45.3768	40.0924	40.6369
Selling price per unit	38.1712	38.1542	46.9151	41.4515	42.0145
Redemption price per unit	36.9196	36.9032	45.3768	40.0924	40.6369
Highest selling price per unit	40.2843	49.7932	59.0934	53.4178	53.7467
Highest redemption price per unit	38.9634	48.1606	57.1558	51.6663	51.9844
Lowest selling price per unit	35.2819	37.3559	42.0103	31.6076	40.8919
Lowest redemption price per unit	34.1251	36.1311	40.6328	30.5712	39.5511
Total interim distribution per unit	Nil	Nil	9.5717	Nil	Nil
Interim distribution date	0.45	N/A	25-Jun-21	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	Nil	N/A	N/A	N/A	N/A
Annualized returns	6.44%	-18.67%	36.75%	-1.34%	-14.43%
Income distribution	0.01	Nil	23.87%	Nil	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is 2.84%

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

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
The Hub Power Company Limited							
EOGM	30-Aug-21	Announcement of Financial Results for the year ended June 2021	1,113,710	0.09%	✓		
Fauji Cement Company Limited							
EOGM	28-Oct-21	Approved financial results of the first quarter ended on September 30, 2021	1,098,000	0.08%	✓		
		Considered the amalgamation of Askari cement limited with and into FCCL through a scheme arrangement					
Fauji Cement Company Limited							
EOGM	26-Feb-22	Approved, adopted and agreed the scheme of arrangement of amalgamation of Askari cement limited and Fauji Cement Company Limited	1,138,000	0.08%	✓		
		Special resulation to increase authorized share capiatl by 25 billion rupees by the creation of 1 billion ordinary shares					
Mari Petroleum Company Limited							
EOGM	25-Apr-22	Approved financial results of the nine months period ended March 31, 2022	72,767	0.05%	✓		
Mari Petroleum Company Limited							
EOGM	22-Jun-22	Election of Directors	72,767	0.05%	✓		
		Considered matters other than financial results					



Alfalah
GHP Islamic Prosperity
Planning Fund

FUND INFORMATION

Management Company:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, 75530 Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalāh GHP Islamic Prosperity Planning Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant Fund of Funds Scheme

Investment Objective

Alfalāh GHP Islamic Prosperity Planning Fund is an Open-ended Shariah Complaint Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah complaint Mutual funds in line with the risk tolerance of the investor.

Accomplishment of Objective

The Fund has achieved its objective of generating higher return by investing in a mix of underlying fixed income and equity based mutual funds within the guidelines provided under NBFC rules.

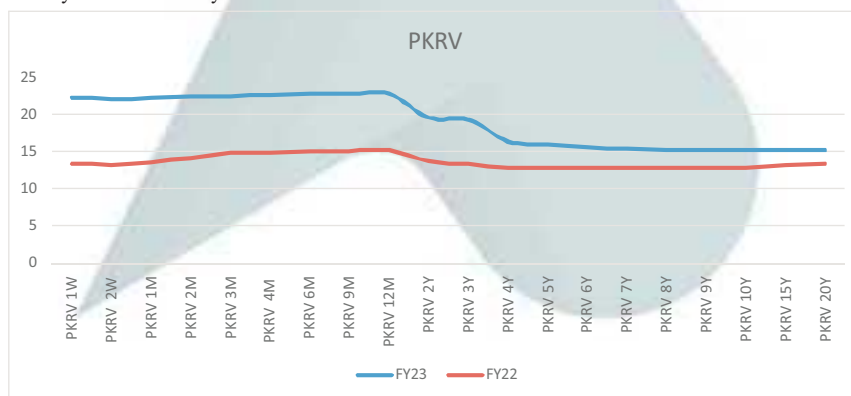
Money Market

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

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

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

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



Equity Market Review

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

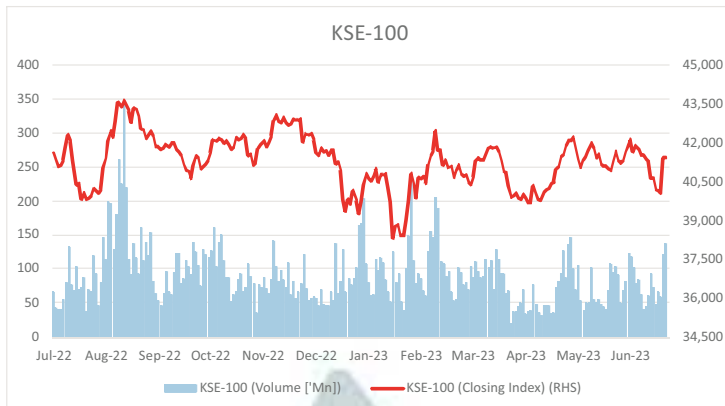
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment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

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

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

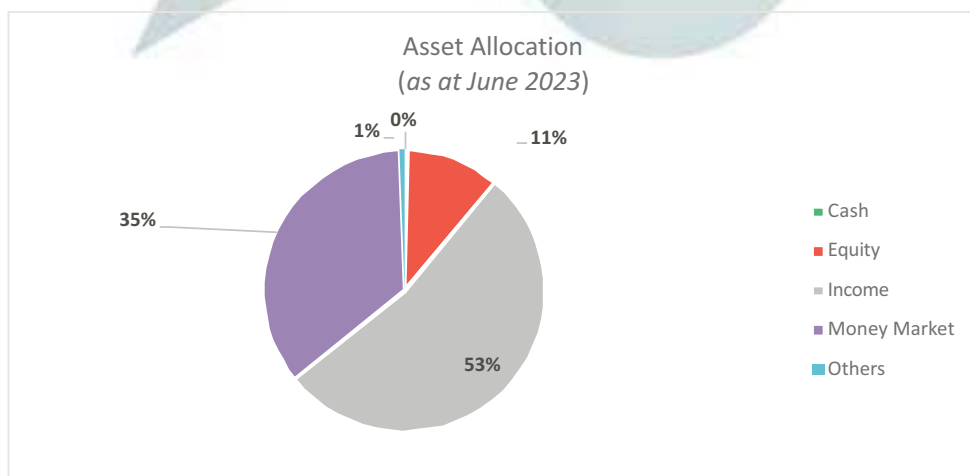
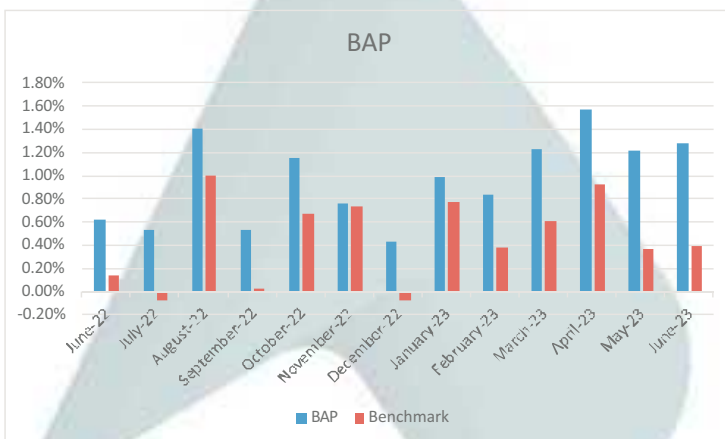
Going forward, we believe that the resumption of the stalled IMF program and with a caretaker government, the focus will likely be on preserving macroeconomic stability ensuring prudent monetary policy, avoiding fiscal slippages and maintaining market based exchange rate. This will provide much-needed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

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



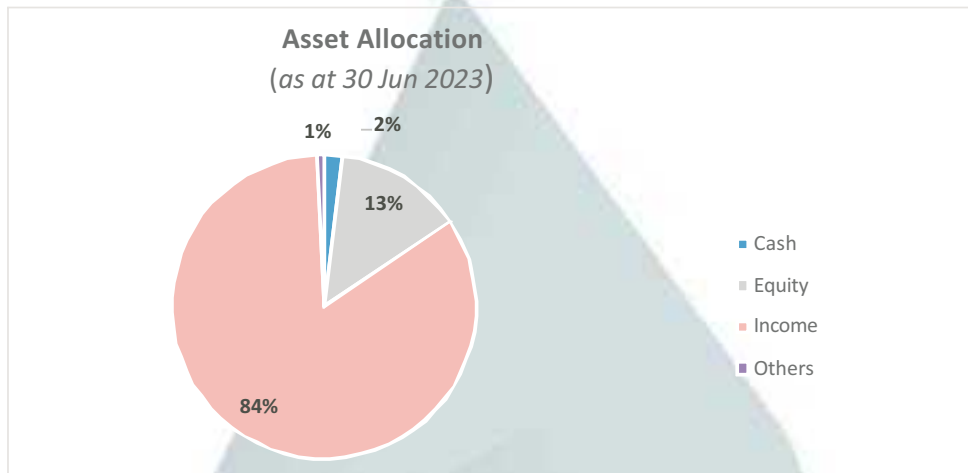
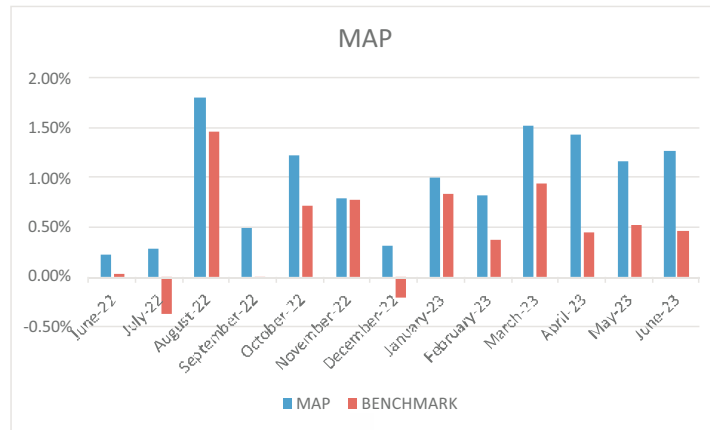
Islamic Balance Fund:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Balanced posted a return of 1.28% as compared to its benchmark of 0.40%.



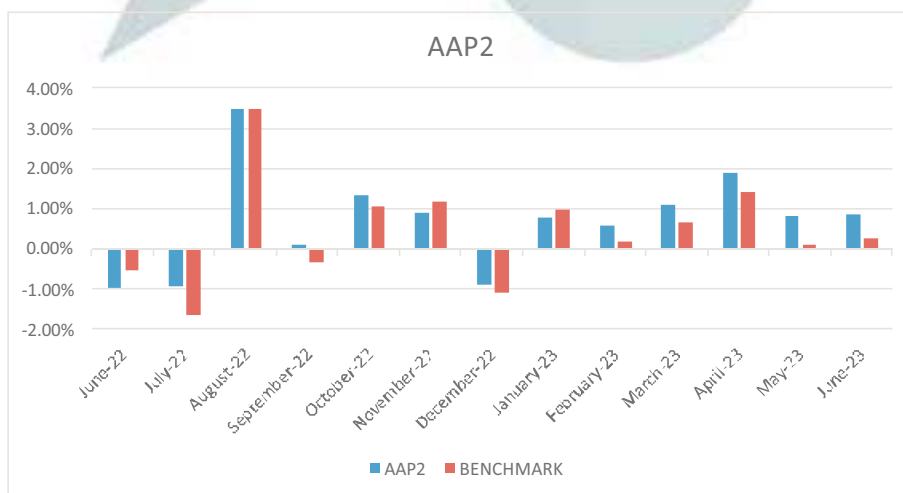
Islamic Moderate Fund:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active posted a return of 1.27% as compared to its benchmark of 0.47%



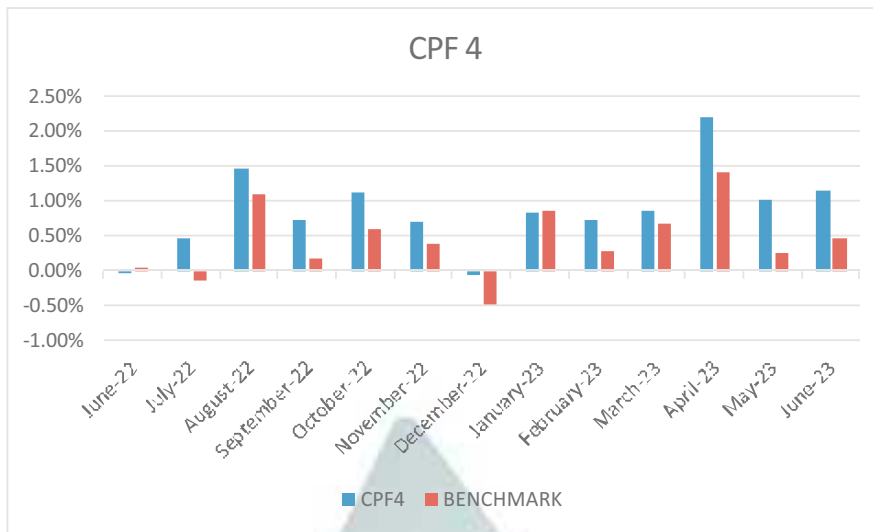
Islamic Active Fund - II:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active II posted a negative return of 0.86% as compared to its benchmark of 0.28%.



Alfalah Islamic Capital Preservation Plan 4

The fund generated a return of 1.17% against the benchmark which generated 0.47%.



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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shaheed-e-Faisal
Karachi - 74000, Pakistan
Tel: (92-21) 111-111,500
Fax: (92-21) 34326021 - 23
URL: www.cdcpk.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 28, 2023





SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Prosperity Planning Fund ('AGIPPF') managed by Alfalah Asset Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have checked following avenues presented to us by the Management in which AGIPPF made Investment during the period from July 1, 2022 to June 30, 2023.

Investment Head	Investment Avenue
Shariah Compliant Funds	<i>Alfalah GHP Islamic Dedicated Equity Fund</i> <i>Alfalah GHP Islamic Income Fund</i> <i>Alfalah GHP Islamic Money Market Fund</i> <i>Alfalah GHP Islamic Rozana Amdani Fund</i>

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2023, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board,


Mufti Shaikh Noman
 Shariah Advisor


Mufti Javed Ahmad
 Shariah Board Member



Alfalah Asset Management Limited

2nd Floor, Islamic Chamber of Commerce, Industry and Agriculture Building, Block-9, Clifton, Karachi - 75600 Pakistan.
 U: +92 (21) 111-090-090 | W: www.alfalahamc.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Prosperity Planning Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 28, 2023

Mr. Khaldoun Bin Latif
Chief Executive Officer





EY Head Office
Chartered Accountants
Progressive Plaza, Beasmark Road
H.C. Box 17541, Karachi 75230
Pakistan

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Tel: +971 3545 0077 11
Fax: +9221 5500 1960
ey@ey.com
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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfalah GHP Islamic Prosperity Planning Fund

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of investments</p> <p>The investments (comprised of open-ended mutual funds) represent 97.92% of the Total Assets of the Fund at the year end.</p> <p>In view of the significance of existence and valuation of investments in relation to determination of the Net Asset Value of the Fund, we have considered these to be a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over acquisition, disposals, and periodic valuation of investments portfolio. - We obtained independent confirmations for verifying the existence of the investments as on 30 June 2023. Where such confirmations

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Key audit matter	How our audit addressed the key audit matter
<p>Refer to Note 5 of the financial statements of the Fund for the year ended 30 June 2023 in relation to the above referred investments.</p>	<p>were not available, we reviewed custodian statements.</p> <ul style="list-style-type: none"> - We re-performed valuations on investments in accordance with the accounting policy of the Fund. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9. - We assessed the Fund's compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits. - We also evaluated the adequacy of the disclosures in the financial statements regarding the investments in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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





Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation



precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

Date: 26 September 2023

Karachi

UDIN Number: AR202310120xlcRwtuaP

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

		2023						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Assets								
Bank balances	4	1,908,473	867,300	1,001,842	-	705,488	-	4,483,103
Investments	5	75,368,089	190,787,855	83,936,076	-	17,539,828	-	367,631,848
Profit receivable on bank balances		25,123	93,867	21,581	-	27,586	-	168,157
Advance and other receivables	6	338,627	1,229,348	1,302,674	-	230,815	-	3,101,464
Total assets		77,640,312	192,978,370	86,262,173	-	18,503,717	-	375,384,572
Liabilities								
Payable to Alfalah Asset Management Limited - Management Company	7	405,050	457,744	334,770	-	126,781	-	1,324,345
Payable to Central Depository Company of Pakistan Limited - Trustee	8	141,289	101,445	154,381	-	10,657	-	407,772
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	13,790	36,205	115,409	-	5,903	-	171,306
Dividend payable		-	-	-	-	827,872	-	827,872
Accrued and other liabilities	10	4,997,485	4,917,468	2,624,062	-	721,018	-	13,260,033
Total liabilities		5,557,614	5,512,862	3,228,622	-	1,692,231	-	15,991,328
Net assets attributable to unit holders		72,082,698	187,465,508	83,033,551	-	16,811,486	-	359,393,243
Unit holders' funds (as per the statement attached)		72,082,698	187,465,508	83,033,551	-	16,811,486	-	359,393,243
Contingencies and commitments								
Number of units in issue	18	691,157	1,853,262	914,463	-	167,239	-	
		(Rupees)						
Net asset value per unit		104.2928	101.1543	90.8003	-	100.5237	-	

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

		2022						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Assets								
Bank balances	4	1,063,706	854,716	239,473	2,248,534	506,486	962,265	5,875,180
Investments	5	68,689,822	177,318,687	340,018,154	67,342,836	43,185,209	22,496,518	719,051,226
Profit receivable on bank balances		16,145	42,806	17,349	67,918	25,474	44,378	214,070
Advance and other receivables	6	338,627	1,229,348	1,015,815	372,965	230,815	130,512	3,318,081
Total assets		70,108,300	179,445,557	341,290,791	70,032,253	43,947,984	23,633,673	728,458,557
Liabilities								
Payable to Alfalah Asset Management Limited - Management Company	7	442,845	265,105	167,145	177,329	220,850	148,890	1,422,164
Payable to Central Depository Company of Pakistan Limited - Trustee	8	4,396	19,350	22,993	4,479	4,122	1,620	56,960
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	14,527	41,251	73,858	14,362	9,448	5,017	158,463
Dividend payable		-	-	-	-	-	-	-
Accrued and other liabilities	10	4,268,799	3,271,224	500,434	773,836	293,074	617,031	9,724,398
Total liabilities		4,730,567	3,596,931	764,430	970,006	527,494	772,558	11,361,985
Net assets attributable to unit holders		65,377,732	175,848,626	340,526,361	69,062,248	43,420,490	22,861,115	717,096,571
Unit holders' funds (as per the statement attached)		65,377,732	175,848,626	340,526,361	69,062,248	43,420,490	22,861,115	717,096,571
Contingencies and commitments	11							
Number of units in issue	18	630,294	1,746,890	3,777,352	785,508	435,244	229,321	
		(Rupees)						
Net asset value per unit		103.7258	100.6638	90.1495	87.9205	99.7613	99.6904	

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

		2023						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		(Rupees)						
Income								
		51,860	62,579	228,872	72,933	39,973	34,005	490,222
	5	(93,693)	(98,430)	(510,642)	-	(97,440)	-	(800,205)
		1,400,291	3,992,111	12,576,352	2,139,026	1,952,326	1,175,778	23,235,884
		7,338,045	18,575,485	5,970,298	-	1,499,732	-	33,383,560
		8,696,503	22,531,745	18,264,880	2,211,959	3,394,591	1,209,783	56,309,461
Expenses								
	7.1	-	12,072	30,847	18,180	7,007	2,094	70,200
	7.2	-	1,573	29,527	2,338	948	309	34,695
	8.1	52,042	124,774	116,286	13,075	20,826	8,988	335,991
	8.2	6,789	16,227	15,102	1,690	2,705	1,145	43,658
	9	13,815	36,230	41,551	3,990	5,928	2,337	103,851
		117,094	309,382	223,126	-	51,971	-	701,573
		6,581	24,373	47,457	26,069	8,030	20,057	132,567
	12	107,137	290,967	566,688	65,744	38,847	10,583	1,079,966
		1,830	6,604	31,226	4,878	4,015	2,079	50,632
		2,560	7,277	12,496	1,456	2,983	630	27,402
		307,848	829,479	1,114,305	137,420	143,260	48,222	2,580,534
		8,388,655	21,702,266	17,150,575	2,074,539	3,251,331	1,161,561	53,728,927
		-	-	-	-	-	-	-
		8,388,655	21,702,266	17,150,576	2,074,539	3,251,331	1,161,561	53,728,927
	14	-	-	-	-	-	-	-
		8,388,655	21,702,266	17,150,576	2,074,539	3,251,332	1,161,561	53,728,927
Allocation of net income for the year after taxation								
		8,388,655	21,702,266	17,150,576	2,074,539	3,251,332	1,161,561	53,728,929
		-	-	-	-	-	-	-
		8,388,655	21,702,266	17,150,576	2,074,539	3,251,332	1,161,561	53,728,929
Accounting income available for distribution								
		1,306,598	3,893,681	12,065,710	2,074,539	1,854,886	1,161,561	22,356,975
		7,082,057	17,808,585	5,084,866	-	1,396,446	-	31,371,954
		8,388,655	21,702,266	17,150,576	2,074,539	3,251,332	1,161,561	53,728,928

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

2022							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note ----- (Rupees) -----							
Income							
Profit on bank balances	108,008	36,044	55,133	63,818	31,443	42,163	336,609
Unrealised loss on revaluation of investments classified as 'fair value through profit or loss' - net	5 (2,000,517)	(2,838,264)	(29,164,090)	(1,447,614)	(1,043,782)	(266,173)	(36,760,440)
Loss on sale of investments - net	(1,721,224)	(1,701,949)	(17,777,085)	(72,655)	(1,698,955)	(1,042,314)	(24,014,182)
Dividend income	4,827,324	14,596,500	15,781,826	5,234,054	3,086,982	1,617,230	45,143,916
Total income / (loss)	1,213,591	10,092,331	(31,104,216)	3,777,603	375,688	350,906	(15,294,097)
Expenses							
Remuneration of Alfalah Asset Management Limited							
- Management Company	7.1 3,748	3,872	2,118	23,391	4,595	5,030	42,754
Sindh sales tax on remuneration of the Management Company	7.2 488	503	275	3,039	610	650	5,565
Remuneration of Central Depository Company of Pakistan							
- Trustee	8.1 52,260	144,469	258,462	50,670	32,914	17,482	556,257
Sindh sales tax on remuneration of the Trustee	8.2 6,816	18,781	33,595	6,565	4,291	2,266	72,314
Annual fee to the Securities and Exchange Commission of Pakistan	9 14,552	41,276	73,834	14,386	9,473	5,042	158,563
Shariah advisory fee	9,123	24,536	47,426	9,638	6,054	3,191	99,968
Auditors' remuneration	12 97,925	263,372	509,066	103,455	65,148	34,299	1,073,265
Annual listing fee	2,509	6,748	13,042	2,650	1,671	878	27,498
Annual rating fee							-
Printing charges	1,870	8,337	12,470	2,095	2,987	1,092	28,851
Bank charges	5,000	-	-	-	-	-	5,000
Allocated expenses	7.3 82,015	231,819	414,939	80,809	182,954	72,983	1,065,519
Total expenses	276,306	743,713	1,365,227	296,698	310,697	142,913	3,135,554
Operating (loss) / income for the year	937,285	9,348,618	(32,469,443)	3,480,905	64,991	207,993	(18,429,651)
Reversal of provision for Sindh Workers' Welfare Fund	5,685,667	6,624,803	4,852,445	538,600	689,280	166,768	18,557,563
Net income / (loss) for the year before taxation	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912
Taxation	14 -	-	-	-	-	-	-
Net income / (loss) for the year after taxation	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912
Allocation of net income for the year after taxation							
Net income for the year after taxation	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912
Income already paid on units redeemed	(894,652)	(2,800,649)	-	(362,338)	(108,237)	(25,233)	(4,191,110)
	5,728,300	13,172,772	(27,616,998)	3,657,167	646,034	349,528	(4,063,198)
Accounting income available for distribution							
- Relating to capital gains	-	-	-	-	-	-	-
- Excluding capital gains	5,728,300	13,172,772	-	3,657,167	646,034	349,528	(4,063,198)
	5,728,300	13,172,772	-	3,657,167	646,034	349,528	(4,063,198)

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED JUNE 30, 2023

2023							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
Net income for the year before taxation	8,388,655	21,702,266	17,150,576	2,074,539	3,251,332	1,161,561	53,728,929
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	8,388,655	21,702,266	17,150,576	2,074,539	3,251,332	1,161,561	53,728,929

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED JUNE 30, 2023

2022							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
Net income / (loss) for the year before taxation	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year	<u>6,622,952</u>	<u>15,973,421</u>	<u>(27,616,998)</u>	<u>4,019,505</u>	<u>754,271</u>	<u>374,761</u>	<u>127,912</u>

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

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

	Islamic Moderate Allocation Plan			Islamic Balanced Allocation Plan			Islamic Active Allocation Plan II		
	For the year ended June 30, 2023			For the year ended June 30, 2023			For the year ended June 30, 2023		
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total
	----- Rupees-----			----- Rupees-----			----- Rupees-----		
Net assets at the beginning of the year	96,006,879	(30,629,147)	65,377,732	95,366,211	80,482,415	175,848,626	529,935,086	(189,408,725)	340,526,361
Issuance of units (refer note 18)									
- Capital value (at net asset value per unit at the beginning of the year / period)	6,656,812	-	6,656,812	16,486,112	-	16,486,112	5,529,771	-	5,529,771
- Element of income / (loss)	4,888	-	4,888	806	-	806	(5)	-	(5)
Total proceeds on issuance of units	6,661,700	-	6,661,700	16,486,918	-	16,486,918	5,529,766	-	5,529,766
Redemption of units (refer note 18)									
- Capital value (at net asset value per unit at the beginning of the year)	343,746	-	343,746	5,777,565	-	5,777,565	263,617,784	-	263,617,784
- Element of income	11,037	-	11,037	175,686	-	175,686	8,993,863	-	8,993,863
Total payments on redemption of units	(354,783)	-	(354,783)	(5,953,251)	-	(5,953,251)	(272,611,647)	-	(272,611,647)
Total comprehensive income for the year	-	8,388,655	8,388,655	-	21,702,266	21,702,266	-	17,150,575	17,150,575
Interim cash distribution for the year ended June 30, 2023 @ Rs 12.7217 per unit (Islamic Moderate Allocation Plan),	(759)	(7,989,847)	(7,990,606)	-	-	-	-	-	-
Rs 12.2024 per unit (Islamic Balanced Allocation Plan),	-	-	-	(745)	(20,618,306)	(20,619,051)	-	-	-
Rs 8.8642 per unit (Islamic Active Allocation Plan II),	-	-	-	-	-	-	(64)	(7,561,440)	(7,561,504)
Rs 11.0495 per unit (Islamic Capital Preservation Plan IV) and on June 30, 2023	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	(759)	398,808	398,049	(745)	1,083,960	1,083,215	(64)	9,589,135	9,589,071
Net assets at the end of the year	102,313,037	(30,230,339)	72,082,698	105,899,133	81,566,375	187,465,508	262,853,141	(179,819,590)	83,033,551
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		(28,628,630)			83,320,679			(160,244,635)	
- Unrealised loss		(2,000,517)			(2,838,264)			(29,164,090)	
		<u>(30,629,147)</u>			<u>80,482,415</u>			<u>(189,408,725)</u>	
Accounting income available for distribution									
- Relating to capital gains		1,306,598			3,893,681			12,065,710	
- Excluding capital gains		7,082,057			17,808,585			5,084,866	
		<u>8,388,655</u>			<u>21,702,266</u>			<u>17,150,576</u>	
Distribution during the year		(7,989,847)			(20,618,306)			(7,561,440)	
Undistributed (loss) / income carried forward		<u>(30,230,339)</u>			<u>81,566,375</u>			<u>(179,819,590)</u>	
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income		(30,136,646)			81,664,805			(179,308,948)	
- Unrealised loss		(93,693)			(98,430)			(510,642)	
		<u>(30,230,339)</u>			<u>81,566,375</u>			<u>(179,819,590)</u>	
		<u>(Rupees)</u>			<u>(Rupees)</u>			<u>(Rupees)</u>	
Net asset value per unit at the beginning of the year		<u>103.7258</u>			<u>100.6638</u>			<u>90.1495</u>	
Net asset value per unit at the end of the year		<u>104.2928</u>			<u>101.1543</u>			<u>90.8003</u>	

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Islamic Active Allocation Plan III			Islamic Capital Preservation Plan IV			Islamic Capital Preservation Plan V			Total
	For the year ended June 30, 2023			For the year ended June 30, 2023			For the year ended June 30, 2023			
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income/ (Accumulated loss)	Total	
----- Rupees -----			----- Rupees -----			----- Rupees -----			Rupees	
Net assets at the beginning of the year	142,197,149	(73,134,901)	69,062,248	43,329,324	91,166	43,420,490	22,888,873	(27,758)	22,861,115	717,096,572
Issuance of units (refer note 18)										
- Capital value (at net asset value per unit at the beginning of the year / period)	66,644	-	66,644	742,225	-	742,225	-	-	-	29,481,564
- Element of income	298	-	298	21,790	-	21,790	-	-	-	27,777
Total proceeds on issuance of units	66,942	-	66,942	764,015	-	764,015	-	-	-	29,509,341
Redemption of units (refer note 18)										
- Capital value (at net asset value per unit at the beginning of the year)	69,128,892	-	69,128,892	27,478,725	-	27,478,725	22,861,102	-	22,861,102	389,207,814
- Element of income	2,074,837	-	2,074,837	1,354,970	-	1,354,970	1,161,574	-	1,161,574	13,771,967
Total payments on redemption of units	(71,203,729)	-	(71,203,729)	(28,833,695)	-	(28,833,695)	(24,022,676)	-	(24,022,676)	(402,979,782)
Total comprehensive income for the year	-	2,074,539	2,074,539	-	3,251,332	3,251,332	-	1,161,561	1,161,561	53,728,928
Interim cash distribution for the year ended June 30, 2023 @ Rs 12.7217 per unit (Islamic Moderate Allocation Plan)	-	-	-	-	-	-	-	-	-	(7,990,606)
Rs 12.2024 per unit (Islamic Balanced Allocation Plan)	-	-	-	-	-	-	-	-	-	(20,619,051)
Rs 8.8642 per unit (Islamic Active Allocation Plan II)	-	-	-	-	-	-	-	-	-	(7,561,504)
Rs 11.0495 per unit (Islamic Capital Preservation Plan IV) and on June 30, 2023	-	-	-	(22,150)	(1,768,506)	(1,790,656)	-	-	-	(1,790,656)
Net income for the year less distribution	-	2,074,539	2,074,539	(22,150)	1,482,826	1,460,676	-	1,161,561	1,161,561	15,767,111
Net assets at the end of the year	71,060,362	(71,060,362)	-	15,237,494	1,573,992	16,811,486	(1,133,803)	1,133,804	-	359,393,243
(Accumulated loss) / undistributed income brought forward										
- Realised (loss) / income		(71,687,287)			1,134,948			238,415		
- Unrealised loss		(1,447,614)			(1,043,782)			(266,173)		
Accounting income available for distribution		(73,134,901)			91,166			(27,758)		
- Relating to capital gains		2,074,539			1,854,886			1,161,561		
- Excluding capital gains		-			1,396,446			-		
		2,074,539			3,251,332			1,161,561		
Distribution during the year		-			(1,768,506)			-		
Undistributed (loss) / income carried forward		(71,060,362)			1,573,992			1,133,804		
(Accumulated loss) / undistributed income carried forward										
- Realised (loss) / income		(71,060,362)			1,671,432			1,133,804		
- Unrealised loss		-			(97,440)			-		
		(71,060,362)			1,573,992			1,133,804		
Net asset value per unit at the beginning of the year	(Rupees)	87.9205		(Rupees)	99.7613		(Rupees)	99.6904		
Net asset value per unit at the end of the year		-			100.5237			-		

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

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

	Islamic Moderate Allocation Plan			Islamic Balanced Allocation Plan			Islamic Active Allocation Plan II		
	For the year ended June 30, 2022			For the year ended June 30, 2022			For the year ended June 30, 2022		
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total
	Rupees			Rupees			Rupees		
Net assets at the beginning of the year	94,145,135	(30,885,595)	63,259,540	132,225,053	79,850,258	212,075,311	556,005,463	(161,791,727)	394,213,736
Issuance of units (refer note 18)									
- Capital value (at net asset value per unit at the beginning of the year / period)	21,993,997	-	21,993,997	10,209,438	-	10,209,438	2,954,883	-	2,954,883
- Element of income	1,550,694	-	1,550,694	1,325	-	1,325	25,915	-	25,915
Total proceeds on issuance of units	23,544,691	-	23,544,691	10,210,763	-	10,210,763	2,980,798	-	2,980,798
Redemption of units (refer note 18)									
- Capital value (at net asset value per unit at the beginning of the year)	20,133,570	-	20,133,570	47,068,213	-	47,068,213	29,840,468	-	29,840,468
- Element of income / (loss)	1,093,236	894,652	1,987,888	459	2,800,649	2,801,108	(789,293)	-	(789,293)
Total payments on redemption of units	(21,226,806)	(894,652)	(22,121,458)	(47,068,672)	(2,800,649)	(49,869,321)	(29,051,175)	-	(29,051,175)
Total comprehensive income for the year	-	6,622,952	6,622,952	-	15,973,421	15,973,421	-	(27,616,998)	(27,616,998)
Final distribution for the year ended June 30, 2022 @ Rs 10.1737 per unit (Islamic Moderate Allocation Plan), Rs 7.6181 per unit (Islamic Balanced Allocation Plan), Rs 7.6181 per unit (Islamic Active Allocation Plan II), Rs 1.5049 per unit (Islamic Capital Preservation Plan IV) and on June 30, 2022	(456,141)	(5,471,852)	(5,927,993)	-	-	-	-	-	-
Net income for the year less distribution	(456,141)	1,151,100	694,959	(933)	3,432,806	3,431,873	-	(27,616,998)	(27,616,998)
Net assets at the end of the year	96,006,879	(30,629,147)	65,377,732	95,366,211	80,482,415	175,848,626	529,935,086	(189,408,725)	340,526,361
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		(34,991,836)			75,369,892			(198,077,721)	
- Unrealised gain		4,106,241			4,480,366			36,285,994	
		(30,885,595)			79,850,258			(161,791,727)	
Accounting income available for distribution									
- Relating to capital loss		-			-			-	
- Excluding capital gains / (loss)		5,728,300			13,172,772			(27,616,998)	
		5,728,300			13,172,772			(27,616,998)	
Distribution during the year		(5,471,852)			(12,540,615)			-	
Undistributed (loss) / income carried forward		(30,629,147)			80,482,415			(189,408,725)	
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income		(28,628,630)			83,320,679			(160,244,635)	
- Unrealised loss		(2,000,517)			(2,838,264)			(29,164,090)	
		(30,629,147)			80,482,415			(189,408,725)	
Net asset value per unit at the beginning of the year	(Rupees)	103.3169		(Rupees)	100.3020		(Rupees)	97.2449	
Net asset value per unit at the end of the year		103.7258			100.6638			90.1495	

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Islamic Active Allocation Plan III			Islamic Capital Preservation Plan IV			Islamic Capital Preservation Plan V			Total
	For the year ended June 30, 2022			For the year ended June 30, 2022			For the year ended June 30, 2022			
	Capital Value	Accumulated loss	Total	Capital Value	Undistrib-uted income	Total	Capital Value	Undistrib-uted income/ (Accumulated loss)	Total	Rupees
	Rupees			Rupees			Rupees			Rupees
Net assets at the beginning of the year	147,034,403	(73,382,726)	73,651,677	50,820,579	77,817	50,898,396	25,245,503	(37,022)	25,208,481	819,307,141
Issuance of units (refer note 18)										
- Capital value (at net asset value per unit at the beginning of the year / period)	3,363,497	-	3,363,497	2,629,318	-	2,629,318	299,631	-	299,631	41,450,764
- Element of income	600	-	600	16,548	-	16,548	263	-	263	1,595,345
Total proceeds on issuance of units	3,364,097	-	3,364,097	2,645,866	-	2,645,866	299,894	-	299,894	43,046,109
Redemption of units (refer note 18)										
- Capital value (at net asset value per unit at the beginning of the year)	8,201,143	-	8,201,143	10,130,104	-	10,130,104	2,657,519	-	2,657,519	118,031,017
- Element of income / (loss)	1	362,338	362,339	(9,108)	108,237	99,129	(1,151)	25,233	24,082	4,485,254
Total payments on redemption of units	(8,201,144)	(362,338)	(8,563,482)	(10,120,996)	(108,237)	(10,229,233)	(2,656,368)	(25,233)	(2,681,601)	(122,516,271)
Total comprehensive income for the year	-	4,019,505	4,019,505	-	754,271	754,271	-	374,761	374,761	127,912
Final distribution for the year ended June 30, 2022 @										
Rs 10.1737 per unit (Islamic Moderate Allocation Plan),	-	-	-	-	-	-	-	-	-	(5,927,993)
Rs 7.6181 per unit (Islamic Balanced Allocation Plan),	-	-	-	-	-	-	-	-	-	(12,541,548)
Rs 7.6181 per unit (Islamic Active Allocation Plan II),	-	-	-	-	-	-	-	-	-	-
Rs 1.5049 per unit (Islamic Capital Preservation Plan IV) and on June 30, 2022	-	-	-	(16,125)	(632,685)	(648,810)	-	-	-	(648,810)
Net income for the year less distribution	(207)	610,163	609,956	(16,125)	121,586	105,461	(156)	34,497	34,341	(22,740,408)
Net assets at the end of the year	142,197,149	(73,134,901)	69,062,248	43,329,324	91,166	43,420,490	22,888,873	(27,758)	22,861,115	717,096,571
(Accumulated loss) / undistributed income brought forward										
- Realised (loss) / income		(81,016,955)			3,374,641			1,698,552		
- Unrealised gain / (loss)		7,634,229			(3,296,824)			(1,735,574)		
		(73,382,726)			77,817			(37,022)		
Accounting income available for distribution										
- Relating to capital loss		-			-			-		
- Excluding capital gains		3,657,167			646,034			349,528		
		3,657,167			646,034			349,528		
Distribution during the year		(3,409,342)			(632,685)			(340,264)		
Undistributed (loss) / income carried forward		(73,134,901)			91,166			(27,758)		
(Accumulated loss) / undistributed income carried forward										
- Realised (loss) / income		(71,687,287)			1,134,948			238,415		
- Unrealised loss		(1,447,614)			(1,043,782)			(266,173)		
		(73,134,901)			91,166			(27,758)		
		(Rupees)			(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		87.6002			99.7087			99.6445		
Net asset value per unit at the end of the year		87.9205			99.7612			99.6905		

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2023						Total	
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V		
Note	----- (Rupees) -----							
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the year before taxation	8,388,655	21,702,266	17,150,576	2,074,539	3,251,332	1,161,561	53,728,929	
Adjustments for:								
Unrealised loss on revaluation of investments classified as 'fair value through profit or loss' - net	93,693	98,430	510,642	-	97,440	-	800,205	
	8,482,348	21,800,696	17,661,218	2,074,539	3,348,772	1,161,561	54,529,134	
Decrease / (increase) in assets								
Investments - net	(6,771,960)	(13,567,598)	255,571,436	67,342,836	25,547,941	22,496,518	350,619,174	
Profit receivable on bank balances	(8,978)	(51,061)	(4,232)	67,918	(2,112)	44,378	45,914	
Advance and other receivables	-	-	(286,859)	372,965	-	130,512	216,618	
	(6,780,939)	(13,618,659)	255,280,345	67,783,720	25,545,830	22,671,408	350,881,705	
Increase / (decrease) in liabilities								
Payable to Alfalah Asset Management Limited - Management Company	(37,795)	192,639	167,625	(177,329)	(94,069)	(148,890)	(97,819)	
Payable to Central Depository Company of Pakistan Limited - Trustee	136,893	82,095	131,388	(4,479)	6,535	(1,620)	350,812	
Annual fee payable to the Securities and Exchange Commission of Pakistan	(737)	(5,046)	41,551	(14,362)	(3,545)	(5,017)	12,844	
Payable against redemption of units	-	(1)	-	-	-	-	(1)	
Accrued and other liabilities	728,686	1,646,244	2,123,627	(773,836)	427,943	(617,031)	3,535,633	
	827,047	1,915,931	2,464,192	(970,005)	336,863	(772,558)	3,801,470	
Net cash flows generated from operating activities	2,528,456	10,097,968	275,405,755	68,888,253	29,231,465	23,060,411	409,212,309	
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issuance of units - net of refund of capital	6,660,941	16,486,173	5,529,702	66,942	741,865	-	29,485,623	
Amount paid on redemption of units	(354,783)	(5,953,251)	(272,611,647)	(71,203,729)	(28,833,695)	(24,022,676)	(402,979,781)	
Dividend paid	(7,989,847)	(20,618,306)	(7,561,440)	-	(940,633)	-	(37,110,226)	
Net cash flows used in financing activities	(1,683,689)	(10,085,384)	(274,643,385)	(71,136,787)	(29,032,463)	(24,022,676)	(410,604,385)	
Net increase / (decrease) in cash and cash equivalents during the year	844,767	12,584	762,369	(2,248,534)	199,002	(962,265)	(1,392,076)	
Cash and cash equivalents at beginning of the year	1,063,706	854,716	239,473	2,248,534	506,486	962,265	5,875,179	
Cash and cash equivalents at end of the year	4	1,908,473	867,300	1,001,842	-	705,488	-	4,483,103

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2022						Total	
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V		
Note	(Rupees)							
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the year before taxation	6,622,952	15,973,421	(27,616,998)	4,019,505	754,271	374,761	127,912	
Adjustments for:								
Amortisation of preliminary expenses and floatation costs	-	-	-	-	-	-	-	
Unrealised loss on revaluation of investments classified as 'fair value through profit or loss' - net	2,000,517	2,838,264	29,164,090	1,447,614	1,043,782	266,173	36,760,440	
Provision for Sindh Workers' Welfare Fund	(5,685,667)	(6,624,803)	(4,852,445)	(538,600)	(689,280)	(166,768)	(18,557,563)	
	2,937,802	12,186,882	(3,305,353)	4,928,519	1,108,773	474,166	18,330,789	
Decrease / (increase) in assets								
Investments - net	585,865	42,427,282	36,660,756	3,371,809	8,090,077	1,955,580	93,091,369	
Profit receivable on bank balances	(11,734)	(8,388)	196,302	(58,515)	(18,690)	(25,626)	73,349	
Advance and other receivables	(338,627)	(1,021,798)	(1,015,732)	(333,157)	(228,085)	(130,512)	(3,067,911)	
	235,504	41,397,096	35,841,326	2,980,137	7,843,302	1,799,442	90,096,807	
Increase / (decrease) in liabilities								
Payable to Alfalah Asset Management Limited - Management Company	24,101	18,406	36,258	(99,573)	141,630	51,311	172,133	
Payable to Central Depository Company of Pakistan Limited - Trustee	(77,988)	(2,478)	(4,274)	(31,853)	(933)	(17,408)	(134,934)	
Annual fee payable to the Securities and Exchange Commission of Pakistan	234	(5,683)	(4,559)	(949)	(3,623)	(667)	(15,247)	
Payable against redemption of units	-	(92,429)	-	-	(600,404)	(68,953)	(761,786)	
Dividend payable	-	-	-	-	-	-	-	
Accrued and other liabilities	(2,837,912)	(6,049,553)	(7,648,484)	(651,656)	(1,618,842)	(414,505)	(19,220,952)	
	(2,891,565)	(6,131,737)	(7,621,059)	(784,031)	(2,082,172)	(450,222)	(19,960,786)	
Net cash flows generated from operating activities	281,741	47,452,241	24,914,914	7,124,625	6,869,903	1,823,387	88,466,811	
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issuance of units - net of refund of capital	23,088,550	10,209,830	2,980,798	3,363,890	2,629,741	299,738	42,572,547	
Amount paid on redemption of units	(22,121,458)	(49,869,321)	(29,051,175)	(8,563,482)	(10,229,233)	(2,681,601)	(122,516,271)	
Dividend paid	(5,471,852)	(12,557,609)	-	(3,409,343)	(1,570,965)	(341,120)	(23,350,889)	
Net cash flows used in financing activities	(4,504,760)	(52,217,100)	(26,070,377)	(8,608,935)	(9,170,457)	(2,722,983)	(103,294,613)	
Net decrease in cash and cash equivalents during the year	(4,223,019)	(4,764,859)	(1,155,463)	(1,484,310)	(2,300,554)	(899,597)	(14,827,802)	
Cash and cash equivalents at beginning of the year	5,286,725	5,619,575	1,394,936	3,732,844	2,807,040	1,861,862	20,702,982	
Cash and cash equivalents at end of the year	4	1,063,706	854,716	239,473	2,248,534	506,486	962,265	5,875,180

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Islamic Prosperity Planning Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah Asset Management Limited [formerly Alfalah GHP Investment Management Limited], (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee) on March 15, 2016. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on April 25, 2016.

After promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan, the abovementioned Trust Deeds have been registered under the Sindh Trust Act on 13 September, 2021.

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

1.3 The Fund is categorised as a 'Fund of Funds scheme' pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

1.4 According to the Trust Deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The duration of the fund is perpetual, however, allocation plans may have set a time frame. The objective of the Fund is to invest in units of other mutual funds or to earn income on bank deposits. The investment objectives and policy are explained in the Fund's offering document. Presently, the Fund offers following allocation plans:

- a. Alfalah GHP Islamic *Moderate Allocation Plan (MAP): The management has renamed Alfalah GHP Islamic Active Allocation Plan to Alfalah GHP Islamic Moderate Allocation Plan. The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- b. Alfalah GHP Islamic Balanced Allocation Plan (BAP) is perpetual.
- c. Alfalah GHP Islamic Active Allocation Plan II (AAP II): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- d. Alfalah Islamic Capital Preservation Plan IV (CPP IV): The initial maturity of plan was (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.

During the current year, Alfalah GHP Islamic Active Allocation Plan III (AAP III) and Alfalah Islamic Capital Preservation Plan V (CPP V) were matured as per the offering document on January 27, 2023.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+ (stable outlook) on March 3, 2022).

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

The directors of the Management Company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

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

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

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

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

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

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

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

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

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund
- iii. Provision against Federal Excise Duty (note 7.4)

2.5 Accounting Convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

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

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

3.2.1.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.2.2 Impairment

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

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

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

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

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

3.2.5 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

Deferred

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

3.7 Distributions to unit holders

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

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

3.8 Issue and redemption of units

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances and other income is recognized on accrual basis.

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non- Banking Finance Companies and Notified Entities Regulations, 2008.

3.15 Foreign currency translation

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

4 BANK BALANCES

		2023						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		----- (Rupees) -----						
In savings accounts	4.1	1,908,473	867,300	1,001,842	-	705,488	-	4,483,103
		2022						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		----- (Rupees) -----						
In savings accounts	4.1	1,063,706	854,716	239,473	2,248,534	506,486	962,265	5,875,180

4.1 These carry profit rates ranging from 8.50% to 20.50% (2022: 5.5% to 15.20%) per annum and includes Rs 9.44 million (2022: Rs 17.73 million) placed with Bank Alfalah Limited (a related party), carrying profit at the rate of 20.50% (2022: 16.6%) per annum.

5 INVESTMENTS

Financial assets at fair value through profit or loss

2023						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note (Rupees)

Open end mutual funds	5.1	75,368,089	190,787,855	83,936,075	-	17,539,828	-	367,631,847
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Financial assets at fair value through profit or loss

2022						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note (Rupees)

Open end mutual funds	5.1	68,689,822	177,318,687	340,018,154	67,342,836	43,185,209	22,496,518	719,051,226
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5.1 Financial assets 'at fair value through profit or loss' - Units of open-ended mutual funds

5.1.1 Islamic Moderate Allocation Plan

Particulars	As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
		(No. of Units)			(Rupees)			(%)	
Alfalah GHP Islamic Income Fund	577,212	31,059	221,226	387,045	44,339,284	44,474,558	135,274	61.70%	59.01%
Alfalah GHP Islamic Dedicated Equity Fur	150,257	52,764	49,476	153,545	9,963,644	9,734,663	(228,981)	13.50%	12.92%
Alfalah Islamic Rozana Amadani Fund	-	194,080	-	194,080	21,158,759	21,158,868	109	29.35%	28.07%
Total as at June 30, 2023					75,461,687	75,368,089	(93,598)	104.56%	100.00%
Total as at June 30, 2022					70,690,339	68,689,822	(2,000,517)	105.06%	100.00%

5.1.1.1 These represent investments held in related parties i.e. funds under common management.

5.1.2 Islamic Balanced Allocation Plan

Particulars	As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
		(No. of Units)			(Rupees)			(%)	
Alfalah GHP Islamic Income Fund	1,587,086	-	67,213	1,519,873	102,282,951	102,709,966	427,015	54.79%	53.83%
Alfalah GHP Islamic Dedicated Equity Fur	232,012	90,452	-	322,464	20,873,409	20,347,964	(525,444)	10.85%	10.67%
Alfalah Islamic Rozana Amdani Fund	-	621,257	-	621,257	67,729,925	67,729,925	1	36.13%	35.50%
Total as at June 30, 2023					190,886,285	190,787,855	(98,428)	101.77%	100.00%
Total as at June 30, 2022					180,156,951	177,318,687	(2,838,264)	100.84%	100.00%

5.1.2.1 These represent investments held in related parties i.e. funds under common management.

5.1.3 Islamic Active Allocation Plan II

Particulars	As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----			----- (%) -----		
Alfalalah GHP Islamic Income Fund	2,016,089	827,113	1,942,016	901,186	18,638,361	18,635,355	(3,006)	22.44%	22.20%
Alfalalah GHP Islamic Dedicated Equity Fun	2,093,576	281,909	1,739,780	635,705	23,272,688	22,765,052	(507,636)	27.42%	27.12%
Alfalalah Islamic Rozana Amdani Fund	-	404,753	-	404,753	42,535,668	42,535,668	-	51.23%	50.68%
Total as at June 30, 2023					84,446,717	83,936,075	(510,642)	101.09%	100.00%
Total as at June 30, 2022					369,182,244	340,018,154	(29,164,090)	99.86%	100.00%

5.1.3.1 These represent investments held in related parties i.e. funds under common management.

5.1.4 Islamic Active Allocation Plan III

Particulars	As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----			----- (%) -----		
Alfalalah GHP Islamic Income Fund	564,221	-	564,221	-	-	-	-	0.00%	0.00%
Alfalalah GHP Islamic Dedicated Equity Fun	149,926	-	149,926	-	-	-	-	0.00%	0.00%
Total as at June 30, 2023					-	-	-	0.00%	0.00%
Total as at June 30, 2022					68,790,450	67,342,836	(1,447,614)	97.51%	100.00%

5.1.4.1 These represent investments held in related parties i.e. funds under common management.

5.1.5 Islamic Capital Preservation Plan IV

Particulars	As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----			----- (%) -----		
Alfalalah GHP Islamic Income Fund	379,987	21,089	258,200	142,876	6,363,566	6,384,632	21,066	37.98%	36.40%
Alfalalah GHP Islamic Dedicated Equity Fun	67,004	102,512	114,999	54,517	2,984,704	2,866,198	(118,506)	17.05%	16.34%
Alfalalah Islamic Rozana Amdani Fund	-	82,890	-	82,890	8,288,998	8,288,998	-	49.31%	47.26%
Total as at June 30, 2023					17,637,268	17,539,828	(97,440)	104.33%	100.00%
Total as at June 30, 2022					44,228,991	43,185,209	(1,043,782)	99.46%	100.00%

5.1.5.1 These represent investments held in related parties i.e. funds under common management.

5.1.6 Islamic Capital Preservation Plan V

Particulars	As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----			----- (%) -----		
Alfalalah GHP Islamic Income Fund	98,211	-	98,211	-	-	-	-	0.00%	0.00%
Alfalalah GHP Islamic Dedicated Equity Fun	184,104	-	184,104	-	-	-	-	0.00%	0.00%
Total as at June 30, 2023					-	-	-	0.00%	0.00%
Total as at June 30, 2022					22,762,690	22,496,518	(266,173)	98.41%	100.00%

5.1.6.1 These represent investments held in related parties i.e. funds under common management.

6 ADVANCE AND OTHER RECEIVABLE

		2023						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
	Note	----- (Rupees) -----						
Advance tax	6.1	-	1,021,797	1,015,492	-	228,085	-	2,265,374
Others		338,627	207,551	287,182	-	2,730	-	836,091
		<u>338,627</u>	<u>1,229,348</u>	<u>1,302,674</u>	<u>-</u>	<u>230,815</u>	<u>-</u>	<u>3,101,465</u>
		2022						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
	Note	----- (Rupees) -----						
Advance tax		-	1,021,797	1,015,492	372,965	228,085	130,512	2,768,851
Others		338,627	207,551	323	-	2,730	-	549,230
		<u>338,627</u>	<u>1,229,348</u>	<u>1,015,815</u>	<u>372,965</u>	<u>230,815</u>	<u>130,512</u>	<u>3,318,081</u>

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company.

Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax has been shown under 'advances, prepayments and other receivable' as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

		2023						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
	Note	----- (Rupees) -----						
Management remuneration payable	7.1	89,839	45,514	31,060	-	5,868	-	172,281
Sindh sales tax payable on management remuneration	7.2	24,239	17,001	29,549	-	1,851	-	72,640
Payable against allocated expenses	7.3	21,696	276,788	274,161	-	59,062	-	631,707
Federal excise duty payable on management remuneration	7.4	83,821	83,234	-	-	-	-	167,055
Formation cost payable & others		-	-	-	-	60,000	-	60,000
Sales load payable		185,455	35,207	-	-	-	-	220,662
		<u>405,050</u>	<u>457,744</u>	<u>334,770</u>	<u>-</u>	<u>126,781</u>	<u>-</u>	<u>1,324,345</u>

2022							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
Management remuneration payable	103,251	37,744	213	113,288	1,778	42,935	299,209
Sindh sales tax payable on management remuneration	24,239	15,988	25	20,052	1,221	5,564	67,089
Payable against allocated expenses	46,080	92,931	166,907	43,989	157,851	60,391	568,149
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	-	167,055
Sales load payable	185,454	35,207	-	-	-	-	220,661
Others	-	1	-	-	60,000	40,000	100,001
	<u>442,845</u>	<u>265,105</u>	<u>167,145</u>	<u>177,329</u>	<u>220,850</u>	<u>148,890</u>	<u>1,422,164</u>

- 7.1 The Management Company has charged remuneration at the rate of 1.25% (2022: 1.25%) of the average annual net assets of the Plans during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the current year, an amount of Rs million (2022: Rs 0.006 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs million (2022: Rs 0.006 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expenses.
- 7.4 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.08 million (2022: Rs 0.08 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Plans as at 30 June 2023 would have been higher by Rs. 0.12 per unit (2022: Rs 0.14 per unit) and Rs 0.04 (2022: Rs. 0.04) for Islamic Moderate Allocation Plan and Islamic Balanced Allocation Plan respectively.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

2023								
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total		
(Rupees)								
Note								
Trustee remuneration payable	8.1	116,179	87,741	136,628	-	9,418	-	349,966
Sindh sales tax payable on Trustee remuneration	8.2	25,110	13,704	17,753	-	1,239	-	57,806
		<u>141,289</u>	<u>101,445</u>	<u>154,381</u>	<u>-</u>	<u>10,657</u>	<u>-</u>	<u>407,772</u>

2023							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
Trustee remuneration payable	3,890	15,096	20,342	3,964	3,739	1,440	48,471
Sindh sales tax payable on Trustee remuneration	506	4,254	2,651	515	383	180	8,489
	4,396	19,350	22,993	4,479	4,122	1,620	56,960

Note

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration is payable to the trustee at the rate of 0.053% (2022: 0.065%) per annum of the net assets of the Fund.

The same level of trustee fee was charged during the year ended June 30, 2023.

- 8.2 During the current year, an amount of Rs 0.04 million (2022: Rs 0.04 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.64 million (2022: Rs 0.26 million) was paid to the Trustee which acts as a collecting agent.

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

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

10 ACCRUED AND OTHER LIABILITIES

2023							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
Printing charges payable	91,077	126,604	34,249	-	16,307	-	268,237
Auditors' remuneration payable	32,389	10,778	375,912	-	54,088	-	473,167
Withholding and capital gain tax payable	1,957,206	4,387,161	2,056,450	-	597,145	-	8,997,962
Listing fee payable	46,194	57,781	-	-	6,662	-	110,637
Rating fee payable	92,130	142,752	157,451	-	17,705	-	410,038
Shariah advisory fee payable	84,105	43,049	-	-	29,110	-	156,264
Sales load payable	2,694,384	149,343	-	-	1	-	2,843,728
	4,997,485	4,917,468	2,624,062	-	721,018	-	13,260,033

2022							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
Printing charges payable	88,516	119,325	21,753	37,600	13,940	14,412	295,546
Auditors' remuneration payable	107,286	114,964	315,428	240,873	104,100	41,135	923,786
Withholding and capital gain tax payable	1,156,572	2,653,407	5,802	311,284	122,304	105,114	4,354,483
Listing fee payable	44,364	51,176	-	7,578	2,647	2,803	108,568
Rating fee payable	92,130	142,752	157,451	89,183	17,705	16,620	515,841
Shariah advisory fee payable	85,545	40,257	-	87,202	32,377	55,411	300,792
Sales load payable	2,694,386	149,343	-	116	1	381,536	3,225,382
	4,268,799	3,271,224	500,434	773,836	293,074	617,031	9,724,398

11 CONTINGENCIES AND COMMITMENTS

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

12 AUDITORS' REMUNERATION

2023							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
Audit fee	50,000	140,000	260,000	-	16,500	-	466,500
Review and other certifications	25,000	75,000	135,000	45,294	10,000	7,282	297,576
Out of pocket expenses	24,201	54,414	129,711	15,921	9,469	2,517	236,233
Sindh sales tax	7,936	21,553	41,977	4,529	2,878	784	79,657
	<u>107,137</u>	<u>290,967</u>	<u>566,688</u>	<u>65,744</u>	<u>38,847</u>	<u>10,583</u>	<u>1,079,966</u>
2022							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
Audit fee	49,737	133,770	258,562	52,546	33,134	17,442	545,191
Review and other certifications	25,719	69,173	133,703	27,172	17,132	9,019	281,918
Sindh sales tax	7,027	18,898	36,528	7,423	4,675	2,461	77,012
Out of pocket expenses	15,442	41,531	80,273	16,314	10,207	5,377	169,144
	<u>97,925</u>	<u>263,372</u>	<u>509,066</u>	<u>103,455</u>	<u>65,148</u>	<u>34,299</u>	<u>1,073,265</u>

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 are 0.43%, 0.44%, 1.32%, 0.00%, 0.81% and 0.00% (2022: 0.38%, 0.36%, 0.37%, 0.41%, 0.66% and 0.57%) which includes 0.03%, 0.03%, 0.1%, 0.00%, 0.05% and 0.00% (2022: 0.03%, 0.03%, 0.03%, 0.03%, 0.03% and 0.03%) representing government levies on Islamic Moderate Allocation Plan, Islamic Balanced Allocation Plan, Islamic Active Allocation Plan II, Islamic Active Allocation Plan III, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% (2022: 2.5%), (excluding government levies), prescribed under the NBFC Regulations for a collective investment scheme categorised as a Shariah Compliant Fund of Funds scheme.

14 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the year.

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

15.1 Unit Holders' Fund

2023										
As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023	
(Number of units)				(Rupees)						
- Islamic Moderate Allocation Plan										
Unit holder holding 10% or more units										
Gurmani Foudation	294,959	-	-	294,959	30,594,858	-	-	-	30,762,100	
Dr Tariq Riaz	131,509	-	-	131,509	13,640,876	-	-	-	13,715,442	
Aftab Faizullah Tapal	137,160	-	-	137,160	14,227,031	-	-	-	14,304,800	
- Islamic Balanced Allocation Plan										
Unit holder holding 10% or more units										
Gurmani Foudation	498,771	-	-	498,771	50,208,184	-	-	-	50,452,831	
Fatima Mavara Sayyid	272,559	-	-	272,558	27,436,825	-	-	-	27,570,437	
- Islamic Active Allocation Plan II										
Associated companies / undertakings										
Bank Alfalah Limited - Employees Gratuity Fund	1,762,336	-	1,762,336	-	171,378,188	-	-	163,217,130	-	
Unit holder holding 10% or more units										
Gurmani Foundation	120,338	-	-	120,338	10,848,411	-	-	-	10,926,727	
- Islamic Capital Preservation Plan IV										
Unit holder holding 10% or more units										
	340,115	-	233,082	107,034	33,618,120	-	-	24,298,670	10,759,436	
	3,557,747	-	1,995,418	1,562,330	351,952,493	-	-	187,515,800	158,491,774	
2022										
As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022	
(Number of units)				(Rupees)						
- Islamic Moderate Allocation Plan										
Unit holder holding 10% or more units										
Gurmani Foundation	316,377	-	22,781	44,199	294,959	32,687,091	-	2,353,697	5,000,000	30,594,858
Individual	249,596	-	19,074	-	268,670	25,787,485	-	1,970,665	-	27,868,011
- Islamic Balanced Allocation Plan										
Key management personnel										
Head of Operations & Registrar Services	-	1	-	-	1	-	53	-	-	101
Unit holder holding 10% or more units										
Gurmani Foundation	654,559	-	30,247	186,035	498,771	65,653,577	-	3,033,871	20,000,000	50,208,205
Individual	258,800	-	13,759	-	272,559	25,958,158	-	1,380,091	-	27,436,835
- Islamic Active Allocation Plan II										
Associated companies / undertakings										
Bank Alfalah Limited - Employees Gratuity Fund	1,762,336	-	-	1,762,336	171,378,188	-	-	-	158,873,723	
Unit holder holding 10% or more units										
PSCOL Staff Provident Fund	502,997	-	-	502,997	48,913,893	-	-	-	45,344,932	
PSCOL Employees Provident Fund	502,997	-	-	502,997	48,913,893	-	-	-	45,344,932	
Individual	586,917	-	-	586,917	57,074,685	-	-	-	52,910,278	
- Islamic Active Allocation Plan III										
Associated companies / undertakings										
Bank Alfalah Limited - Employees Gratuity Fund	664,946	-	34,634	-	699,580	58,249,403	-	3,033,948	-	61,507,441
-Islamic Capital Preservation Plan IV										
Unit holder holding 10% or more units										
Gurmani Foundation	230,130	-	2,952	-	233,082	22,945,963	-	294,374	-	23,252,555
Individual	107,034	-	-	-	107,034	10,672,221	-	-	-	10,677,848
-Islamic Capital Preservation Plan V										
Unit holder holding 10% or more units										
	224,667	-	2,881	-	227,548	22,386,831	-	287,119	-	22,684,351
	6,061,357	1	126,328	230,234	5,957,452	590,621,389	53	12,353,765	25,000,000	556,704,070

15.2 Other transactions

	2023						Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
(Rupees)							
Associated companies / undertakings							
Alfalah Asset Management Limited - Management Company							
Remuneration of the Management Company	-	12,072	30,847	18,180	7,007	2,094	70,200
Sindh sales tax on remuneration of the Management Company	-	1,573	29,527	2,338	948	309	34,695
Allocated expenses	117,094	309,382	223,126	-	51,971	-	701,573
Bank Alfalah Limited							
Profit on bank balances	12,963	38,584	113,427	-	25,431	23,371	213,776
Other related party							
Central Depository Company of Pakistan Limited - Trustee							
Remuneration of the Trustee	52,042	124,774	116,286	13,075	20,826	8,988	335,991
Sindh sales tax on remuneration of the Trustee	6,789	16,227	15,102	1,690	2,705	1,145	43,658

	2022						Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
(Rupees)							
Associated companies / undertakings							
Alfalah Asset Management Limited - Management Company							
Remuneration of the Management Company	3,748	3,872	2,118	23,391	4,595	5,030	42,754
Sindh sales tax on remuneration of the Management Company	488	503	275	3,039	610	650	5,565
Allocated expenses	82,015	231,819	414,939	80,809	182,954	72,983	1,065,519
Bank Alfalah Limited							
Profit on bank balances	43,235	24,447	12,952	14,341	15,797	981	111,753
Other related party							
Central Depository Company of Pakistan Limited - Trustee							
Remuneration of the Trustee	52,260	144,469	258,462	50,670	32,914	17,482	556,257
Sindh sales tax on remuneration of the Trustee	6,816	18,781	33,595	6,565	4,291	2,266	72,314

15.3 Other balances

	2023						Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
(Rupees)							
Associated companies / undertakings							
Alfalah Asset Management Limited - Management Company							
Management remuneration payable	89,839	45,514	31,060	-	5,868	-	172,281
Sindh sales tax payable on management remuneration	24,239	17,001	29,549	-	1,851	-	72,640
Payable against allocated expenses	21,696	276,788	274,161	-	59,062	-	631,707
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	-	167,055
Formation cost payable & others	-	-	-	-	60,000	-	60,000
Sales load payable	185,455	35,207	-	-	-	-	220,662
Bank Alfalah Limited							
Bank balances	1,462,059	709,780	406,637	-	524,310	-	3,102,786
Profit receivable on bank balance	27,414	38,762	112,408	-	42,332	-	220,916

2023						Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	

(Rupees)

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	116,179	87,741	136,628	-	9,418	-	349,966
Sindh sales tax payable on Trustee remuneration	25,110	13,704	17,753	-	1,239	-	57,806

2022						Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	

(Rupees)

Associated companies / undertakings

Alfalah Asset Management Limited - Management Company

Management remuneration payable	103,251	37,744	213	113,288	1,778	42,935	299,209
Sindh sales tax payable on management remuneration	24,239	15,988	25	20,052	1,221	5,564	67,089
Payable against allocated expenses	46,080	92,931	166,907	43,989	157,851	60,391	568,149
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	-	167,055
Sales load payable	185,454	35,207	-	-	-	-	220,661
Others	-	1	-	-	60,000	40,000	100,001

Bank Alfalah Limited

Bank balances	444,737	462,817	217,351	1,414,835	363,169	626,071	3,528,979
Profit receivable on bank balance	16,145	10,345	1,022	20,052	16,901	14,399	78,864

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	3,890	15,096	20,342	3,964	3,739	1,440	48,471
Sindh sales tax payable on Trustee remuneration	506	4,254	2,651	515	383	180	8,489

16 FINANCIAL INSTRUMENTS BY CATEGORY

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

Particulars	2023			2022		
	At amortised Cost	At fair value through profit or loss	Total	At amortised Cost	At fair value through profit or loss	Total

(Rupees)

Financial assets

Bank balances	4,483,103	-	4,483,103	5,875,180	-	5,875,180
Investments	-	367,631,848	367,631,848	-	719,051,226	719,051,226
Profit receivable on bank balances	168,157	-	168,157	214,070	-	214,070
Advance and other receivables	3,101,464	-	3,101,464	3,318,081	-	3,318,081
	<u>7,752,724</u>	<u>367,631,848</u>	<u>375,384,572</u>	<u>9,407,331</u>	<u>719,051,226</u>	<u>728,458,557</u>

Financial liabilities

Payable to Alfalah Asset Management Limited						
- Management Company	1,324,345	-	1,324,345	1,422,164	-	1,422,164
Payable to Central Depository Company of Pakistan Limited						
- Trustee	407,772	-	407,772	56,960	-	56,960
Accrued and other liabilities	4,262,071	-	4,262,071	5,369,915	-	5,369,915
	<u>5,994,188</u>	<u>-</u>	<u>5,994,188</u>	<u>6,849,039</u>	<u>-</u>	<u>6,849,039</u>

17 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

17.1 Market risk

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

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

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

17.1.1 Currency risk

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

17.1.2 Profit rate risk

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

Variable rate instruments (financial assets)	Note	2023	2022
		-----Rupees-----	
Bank balances	4	<u>4,483,103</u>	<u>5,875,180</u>

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.042 million (2022: Rs 0.059 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

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

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

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

Particulars	2023					Total
	Profit yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5% to 15.2%	4,483,103	-	-	-	4,483,103
Investments		-	-	-	367,631,848	367,631,848
Profit receivable on bank balances		-	-	-	168,157	168,157
Advance and other receivables		-	-	-	3,101,464	3,101,464
Sub total		<u>4,483,103</u>	<u>-</u>	<u>-</u>	<u>370,901,469</u>	<u>375,384,572</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	1,324,345	1,324,345
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	407,772	407,772
Accrued and other liabilities		-	-	-	4,262,071	4,262,071
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>5,994,188</u>	<u>5,994,188</u>
On-balance sheet gap		<u>4,483,103</u>	<u>-</u>	<u>-</u>	<u>364,907,281</u>	<u>369,390,384</u>
Total profit rate sensitivity gap		<u>4,483,103</u>	<u>-</u>	<u>-</u>	<u>364,907,281</u>	<u>369,390,384</u>
Cumulative profit rate sensitivity gap		<u>4,483,103</u>	<u>-</u>	<u>-</u>		

Particulars	2022					Total
	Profit yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		
%	(Rupees)					
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5% to 15.2%	5,875,180	-	-	-	5,875,180
Investments		-	-	-	719,051,226	719,051,226
Profit receivable on bank balances		-	-	-	214,070	214,070
Advance and other receivables		-	-	-	3,318,081	3,318,081
Sub total		<u>5,875,180</u>	<u>-</u>	<u>-</u>	<u>722,583,377</u>	<u>728,458,557</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	1,422,164	1,422,164
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	56,960	56,960
Accrued and other liabilities		-	-	-	5,369,915	5,369,915
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>6,849,039</u>	<u>6,849,039</u>
On-balance sheet gap		<u>5,875,180</u>	<u>-</u>	<u>-</u>	<u>715,734,338</u>	<u>721,609,518</u>
Total profit rate sensitivity gap		<u>5,875,180</u>	<u>-</u>	<u>-</u>	<u>715,734,338</u>	<u>721,609,518</u>
Cumulative profit rate sensitivity gap		<u>5,875,180</u>	<u>-</u>	<u>-</u>		

17.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds which are categorized as equity schemes. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that PSX index increased / decreased by 1%, with all other variables held constant.

As at June 30, 2023, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

	2023	2022
	-----Rupees-----	
Effect due to 1% increase / decrease in KSE 100 index		
Investment, net assets and income statement	<u>3,676,318</u>	<u>7,190,512</u>

17.2 Credit risk

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

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

17.2.1 Exposure to credit risk

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees)			
Bank balances	4,483,103	4,483,103	5,875,180	5,875,180
Investments	367,631,848	-	719,051,226	-
Profit receivable on bank balances	168,157	168,157	214,070	214,070
Advance and other receivables	3,101,464	3,101,464	3,318,081	3,318,081
	<u>375,384,572</u>	<u>7,752,724</u>	<u>28,458,557</u>	<u>9,407,331</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs. 367.63 million (2022: Rs. 719.05 million) are not exposed to credit risk.

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

17.2.2 Credit quality of financial assets

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

Name of bank	Rating agency	Rating	2023	2022
			Percentage of total bank balance	
Bank Alfalah Limited	PACRA	A1+ / AA+	47.23%	60.07%
Bank Islami Pakistan Limited	PACRA	A1 / A+	32.05%	12.48%
Dubai Islamic Bank Limited	VIS	A-1+ / AA	5.52%	9.34%
Meezan Bank Limited	VIS	A-1+ / AAA	0.71%	0.68%
National Bank of Pakistan	PACRA	A1+ / AAA	12.54%	14.85%
Silk Bank Limited	VIS	A-2 / A-	0.85%	0.17%
Soneri Bank Limited	PACRA	A1+ / AA-	1.08%	2.40%
			<u>100.00%</u>	<u>100.00%</u>

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

17.2.3 Open end mutual funds

The Fund had investments as at June 30, 2023 with open end mutual funds having following ratings:

Name of open end mutual funds	Rating agency	Rating	2023	2022
			Percentage of total investments	
Alfalah GHP Islamic Income Fund	PACRA	AA-(f)	46.83%	42.17%
Alfalah GHP Islamic Dedicated Equity Fund	Not Rated	Not Rated	15.17%	57.83%
Alfalah Islamic Rozana Amdani Fund	PACRA	AA (f)	38.00%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

17.2.4 Concentration of credit risk

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

17.3 Liquidity risk

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

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

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

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

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

2023	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	4,483,103	-	-	-	4,483,103
Investments	367,631,848	-	-	-	367,631,848
Profit receivable on bank balances	168,157	-	-	-	168,157
Advance and other receivables	3,101,464	-	-	-	3,101,464
	375,384,572	-	-	-	375,384,572
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company	1,324,345	-	-	-	1,324,345
Payable to Central Depository Company of Pakistan Limited - Trustee	407,772	-	-	-	407,772
Accrued and other liabilities	4,262,071	-	-	-	4,262,071
	5,994,188	-	-	-	5,994,188
Net financial assets	369,390,384	-	-	-	369,390,384
----- Rupees -----					
2022	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	5,875,180	-	-	-	5,875,180
Investments	719,051,226	-	-	-	719,051,226
Profit receivable on bank balances	214,070	-	-	-	214,070
Advance and other receivables	3,318,081	-	-	-	3,318,081
	728,458,557	-	-	-	728,458,557
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company	1,422,164	-	-	-	1,422,164
Payable to Central Depository Company of Pakistan Limited - Trustee	56,960	-	-	-	56,960
Accrued and other liabilities	5,369,915	-	-	-	5,369,915
	6,849,039	-	-	-	6,849,039
Net financial assets	721,609,518	-	-	-	721,609,518

17.4 Fair value measurement

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

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

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

2023			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
Financial Assets at 'fair value through profit or loss'			
Open end mutual funds	-	367,631,848	-
			367,631,848
2022			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
Financial Assets at 'fair value through profit or loss'			
Open end mutual funds	-	719,051,226	-
			719,051,226

17.5 Unit Holders' Fund risk management

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

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

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

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

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

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

18 UNITS OUTSTANDING

2023							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
At the beginning of the year	630,294	1,746,890	3,777,352	785,508	435,244	229,321	7,604,609
Add: issuance of units	64,177	163,774	61,340	758	7,440	-	297,489
Less: redemption of units	(3,314)	(57,402)	(2,924,229)	(786,266)	(275,445)	(229,321)	(4,275,977)
At the end of the year	691,157	1,853,262	914,463	-	167,239	-	3,626,121

2022							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
At the beginning of the year	612,287	2,114,368	4,053,825	840,771	510,471	252,984	8,384,706
Add: issuance of units	212,879	101,787	30,386	38,396	26,370	3,007	412,825
Less: redemption of units	(194,872)	(469,265)	(306,859)	(93,659)	(101,597)	(26,670)	(1,192,922)
At the end of the year	630,294	1,746,890	3,777,352	785,508	435,244	229,321	7,604,609

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

20 GENERAL

Figures have been rounded off to the nearest thousand rupees unless, otherwise specified.

21 DATE OF AUTHORISATION FOR ISSUE

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

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Islmaic Moderate Allocation Plan

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	211	365,032	38,070,166	53%
Retirement & Other Funds	18	108	11,245	0%
Others	13	326,017	34,001,287	47%
	242	691,157	72,082,698	100%

Balance Allocation Plan

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1521	1,249,700	126,412,612	67%
Retirement & Other Funds	17	53,306	5,392,156	3%
Others	28	550,255	55,660,740	30%
	1566	1,853,261	187,465,508	100%

Islmaic Active Allocation PlanII

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	231	914,460	83,033,361	100%
Retirement & Other Funds	0	-	-	0%
Others	5	2	190	0%
	236	914,462	83,033,551	100%

Islmaic Capital Preservation Plan IV

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	142	164,067	16,492,646	98%
Retirement & Other Funds	2	2	241	0%
Others	8	3,169	318,600	2%
	152	167,239	16,811,486	100%

Islmaic Moderate Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	32	335,058	34,753,798	53%
Retirement & Other Funds	1	96	30,595,563	47%
Others	5	295,239	28,373	0%
	38	630,393	65,377,733	100%

Balance Allocation Plan

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	492	1,199,657	120,762,091	69%
Retirement & Other Funds	4	48,329	4,865,013	3%
Others	7	498,903	50,221,522	29%
	503	1,746,889	175,848,626	100%

Islmaic Active Allocation Plan II

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	22	888,683	80,114,236	24%
Retirement & Other Funds	4	2,768,330	249,563,535	73%
Others	2	120,340	10,848,591	3%
	28	3,777,352	340,526,362	100%

Islmaic Active Allocation Plan III

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	7	78,284	6,882,783	10%
Retirement & Other Funds	2	707,175	62,175,278	90%
Others	1	48	4,187	0%
	10	785,507	69,062,247	100%

Islmaic Capital Preservation Plan IV

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	84	201,551	20,107,073	46%
Retirement & Other Funds	1	2	222	0%
Others	4	233,690	23,313,195	54%
	89	435,244	43,420,490	100%

Islmaic Capital Preservation Plan V

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	31	229,264	22,855,387	100%
Retirement & Other Funds	2	57	5,728	0%
	33	229,321	22,861,115	100%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Mr. Khaldoon Bin Latif - CEO

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

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

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

Mr. Ayub Khoro – Chief Investment Officer

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

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

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

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

Mr. Noman Soomro - Chief Operating Officer

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

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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

Mr. Muddasir Ahmed Shaikh -- Head of Equities

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

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

Mr. Mustafa Kamal - Head of Fixed Income

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

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

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

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

Mr. Omar Mukhtar – Head of Risk

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

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

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

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

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

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

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

PERFORMANCE TABLE - AGIPPF

30 June 2023

	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Capital Preservation Plan IV
Net Assets	72,083	187,466	83,034	16,811
NAV per unit	104.2928	101.1543	90.8003	100.5237
Selling price per unit	107.2391	102.5831	93.3655	103.3634
Redemption price per unit	104.2928	101.1543	90.8003	100.5237
Highest selling price per unit	119.7372	114.4605	N/A	N/A
Highest redemption price per unit	116.4476	112.8663	97.8216	110.9696
Lowest selling price per unit	102.5927	102.0858	N/A	N/A
Lowest redemption price per unit	104.1550	100.6639	88.7973	99.7612
Total interim distribution per unit	12.7217	12.2024	Nil	11.0495
Interim distribution date	23-Jun-23	23-Jun-23	Nil	23-Jun-22
Final distribution per unit	Nil	Nil	Nil	Nil
Final distribution date	Nil	Nil	Nil	Nil
Annualized returns	12.88%	12.67%	10.63%	11.92%
Income distribution	12.26%	12.12%	Nil	11.08%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A

30 June 2022

	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V
	75,755	206,383	369,159	71,943	47,333	25,048
	103.7259	100.6639	90.1495	87.9206	99.7612	99.6905
	106.6562	102.0858	N/A	N/A	N/A	N/A
	103.7259	100.6639	88.7973	85.7226	99.7612	99.6905
	119.9332	109.9228	N/A	N/A	N/A	N/A
	116.6382	108.3918	99.0438	92.7973	103.9026	103.0860
	106.2719	101.7748	N/A	N/A	N/A	N/A
	103.3522	100.3573	87.6922	85.4858	99.1751	98.4790
	10.1737	7.6181	Nil	4.5627	1.5049	1.5035
	24-Jun-22	24-Jun-22	Nil	24-Jun-22	24-Jun-22	24-Jun-22
	Nil	Nil	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil	Nil	Nil
	10.25%	7.97%	-7.30%	5.55%	1.86%	1.36%
	9.85%	7.60%	Nil	5.21%	1.51%	1.51%
	N/A	N/A	N/A	N/A	N/A	N/A

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COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGIPPF

30 June 2021						
	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V
Net Assets	63,260	212,075	394,214	73,652	50,898	25,208
NAV per unit	103.3169	100.3020	97.2449	87.6002	99.7087	99.6445
Selling price per unit	106.2356	101.7188	N/A	N/A	N/A	N/A
Redemption price per unit	103.3169	100.3020	95.7862	85.4102	99.7087	99.6445
Highest selling price per unit	120.2134	111.5738	N/A	N/A	N/A	N/A
Highest redemption price per unit	116.9107	110.0198	113.7988	101.2267	106.8190	106.8779
Lowest selling price per unit	101.8665	101.0792	N/A	N/A	N/A	N/A
Lowest redemption price per unit	99.0679	99.6714	89.6575	79.9089	99.7087	99.6445
Total interim distribution per unit	12.0278	9.1196	15.0438	13.2285	5.0917	5.0202
Interim distribution date	25-Jun-21	25-Jun-21	25-Jun-21	25-Jun-21	25-Jun-21	25-Jun-21
Final distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution date	Nil	Nil	Nil	Nil	Nil	Nil
Annualized returns	17.00%	10.06%	24.50%	23.91%	4.49%	4.36%
Income distribution	12.20%	9.17%	16.70%	16.28%	5.08%	5.01%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A

30 June 2020						
	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V
	70,099	230,952	350,189	68,961	86,038	28,997
	98.5484	99.4139	90.0817	81.2741	100.2739	100.2582
	101.3324	100.8181	N/A	N/A	N/A	N/A
	98.5484	99.4139	88.7305	79.2422	100.2739	100.2582
	105.6006	104.0323	92.6319	94.4054	103.2990	103.4726
	102.6993	102.5833	94.0425	96.8260	103.9197	103.4726
	100.9602	99.9209	86.5046	86.7560	100.0000	100.0000
	98.0297	98.5292	87.8219	88.9805	100.0000	100.0000
	Nil	Nil	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil	Nil	Nil
	5.4490	8.8238	0.3125	12.6758	7.3595	7.8755
	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-19	30-Jun-19
	5.94	5.03	-0.65	-1.99	7.43	7.95
	5.55%	8.89%	0.34%	13.63%	7.35%	7.86%
	N/A	N/A	N/A	N/A	N/A	N/A

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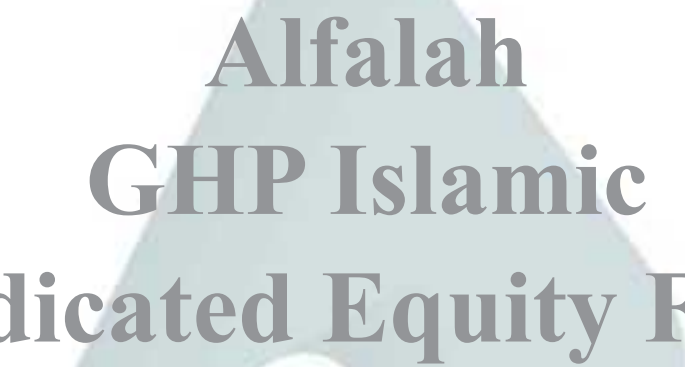
PERFORMANCE TABLE - AGIPPF

	30 June 2019						
	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Islamic Active Allocation Plan
Net Assets	293,683	367,701	410,898	602,314	173,752	55,876	849,867
NAV per unit	98.1864	99.2760	90.6267	92.9739	100.1956	100.1816	97.9444
Selling price per unit	100.9602	100.6783	N/A	N/A	N/A	N/A	N/A
Redemption price per unit	98.1864	99.2760	89.2673	90.6496	100.1956	100.1816	97.9444
Highest selling price per unit	105.6006	104.0323	92.6319	94.4054	103.2990	103.4726	110.4329
Highest redemption price per unit	102.6993	102.5833	94.0425	96.8260	103.9197	103.4726	104.7139
Lowest selling price per unit	100.9602	99.9209	86.5046	86.7560	100.0000	100.0000	94.4505
Lowest redemption price per unit	98.0297	98.5292	87.8219	88.9805	100.0000	100.0000	92.8732
Total interim distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution per unit	4.5953	3.3133	Nil	Nil	3.7162	3.4161	Nil
Final distribution date	30-Jun-19	30-Jun-19	N/A	N/A	30-Jun-19	30-Jun-19	Nil
Annualized returns	4.94	3.18	-1.93	-2.41	3.91	3.60	-8.05%
Income distribution	4,6917	3,3323	Nil	Nil	3,7162	3,4161	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	30 June 2018		
	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III
	1,369,278	1,730,856	980,740
	105.4376	92.4122	95.2688
	106.9269	N/A	N/A
	105.4376	91.0260	92.8871
	107.7997	104.5352	103.6085
	106.2982	99.1216	98.2429
	104.0610	92.3887	95.9923
	102.6116	88.0158	91.0211
	Nil	Nil	Nil
	Nil	Nil	Nil
	Nil	Nil	Nil
	N/A	N/A	N/A
	0.52%	-8.36%	-4.44%
	Nil	Nil	Nil
	N/A	N/A	N/A

IAAP - Return since inception is 7.74%
BAP - Return since inception is 3.49%
IAAP II - Return since inception is 3.36%
ICP IV - Return since inception is 5.84%

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



**Alfalah
GHP Islamic
Dedicated Equity Fund**

FUND INFORMATION

Management Company:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Islamic Dedicated Equity Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

The investment objective of Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds via investments in Shariah Compliant avenues.

Equity Market Review

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

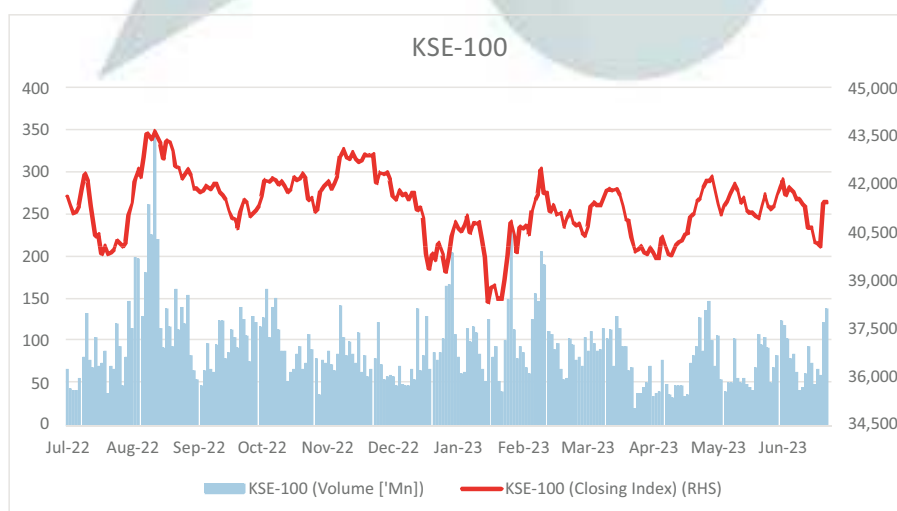
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment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

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

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

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

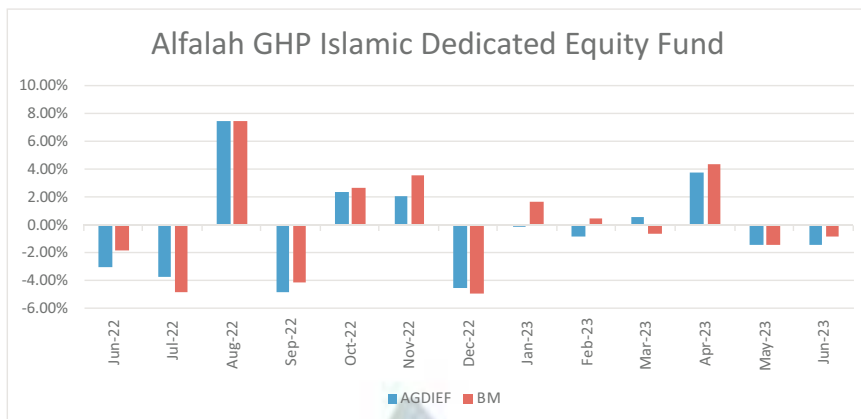
A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double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



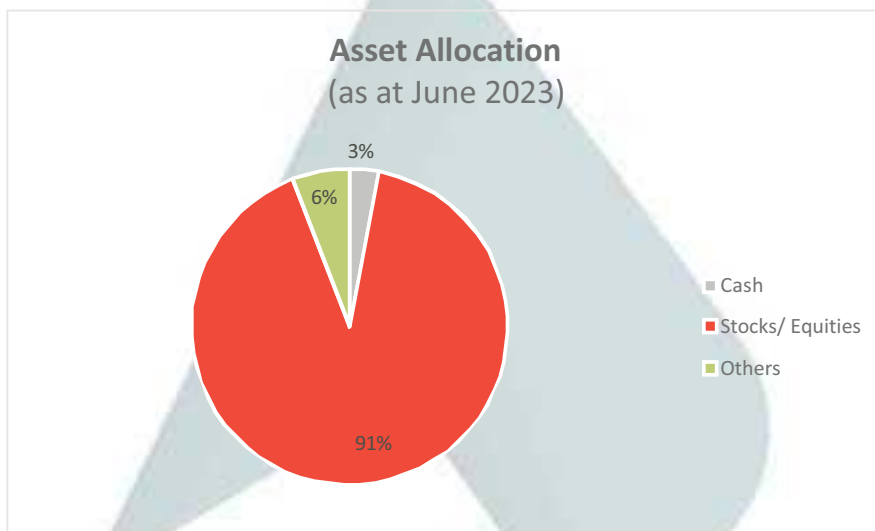
Fund Performance

The fund generate a negative return of -1.38% against the benchmark which also generated a negative -0.83%.

Performance comparison with Benchmark



Asset Allocation



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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

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TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Dedicated Equity Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

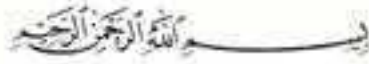
Karachi: February 27, 2023





Alfalah Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**

We, the Shariah Advisors of the Alfalah GHP Islamic Dedicated Equity Fund ("AGIDEF") managed by Alfalah Asset Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we provide consent for investment in equities securities based on the Shariah Guidelines during the period from July 1, 2022 to June 30, 2023.

We hereby certify that the investments made by the Funds are in compliance with Shariah principles.

For the Year 2022-23 provision against Charity is made amount to Rs. 146,329/- in respect of dividend purification.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalah Asset Management Limited

2nd Floor, Islamic Chamber of Commerce, Industry and Agriculture Building, Block-9, Clifton, Karachi - 75600 Pakistan.
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STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Dedicated Equity Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 28, 2023

Mr. Khaldoun Bin Latif
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Dedicated Equity Fund

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Net Asset Value (NAV) (Refer notes 5 to the financial statements)</p> <p>Investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 56.247 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR202310611RALvVSxMm

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	2023	2022
Note	----- (Rupees) -----	----- (Rupees) -----
Assets		
Bank balances	4 2,190,739	11,427,257
Investments	5 56,247,064	161,569,525
Security deposits	6 2,600,000	2,600,000
Advance, dividend, profit and other receivables	7 23,187	1,523,171
Total assets	61,060,990	177,119,953
Liabilities		
Payable to Alfalah Asset Management Limited - Management Company	9 452,699	2,499,519
Payable to Central Depository Company of Pakistan Limited - Trustee	10 21,381	36,793
Annual fee payable to the Securities and Exchange Commission of Pakistan	11 16,992	54,707
Accrued expenses and other liabilities	12 1,307,570	1,554,376
Total liabilities	1,798,642	4,145,395
Net assets attributable to the unit holders	<u>59,262,348</u>	<u>172,974,558</u>
Unit holders' fund (as per the statement attached)	<u>59,262,348</u>	<u>172,974,558</u>
Contingencies and commitments		
Number of units in issue		
	13 <u>939,151</u>	<u>2,711,151</u>
Net asset value per unit		
	<u>63.1021</u>	<u>63.8012</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	----- (Rupees) -----	-----
Income		
Profit on bank balances	58,651	24,219
Capital gain / (loss) on sale of investment - net	1,556,024	(40,472,804)
Dividend income	6,093,637	15,353,302
Net unrealised diminution on revaluation of investments classified as financial assets 'at fair value through profit or loss'	5.3 (3,402,209)	(25,226,536)
Total income / (loss)	<u>4,306,103</u>	<u>(50,321,819)</u>
Expenses		
Remuneration of Alfalah Asset Management Limited - Management Company	9.1 1,699,052	5,470,508
Sindh sales tax on remuneration of the Management Company	9.2 220,877	711,166
Allocated expenses	9.3 389,846	331,175
Selling and marketing expenses	9.4 8,856	2,976,190
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 169,901	547,047
Sindh sales tax on remuneration of the Trustee	10.2 22,087	71,116
Annual fee to the Securities and Exchange Commission of Pakistan	11 16,992	54,707
Bank and settlement charges	405,034	366,726
Auditors' remuneration	14 568,641	711,859
Brokerage and securities transaction costs	423,171	1,338,078
Amortisation of preliminary expenses and floatation costs	8 -	203,866
Printing and related costs	29,979	29,974
Charity expense	12.1 146,329	345,808
Reversal of provision for Sindh Workers' Welfare Fund	-	(2,298,211)
Total expenses	<u>4,100,765</u>	<u>10,860,009</u>
Net income / (loss) for the year before taxation	<u>205,338</u>	<u>(61,181,828)</u>
Taxation	15 -	-
Net income / (loss) for the year after taxation	<u>205,338</u>	<u>(61,181,828)</u>
Allocation of net income for the year		
Net income for the year after taxation	205,338	-
Income already paid on units redeemed	(12,101)	-
	<u>193,237</u>	<u>-</u>
Accounting income available for distribution		
Relating to capital gains	193,237	-
Excluding capital gains	-	-
	<u>193,237</u>	<u>-</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income / (loss) for the year after taxation	205,338	(61,181,828)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>205,338</u>	<u>(61,181,828)</u>

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



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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	----- Rupees -----			----- Rupees -----		
Net assets at the beginning of the year	492,750,346	(319,775,788)	172,974,558	749,506,690	(258,593,960)	490,912,730
Issuance of 957,138 units (2022: 2,921,653 units)						
- Capital value (at net asset value per unit at the beginning of the year)	61,066,553	-	61,066,553	233,052,677	-	233,052,677
- Element of income / (loss)	2,031,289	-	2,031,289	(17,952,677)	-	(17,952,677)
Total proceeds on issuance of units	63,097,842	-	63,097,842	215,100,000	-	215,100,000
Redemption of 2,729,138 units (2022: 6,364,808 units)						
- Capital value (at net asset value per unit at the beginning of the year)	174,122,279	-	174,122,279	507,704,186	-	507,704,186
- Element of loss / (income)	2,675,674	12,101	2,687,775	(35,847,842)	-	(35,847,842)
Total payments on redemption of units	176,797,953	12,101	176,810,054	471,856,344	-	471,856,344
Total comprehensive income / (loss) for the year	-	205,338	205,338	-	(61,181,828)	(61,181,828)
Final distribution for the year ended June 30, 2023 @ Rs. 0.2194 per unit declared on June 28, 2023	(12,101)	(193,235)	(205,336)	-	-	-
Net assets at the end of the year	<u>379,038,134</u>	<u>(319,775,786)</u>	<u>59,262,348</u>	<u>492,750,346</u>	<u>(319,775,788)</u>	<u>172,974,558</u>
		(Rupees)			(Rupees)	
Accumulated loss brought forward						
- Realised loss		(294,549,252)			(332,681,862)	
- Unrealised (loss) / gain		(25,226,536)			74,087,902	
		<u>(319,775,788)</u>			<u>(258,593,960)</u>	
Accounting income available for distribution						
- Relating to capital gains		193,237			-	
- Excluding capital gains		-			-	
		193,237			-	
Net loss for the year after taxation		-			(61,181,828)	
Dividend paid		(193,235)			-	
Accumulated loss carried forward		<u>(319,775,786)</u>			<u>(319,775,788)</u>	
Accumulated loss carried forward						
- Realised loss		(316,373,577)			(294,549,252)	
- Unrealised loss		(3,402,209)			(25,226,536)	
		<u>(319,775,786)</u>			<u>(319,775,788)</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		<u>63.8012</u>			<u>79.7674</u>	
Net asset value per unit at the end of the year		<u>63.1021</u>			<u>63.8012</u>	

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year before taxation	205,338	(61,181,828)
Adjustments for:		
Net unrealised diminution on revaluation of investments classified as financial assets 'at fair value through profit or loss'	5.3 3,402,209	25,226,536
Amortisation of preliminary expenses and floatation costs	-	203,866
Reversal of provision for Sindh Workers' Welfare Fund	-	(2,298,211)
	<u>3,607,547</u>	<u>(38,049,637)</u>
Decrease in assets		
Investments - net	<u>101,920,252</u>	<u>288,364,262</u>
Advance, dividend, profit and other receivables	1,499,984	774,019
	103,420,236	289,138,281
Decrease in liabilities		
Payable to Alfalah Asset Management Limited - Management Company	<u>(2,046,820)</u>	<u>122,551</u>
Payable to Central Depository Company of Pakistan Limited - Trustee	(15,412)	(53,260)
Payable to the Securities and Exchange Commission of Pakistan	(37,715)	(20,636)
Accrued expenses and other liabilities	<u>(246,806)</u>	<u>(258,272)</u>
	(2,346,753)	(209,617)
Net cash generated from operating activities	<u>104,681,030</u>	<u>250,879,027</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units - net of refund of capital	<u>63,085,741</u>	<u>215,100,000</u>
Payment made against redemption of units	(176,810,054)	(471,856,344)
Dividend paid	(193,235)	-
Net cash used in financing activities	<u>(113,917,548)</u>	<u>(256,756,344)</u>
Net decrease in cash and cash equivalents during the year	<u>(9,236,518)</u>	<u>(5,877,317)</u>
Cash and cash equivalents at beginning of the year	11,427,257	17,304,574
Cash and cash equivalents at end of the year	4 <u>2,190,739</u>	<u>11,427,257</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Islamic Dedicated Equity Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah Asset Management Limited (formerly Alfalah GHP Investment Management Limited) (the Management Company) and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on April 06, 2017, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 28, 2017.

During the year ended 30 June 2021, the Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act). Consequently, the Fund was required to be registered under the Sindh Trusts Act and on September 9, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Financing Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd floor, ST-2/A, Block-9, KDA Scheme 5, Clifton Karachi.

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

1.4 According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts.

1.5 The objective of the Fund is to provide equity exposure to "Fund-of-Funds". The Fund will not be actively marketed to retail or institutional investors, therefore, the Fund size may decline to zero when there are no "Fund-of-Funds" invested in the Fund. At any time when the Fund size declines to zero, the expenses of the Fund will be borne by the Management Company.

1.6 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+).

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

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

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

2.4 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification, valuation, and impairment of financial assets (notes 3.3 and 5).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

Equity instruments

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

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

The dividend income for equity securities classified under FVTPL are to be recognised in the "Income Statement".

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

3.3.2 Impairment

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

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

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

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Taxation

Current

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

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

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

Deferred

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

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

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

3.8 Provisions

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

3.9 Distributions to unit holders

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

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

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

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

3.11 Issue and redemption of units

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

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

3.12 Net asset value per unit

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

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as financial asset at 'fair value through profit or loss' are recorded at the date on which the transaction takes place;
- Unrealised appreciation / (diminution) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which they arise;
- Profit income on bank balances is recognised on an accrual basis; and
- Dividend income is recognised when the right to receive the dividend is established. i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.14 Expenses

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

3.15 Earnings / (loss) per unit

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

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

3.16 Foreign currency translation

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

4. BANK BALANCES

	Note	2023 ----- (Rupees) -----	2022 -----
Balances with banks in:			
- Savings accounts	4.1	170,821	557,841
- Current account	4.2	2,019,918	10,869,416
		<u>2,190,739</u>	<u>11,427,257</u>

4.1 These accounts carry profit rates ranging between 10.22% to 19.5% (2022: 5.13% to 15.5%) per annum. These include bank balance of Rs. 4,055 (2022: Rs. 4,055) maintained with Bank Alfalah Limited - Islamic Banking Division, a related party, carrying profit at the rate of 10.22% (2022: 5.13%) per annum.

4.2 This current account is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

5. INVESTMENTS

At fair value through profit or loss

	Note	2023 (Rupees)	2022 (Rupees)
Listed equity securities	5.1	55,753,324	159,311,605
Exchange traded fund	5.2	493,740	2,257,920
		<u>56,247,064</u>	<u>161,569,525</u>

5.1 Listed equity securities

Fully paid up ordinary shares with a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	Note	As at July 01, 2022	Purchases during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market Value as a percentage of		Holding as a percentage of paid-up capital of investee company
							Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments	
						Number of shares			Rupees		%	
Commercial banks												
Bank Islami Pakistan Limited		-	65,000	-	65,000	-	-	-	-	-	-	-
Faysal Bank Limited *		-	44,500	-	17,500	27,000	783,953	544,860	(239,093)	0.92	0.97	-
Mezzan Bank Limited *	5.1.2	94,518	53,500	6,961	106,100	48,879	5,223,284	4,221,679	(1,001,605)	7.12	7.51	-
							6,007,237	4,766,539	(1,240,698)	8.04	8.48	-
							6,007,237	4,766,539	(1,240,698)			
Textile composite												
Interloop Limited *		55,587	6,000	5,814	51,300	16,101	623,567	567,721	(55,846)	0.96	1.01	-
Kohinoor Textile Mills Limited *		37,000	6,000	-	31,000	12,000	589,949	610,920	20,971	1.03	1.09	-
Nishat Mills Limited *	5.1.2	41,126	11,500	-	41,100	11,526	780,972	654,331	(126,641)	1.10	1.16	-
							1,994,488	1,832,972	(161,516)	3.09	3.26	-
Cement												
Cherat Cement Company Limited		28,730	13,200	-	31,400	10,530	1,166,153	1,266,548	100,395	2.14	2.25	0.01
D.G Khan Cement Company Limited *	5.1.2	3,760	25,500	-	23,260	6,000	309,489	307,800	(1,689)	0.52	0.55	-
Fauji Cement Company Limited *		-	10,000	-	-	10,000	119,905	117,600	(2,305)	0.20	0.21	-
Kohat Cement Company Limited *	5.1.2	28,800	8,500	-	29,600	7,700	1,165,972	1,335,719	169,747	2.25	2.37	-
Lucky Cement Limited *	5.1.2	23,475	7,000	-	21,177	9,298	4,376,056	4,854,393	478,337	8.19	8.63	-
Maple Leaf Cement Factory Limited *	5.1.2	112,657	66,700	-	134,800	44,557	1,205,027	1,262,300	57,273	2.13	2.24	-
Pioneer Cement Limited *		11,500	14,900	-	15,700	10,700	776,507	926,941	150,434	1.56	1.65	-
							9,119,109	10,071,301	952,192	16.99	17.90	0.01
Power Generation and Distribution												
The Hub Power Company Limited *	5.1.2	144,756	48,500	-	167,600	25,656	1,764,345	1,785,144	20,799	3.01	3.17	-
							1,764,345	1,785,144	20,799	3.01	3.17	-
Oil and Gas Marketing Companies												
Attock Petroleum Limited *		-	1,000	-	-	1,000	307,750	300,250	(7,500)	0.51	0.53	-
Pakistan State Oil Company Limited *	5.1.1 & 5.1.2	40,989	14,500	-	42,770	12,719	2,036,513	1,411,936	(624,577)	2.38	2.51	-
Shell Pakistan Limited *		-	5,000	-	1,700	3,300	305,580	381,645	76,065	0.64	0.68	-
Sui Northern Gas Pipelines Limited *		-	24,000	-	-	24,000	1,067,120	944,880	(122,240)	1.59	1.68	-
							3,716,963	3,038,711	(678,252)	5.12	5.40	-
Oil and Gas Exploration Companies												
Mari Petroleum Company Limited *	5.1.2	9,294	2,500	-	8,680	3,114	5,333,302	4,716,589	(616,713)	7.96	8.39	-
Oil & Gas Development Company Limited *	5.1.2	134,530	34,000	-	121,200	47,330	3,654,346	3,691,740	37,394	6.23	6.56	-
Pakistan Oilfields Limited *	5.1.2	25,996	9,750	-	25,630	10,116	4,130,870	4,064,305	(66,565)	6.86	7.23	-
Pakistan Petroleum Limited *	5.1.2	136,776	55,100	-	140,100	51,776	3,243,727	3,062,033	(181,694)	5.17	5.44	-
							16,362,245	15,534,667	(827,578)	26.22	27.62	-
Engineering												
Agha Steel Industries Limited *		36,350	-	-	36,000	350	5,488	3,402	(2,086)	0.01	0.01	-
International Industries Limited *	5.1.2	17,933	4,000	-	21,850	83	8,350	6,079	(2,271)	0.01	0.01	-
International Steels Limited *		25,500	3,000	-	28,400	100	5,732	4,053	(1,679)	0.01	0.00	-
Mughal Iron & Steel Industries Limited		51,900	-	-	51,900	-	-	-	-	-	-	-
							19,570	13,534	(6,036)	0.03	0.02	-
Automobile Assemblers												
Millat Tractors Limited *		-	2,562	1,496	260	3,798	1,412,146	1,482,397	70,251	2.50	2.64	-
Sazgar Engineering Works Limited		-	11,000	-	-	11,000	582,435	559,350	(23,085)	0.94	0.99	0.02
							1,994,581	2,041,747	47,166	3.44	3.63	0.02
Automobile Parts and Accessories												
Thal Limited **		1	-	-	1	-	-	-	-	-	-	-

Name of the investee company	Note	As at July 01, 2022	Purchases during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market Value as a percentage of		Holding as a percentage of paid-up capital of investee company
							Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total invest-ments	
						-----Number of shares-----			-----Rupees-----		-----%-----	
Fertilizer												
Engro Corporation Limited *	5.1.2	54,179	20,500	-	57,500	17,179	4,431,407	4,464,650	33,243	7.53	7.94	-
Engro Fertilizers Limited *	5.1.2	73,007	60,500	-	95,370	38,137	3,219,352	3,147,447	(71,905)	5.31	5.6	-
							7,650,759	7,612,097	(38,662)	12.84	13.54	-
Pharmaceuticals												
AGP Limited *		-	14,152	-	3,100	11,052	681,056	624,217	(56,839)	1.05	1.11	-
Citi Pharma Limited		56,417	6,000	-	39,300	23,117	746,840	493,317	(253,523)	0.83	0.88	0.01
Highnoon Laboratories Limited *		2,824	-	310	1,650	1,484	622,067	498,876	(123,191)	0.84	0.89	-
The Searle Company Limited *	& 5.1.2	27,551	13,700	2,737	29,300	14,688	1,181,633	562,844	(618,789)	0.95	1.00	-
							3,231,596	2,179,254	(1,052,342)	3.67	3.88	0.01
Chemical												
Descon Oxychem limited		-	50,000	-	50,000	-	-	-	-	-	-	-
Engro Polymer & Chemicals Limited *	5.1.2	42,500	13,000	-	42,500	13,000	617,500	549,250	(68,250)	0.93	0.98	-
							617,500	549,250	(68,250)	0.93	0.98	-
							52,478,393	49,425,216	(3,053,177)			
Foods and Personal Care Products												
National Foods Limited **		-	12,600	-	6,100	6,500	552,500	639,600	87,100	1.08	1.14	0.01
The Organic Meat Company Limited *		49,427	-	22	49,427	22	438	457	19	-	-	-
Unity Foods Limited *		101,247	-	-	101,247	-	-	-	-	-	-	-
							552,938	640,057	87,119	1.08	1.14	0.01
Refinery												
Energyco PK Limited		250,500	60,000	-	310,500	-	-	-	-	-	-	-
Technology and Communication												
Avanceon Limited *		34,500	18,290	-	40,600	12,190	826,111	536,848	(289,263)	0.91	0.95	-
Systems Limited *	5.1.2	28,528	10,400	-	28,980	9,948	3,998,083	4,012,327	14,244	6.77	7.13	-
							4,824,194	4,549,175	(275,019)	7.68	8.08	-
Glass & Ceramics												
Tariq Glass Industries Limited		18,500	7,900	850	16,400	10,850	785,536	738,885	(46,651)	1.25	1.31	0.01
							785,536	738,885	(46,651)	1.25	1.31	0.01
Miscellaneous												
Pakistan Aluminium Beverage Cans Limited *		-	29,500	-	21,000	8,500	382,476	384,370	1,894	0.65	0.68	-
Synthetic Products Enterprises Limited * & **		12,002	-	-	10,500	1,502	21,163	15,621	(5,542)	0.03	0.03	-
							403,639	399,991	(3,648)	0.68	0.71	-
Total as at June 30, 2023							59,044,700	55,753,324	(3,291,376)			
Total as at June 30, 2022							183,951,861	159,311,605	(24,640,256)			

* Nil figures due to rounding off

** Face value of Rs. 5 per share

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or were to be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, except for The Searle Company Limited and bonus / right on shares already withheld by the investee companies.

As at June 30, 2023, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of the Company	2023		2022	
	Bonus Shares		Bonus Shares	
	Number of shares withheld	Market value (Rupees)	Number of shares withheld	Market value (Rupees)
Pakistan State Oil Company Limited	591	65,607	591	101,557
The Searle Company Limited	1,412	54,108	1,130	123,193
		<u>119,715</u>		<u>224,750</u>

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 10.172 million (2022: Rs 11.199 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of Security	2023	2022	2023	2022
	Number of Shares	Number of Shares	Market Value (Rupees)	Market Value (Rupees)
Lucky Cement Limited	730	730	381,126	335,099
Engro Polymer & Chemicals Limited	-	8,990	-	715,874
Meezan Bank Limited	7,645	7,645	660,299	863,732
The Searle Company Limited	1,090	1,090	41,769	118,832
D.G. Khan Cement Company Limited	-	750	-	46,875
Engro Fertilizers Limited	14,500	14,500	1,196,685	1,285,280
Pakistan State Oil Company Limited	447	447	49,621	76,812
Oil & Gas Development Company Limited	12,000	12,000	936,000	944,040
The Hub Power Company Limited	15,370	15,370	1,069,445	1,047,773
Pakistan Petroleum Limited	6,740	6,740	398,604	455,017
Pakistan Oilfields Limited	1,140	1,140	458,018	462,623
Nishat Mills Limited	3,220	3,220	182,799	237,990
Engro Corporation Limited	4,775	4,775	1,240,975	1,227,605
Kohat Cement Company Limited	890	890	154,388	115,816
Maple Leaf Cement Factory Limited	1,245	1,245	35,271	34,051
Mari Petroleum Company Limited	775	775	1,173,846	1,348,299
Systems Limited	5,430	5,430	2,190,082	1,791,140
International Industries Limited	40	890	2,930	92,320
			<u>10,171,858</u>	<u>11,199,178</u>

5.2 Exchange traded fund

Name of the fund	As at July 01, 2022	Issued during the year	Redeemed during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets of the Fund	total investments
	Number of shares				Rupees			%	
Alfalsh Consumer Index Exchange Traded Fund	288,000	40,000	250,000	78,000	604,573	493,740	(110,833)	0.83	0.88
Total as at June 30, 2023					<u>604,573</u>	<u>493,740</u>	<u>(110,833)</u>		
Total as at June 30, 2022					<u>2,844,200</u>	<u>2,257,920</u>	<u>(586,280)</u>		

	Note	2023 ----- (Rupees) -----	2022 -----
5.3 Net unrealised diminution on revaluation of investments classified as financial assets 'at fair value through profit or loss'			
Market value of investments	5.1 & 5.2	56,247,064	161,569,525
Less: carrying value of investments	5.1 & 5.2	(59,649,273)	(186,796,061)
		<u>(3,402,209)</u>	<u>(25,226,536)</u>
6. SECURITY DEPOSITS			
Central Depository Company of Pakistan Limited		100,000	100,000
National Clearing Company of Pakistan Limited		2,500,000	2,500,000
		<u>2,600,000</u>	<u>2,600,000</u>
7. ADVANCE, DIVIDEND, PROFIT AND OTHER RECEIVABLES			
Dividend receivable		-	98,840
Profit receivable on bank balances		14,213	23,630
Receivable against sales of investment		-	1,391,727
Advance tax	7.1	8,974	8,974
		<u>23,187</u>	<u>1,523,171</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend, profit on bank deposits, profit on markup on margin trading system and profit on debt securities paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt, profit on bank deposits and dividends amounts to Rs.0.0089 million (2022: Rs.0.0089 million).

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

	Note	2023 ----- (Rupees) -----	2022 -----
8. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Balance at the beginning of the year		-	203,866
Less: amortisation during the year		-	(203,866)
Balance at the end of the year	8.1	<u>-</u>	<u>-</u>

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and NBFC Regulations.

	Note	2023 ----- (Rupees) -----	2022 -----
9. PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	9.1	190,899	327,247
Sindh sales tax payable on management remuneration	9.2	24,817	42,543
Preliminary expenses and floatation cost payable	8	57,500	57,500
Payable against allocated expenses	9.3	179,483	62,199
Payable against selling and marketing expenses	9.4	-	2,010,030
		<u>452,699</u>	<u>2,499,519</u>

9.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management remuneration as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 2% (2022: 2%) per annum of daily average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 During the year, an amount of Rs. 0.221 million (2022: Rs. 0.711 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.239 million (2022: Rs. 0.772 million) has been paid to the Management Company which acts as a collecting agent.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). During the current year, the Management Company has charged such expenses to the Fund at the rate of 0.46% (2022: 0.12%) of the average net assets of the Fund.

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

Accordingly, Management Company has charged selling and marketing expenses at the rate of 0.01% (2022: 1.06%) to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Trustee remuneration payable	10.1	18,922	32,560
Sindh sales tax payable on trustee remuneration	10.2	2,459	4,233
		<u>21,381</u>	<u>36,793</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

Average net asset value (Rupees)	Tariff per annum
Up to Rs 1,000 million	Rs. 0.7 million or 0.20% p.a. of Net Assets whichever is higher.
Over Rs 1,000 million	Rs. 2.0 million plus 0.10% per annum of net assets exceeding Rs 1 billion

10.2 During the year, an amount of Rs. 0.022 million (2022: Rs. 0.071 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh sales tax on Services Act, 2011 and an amount of Rs. 0.024 million (2022: Rs. 0.077 million) was paid to the Trustee which acts as a collecting agent.

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

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Annual fee payable	11.1	<u>16,992</u>	<u>54,707</u>

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

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Auditors' remuneration payable		577,848	431,113
Brokerage payable		150,097	234,980
Settlement charges payable		30,094	18,923
Printing charges payable		102,645	107,787
Withholding tax payable		103,549	130,757
Charity payable	12.1	146,329	345,808
Shariah advisory fee payable		197,008	285,008
		<u>1,307,570</u>	<u>1,554,376</u>

12.1 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments, a portion of which has been held in non-shariah compliant avenues, such portion of the income of the Fund should be donated for charitable purposes directly by the Fund. Accordingly, the dividend income is recorded net of charity portion.

13. CONTINGENCIES AND COMMITMENTS

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

14. AUDITORS' REMUNERATION

	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Annual audit fee	181,500	328,046
Review and other certification	297,154	262,436
Out of pocket expenses	47,865	68,647
Sindh sales tax	42,122	52,730
	<u>568,641</u>	<u>711,859</u>

15. TAXATION

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

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

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

16. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 4.83% (2022: 4.81%) which includes 0.36% (2022: 0.36%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. The TER excluding government levies is 4.47% (2022: 4.45%) which is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

2023									
As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023
(Units)				(Rupees)					

Associated companies / undertakings

Alfalah GHP Islamic Prosperity Planning Fund	2,711,151	527,637	3,062	2,358,046	883,804	172,974,558	35,000,000	193,235	153,617,552	55,769,888
Alfalah GHP Islamic Prosperity Planning Fund 2	-	422,993	192	367,838	55,347	-	27,892,503	12,101	23,192,503	3,492,512

2022									
As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 01, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022
(Units)				(Rupees)					

Associated companies / undertakings

Alfalah GHP Islamic Prosperity Planning Fund	6,154,306	2,806,248	-	6,249,402	2,711,151	490,912,730	207,600,000	-	464,469,818	172,974,558
Alfalah GHP Islamic Prosperity Planning Fund 2	-	115,406	-	115,406	-	-	7,500,000	-	7,386,526	-

17.2 Details of transaction with related parties / connected persons during the year are as follows:

Associated companies / undertakings	2023	2022
	-----Rupees-----	
Alfalsh Asset Management Limited - Management Company		
Remuneration of Alfalah Asset Management Limited - Management Company	1,699,052	5,470,508
Sindh sales tax on remuneration of the Management Company	220,877	711,166
Allocated expenses	389,846	331,175
Selling and marketing expense	8,856	2,976,190
Bank Alfalah Limited - Islamic Banking Division		
Profit on bank balances	-	107
Alfalsh Consumer Index Exchange Traded Fund		
Purchase of 40,000 units (2022: 288,000 units)	302,200	2,844,200
Sale of 250,000 units (2022: Nil units)	1,958,000	-
Other related party		
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	169,901	547,047
Sindh sales tax on remuneration of the Trustee	22,087	71,116
CDS charges	-	24,910

17.3 Details of balances with related parties / connected persons as at year end are as follows:

Associated companies / undertakings		
Alfalsh Asset Management Limited (Management Company)		
Management remuneration payable	190,899	327,247
Sindh sales tax payable on management remuneration	24,817	42,543
Preliminary expenses and floatation cost payable	57,500	57,500
Payable against allocated expenses	179,483	62,199
Payable against selling and marketing expenses	-	2,010,030
Bank Alfalah Limited - Islamic Banking Division		
Bank balance	2,023,973	10,873,471
Profit receivable	2,906	2,899
Alfalsh Consumer Index Exchange Traded Fund		
Investment in 78,000 units (2022: 288,000 units)	604,573	2,257,920
Other related party		
Central Depository Company of Pakistan Limited (Trustee)		
Trustee remuneration payable	18,922	32,560
Sindh sales tax payable on trustee remuneration	2,459	4,233
Security deposit	100,000	100,000

18. FINANCIAL INSTRUMENTS BY CATEGORY

	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	2,190,739	-	2,190,739
Investments	-	56,247,064	56,247,064
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivables	14,213	-	14,213
	<u>4,804,952</u>	<u>56,247,064</u>	<u>61,052,016</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	452,699	-	452,699
Payable to Central Depository Company of Pakistan Limited - Trustee	21,381	-	21,381
Accrued expenses and other liabilities	1,057,692	-	1,057,692
	<u>1,531,772</u>	<u>-</u>	<u>1,531,772</u>

	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	11,427,257	-	11,427,257
Investments	-	161,569,525	161,569,525
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivables	1,514,197	-	1,514,197
	<u>15,541,454</u>	<u>161,569,525</u>	<u>177,110,979</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	2,499,519	-	2,499,519
Payable to Central Depository Company of Pakistan Limited - Trustee	36,793	-	36,793
Accrued expenses and other liabilities	1,077,811	-	1,077,811
	<u>3,614,123</u>	<u>-</u>	<u>3,614,123</u>

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Profit rate risk

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

	2023	2022
	----- Rupees -----	
Variable rate instruments (financial assets)		
Bank balances	<u>170,821</u>	<u>557,841</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the "Income Statement" and "Statement of Comprehensive Income" by Rs 142 (2022: Rs 236) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

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

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

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

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

2023						
Effective profit rate	Exposed to profit rate risk			Not exposed to profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	10.22% to 19.5%	170,821	-	-	2,019,918	2,190,739
Investments		-	-	-	56,247,064	56,247,064
Security deposits		-	-	-	2,600,000	2,600,000
Advance, dividend, profit and other receivables		-	-	-	14,213	14,213
		170,821	-	-	60,881,195	61,052,016
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	452,699	452,699
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	21,381	21,381
Accrued expenses and other liabilities		-	-	-	1,057,692	1,057,692
		-	-	-	1,531,772	1,531,772
On-balance sheet gap		170,821	-	-	59,349,423	59,520,244
Total profit rate sensitivity gap		170,821	-	-	59,349,423	59,520,244
Cumulative profit rate sensitivity gap		170,821	170,821	170,821		

2022						
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Upto three months	More than three months and up to one year	More than one year			
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.13% to 15.5%	557,841	-	-	10,869,416	11,427,257
Investments		-	-	-	161,569,525	161,569,525
Security deposits		-	-	-	2,600,000	2,600,000
Advance, dividend, profit and other receivables		-	-	-	1,514,197	1,514,197
		557,841	-	-	176,553,138	177,110,979
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	2,499,519	2,499,519
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	36,793	36,793
Accrued expenses and other liabilities		-	-	-	1,077,811	1,077,811
		-	-	-	3,614,123	3,614,123
On-balance sheet gap		557,841	-	-	172,939,015	173,496,856
Total profit rate sensitivity gap		557,841	-	-	172,939,015	173,496,856
Cumulative profit rate sensitivity gap		557,841	557,841	557,841		

19.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that the KMI-30 index increased / decreased by 1%, with all other variables held constant.

At June 30, 2023, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

<i>Effect due to increase / decrease in KMI-30 index</i>	2023	2022
	-----Rupees-----	
Investments and net assets	562,471	1,615,695
Income statement	<u>562,471</u>	<u>1,615,695</u>

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, security deposits and dividend and profit receivable,

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent control established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

19.2.1 Exposure to credit risk

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Bank balances	2,190,739	2,190,739	11,427,257	11,427,257
Investments	56,247,064	-	161,569,525	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Advance, dividend, profit and other receivables	14,213	14,213	1,514,197	1,514,197
	<u>61,052,016</u>	<u>4,804,952</u>	<u>177,110,979</u>	<u>15,541,454</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs. 56.25 million (2022: Rs. 161.57 million) are not exposed to credit risk.

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

19.2.2 Credit quality of financial assets

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

Banks	Rating Agency	Rating (Short Term / Long Term)	2023	2022
			% of financial assets exposed to credit risk	
Bank Alfalah Limited	PACRA	A1+ / AA+	92.38%	98.95%
Meezan Bank Limited	VIS	A-1+ / AAA	0.46%	0.06%
BankIslami Pakistan Limited	PACRA	A1 / AA-	6.54%	0.42%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	0.62%	0.06%
National Bank of Pakistan	PACRA	A1+ / AAA	0.00%	0.51%
			<u>100.00%</u>	<u>100.00%</u>

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

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

19.3 Liquidity risk

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

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

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

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

2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
Rupees						
Financial assets						
Bank balances	2,190,739	-	-	-	-	2,190,739
Investments	-	-	-	-	56,247,064	56,247,064
Security deposits	2,600,000	-	-	-	-	2,600,000
Advance, dividend, profit and other receivables	14,213	-	-	-	-	14,213
	4,804,952	-	-	-	56,247,064	61,052,016
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	452,699	-	-	-	-	452,699
Payable to Central Depository Company of Pakistan Limited - Trustee	21,381	-	-	-	-	21,381
Accrued expenses and other liabilities	479,844	577,848	-	-	-	1,057,692
	953,924	577,848	-	-	-	1,531,772
Net financial assets	3,851,028	(577,848)	-	-	56,247,064	59,520,244
2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
Rupees						
Financial assets						
Bank balances	11,427,257	-	-	-	-	11,427,257
Investments	-	-	-	-	161,569,525	161,569,525
Security deposits	2,600,000	-	-	-	-	2,600,000
Advance, dividend, profit and other receivables	1,505,223	-	-	-	-	1,505,223
	15,532,480	-	-	-	161,569,525	177,102,005
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	2,499,519	-	-	-	-	2,499,519
Payable to Central Depository Company of Pakistan Limited - Trustee	36,793	-	-	-	-	36,793
Accrued expenses and other liabilities	646,698	431,113	-	-	-	1,077,811
	3,183,010	431,113	-	-	-	3,614,123
Net financial assets	12,349,470	(431,113)	-	-	161,569,525	173,487,882

19.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

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

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

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

2023				
	Level 1	Level 2	Level 3	Total
Rupees				
Financial assets 'at fair value through profit or loss'				
Listed equity securities	55,753,324	-	-	55,753,324
Exchange traded fund	493,740	-	-	493,740
	<u>56,247,064</u>	<u>-</u>	<u>-</u>	<u>56,247,064</u>
2022				
	Level 1	Level 2	Level 3	Total
Rupees				
Financial assets 'at fair value through profit or loss'				
Listed equity securities	159,311,605	-	-	159,311,605
Exchange traded fund	2,257,920	-	-	2,257,920
	<u>161,569,525</u>	<u>-</u>	<u>-</u>	<u>161,569,525</u>

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

19.5 Unit holders' fund risk management

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

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

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

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

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. However, the Fund is exempt from any "Minimum Fund Size" requirement as specified under the NBFC Regulations.

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21. GENERAL

21.1 Rounding off

Figures have been rounded off to the nearest rupee.

22. DATE OF AUTHORISATION FOR ISSUE

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

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	0	-	-	0%
Associated Co./ Directors	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	10	939,151	59,262,348	100%
	10	939,151	59,262,348	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	0	-	-	0%
Associated Co./ Directors	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	7	2,711,151	172,974,558	289%
	7	2,711,151	172,974,558	289%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023
	%
Foundation Securities Limited	15%
IGI Finex Securities Limited	9%
Topline Securities (Pvt) Limited	8%
Shajar Capital Pakistan Private Limited	7%
Alfa Adhi Securities (Pvt) Ltd	7%
Insight Securities (Private) Limited	7%
Ismail Iqbal Securities (Pvt.) Limited	7%
JS Global Capital Limited	6%
Alfalah Securities (Private) Limited	5%
Inter Market Securities Limited	5%
	30 June 2022
	%
Cedar Capital (Private) Limited	8%
Direct Deal / No Broker	8%
Summit Capital (Private) Limited	8%
Habib Metropolitan Financial Services limited	7%
Arif Habib Limited	6%
BMA Capital Management Limited	6%
Fortune Securities Limited	6%
Insight Securities (Private) Limited	5%
MRA Securities Limited	4%
Khadim Ali Shah Bukhari Securities (Pvt.) Ltd	4%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Mr. Khaldoon Bin Latif - CEO

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

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

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

Mr. Ayub Khoro – Chief Investment Officer

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

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

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

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

Mr. Noman Soomro - Chief Operating Officer

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

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

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

Mr. Muddasir Ahmed Shaikh -- Head of Equities

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

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

Mr. Mustafa Kamal - Head of Fixed Income

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

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

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

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

Mr. Omar Mukhtar – Head of Risk

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

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

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

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

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

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

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

PERFORMANCE TABLE - AGIDEF

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Net Assets	59,262,348	172,974,558	490,912,730	329,600,400	27,761,833
NAV per unit	63.1021	63.8012	79.7674	63.9614	59.8829
Selling price per unit	64.1717	64.8826	81.1195	65.0455	60.8979
Redemption price per unit	63.1021	63.8012	79.7674	63.9614	59.8829
Highest selling price per unit	68.4578	84.9771	93.2466	82.5478	89.6781
Highest redemption price per unit	67.3168	83.5607	91.6924	81.1719	88.1834
Lowest selling price per unit	59.7073	63.8824	65.0455	49.4058	60.8979
Lowest redemption price per unit	58.7121	62.8176	63.9614	48.5823	59.8829
Total interim distribution per unit	0.2194	Nil	8.6173	0	0
Interim distribution date	June 28, 2023	Nil	June 29, 2021	0	0
Final distribution per unit	0	0	0	0	0
Final distribution date	0	0	0	0	0
Annualized returns	-0.75%	-20.02%	38.03%	-0.80%	-23.98%
Income distribution	Nil	Nil	13.47%	0	0
Weighted avg. portfolio duration	0	0	0	0	0

Return since inception is -5.65%

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

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Dedicated Equity Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Faysal Bank Limited							
AGM	11-May-23	To confirm the Minutes of the 28th AGM held on 29th March 2023	27,000	0.00%	✓		
		To elect 11 Directors for the pweriod of 3 years					
Engro Polymer & Chemical Limited							
AGM	27-Apr-23	Announcement of Financial Results for the year ended June 2021	65	0.00%	✓		
		Approval of payment of final Cash Dividend					
		Appointment of auditors for the year 2023					
		Election of Directors					
Bank Islami of Pakistan Limited							
AGM	9-Mar-23	Approved financial results of the first quarter ended on September 30, 2022	154,500	0.01%	✓		
		Approval of payment of final Cash Dividend					
		Appointment of auditors for the year 2023					
Bank Islami of Pakistan Limited							
EOGM	10-May-23	To confirm Minutes of the Annual General Meeting	131,500	0.01%	✓		
		To elect seven Directors of the Bank					
		To approve transmission of Annual Audited Accounts of the Bank					



Alfalah
GHP Islamic Value Fund

FUND INFORMATION

Management Company:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Islamic Value Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

The investment objective of Alfalah GHP Islamic Value Fund (AGIVF) is to earn a potentially high return through allocation of assets between Shari'ah Equity Instruments, Shari'ah Fixed Income Instruments and any other Shari'ah instrument as permitted by the SECP and Shari'ah Advisor. Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review

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

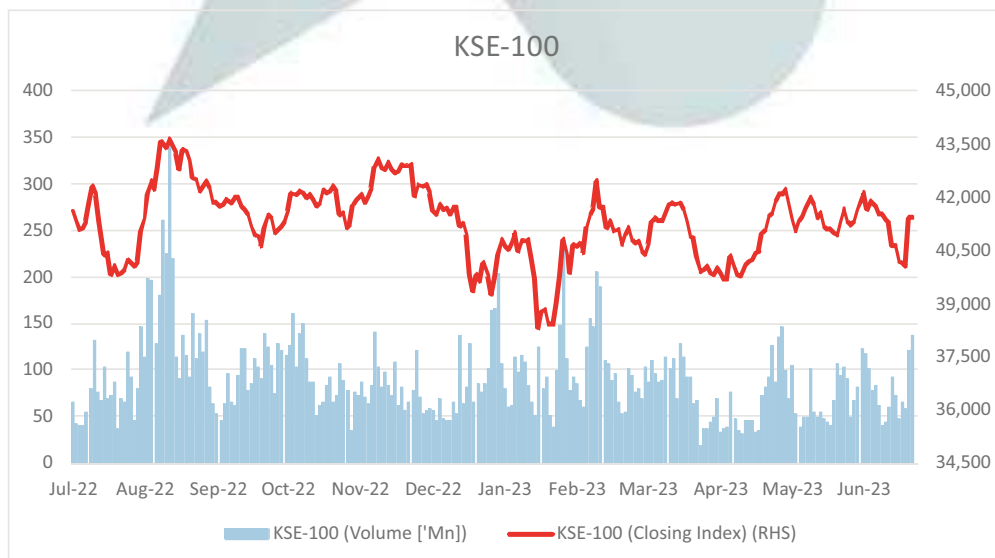
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment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

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

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

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

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



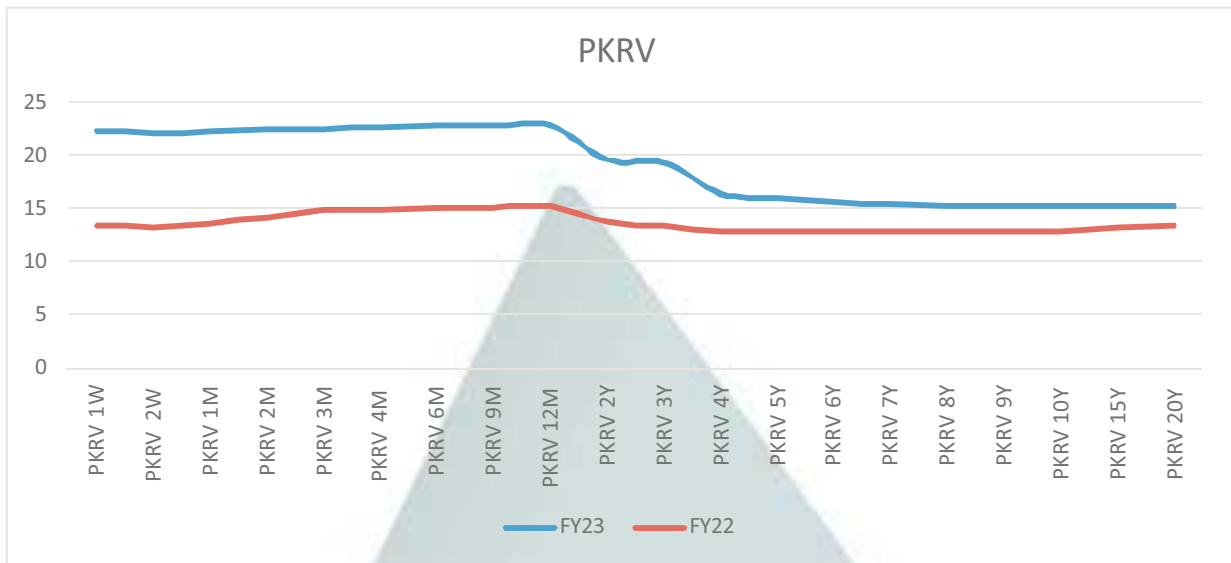
Money Market Review

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

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

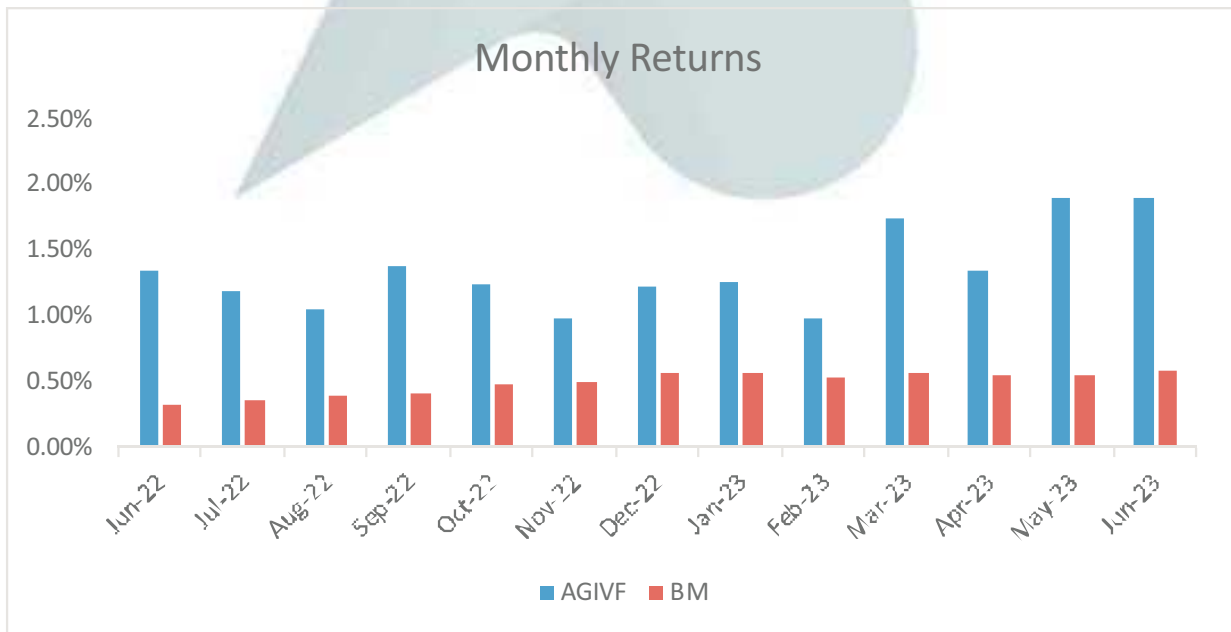
In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average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

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

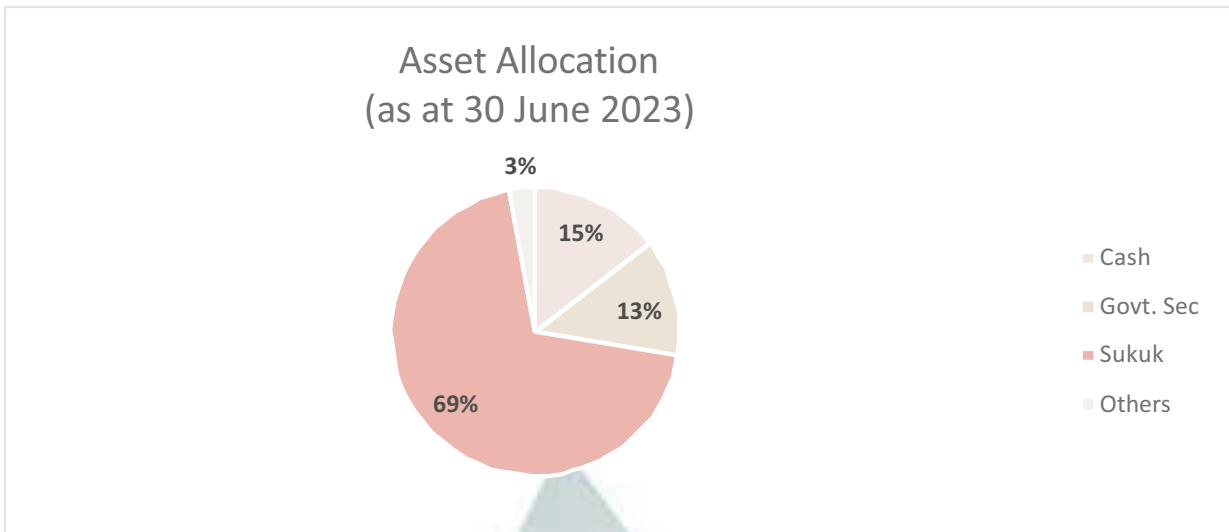


Fund Performance

The fund generated a return of 17.47% against the benchmark which generated 6.23%.



Assets Allocation



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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block-B,
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-000
Fax: (92-21) 34326021 - 23
URL: www.cdcpk.com
Email: info@cdc.pk.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC VALUE FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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


Badruddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

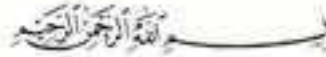
Karachi: February 28, 2023





Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC VALUE FUND**

We, the Shariah Advisors of the Alfalah GHP Islamic Value Fund (AGIVF) managed by Alfalah Asset Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have checked following avenues presented to us by the Management in which AGIVF made investment during the period from July 1, 2022 to June 30, 2023.

Investment Head	Investment Avenue
Sukuk	Approved Shariah Compliant Sukuk :GoP (Government of Pakistan) Ijarah Sukuk

We hereby certify that the Investments made by the Funds are in compliance with Shariah principles.

For the Year 2022-23 no provision against Charity is made no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.

Mufti Shaikh Noman
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

Alfalsh Asset Management Limited

2nd Floor, Islamic Chamber of Commerce, Industry and Agriculture Building, Block-9, Clifton, Karachi - 75600 Pakistan.
U: +92 (21) 111-090-090 | W: www.alfalahamc.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Value Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 28, 2023

Mr. Khaldoun Bin Latif
Chief Executive Officer





EY Firm Offices
Chartered Accountants
Progressive Plaza, Bayview Road
P.O. Box 23442, Karachi 75250
Pakistan

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Tel: +9221 2945 2000 11
Fax: +9221 2945 1745
ey@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alfaiah GHP Islamic Value Fund

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of bank balances and investments</p> <p>The bank balances and investments (comprised of debt securities) represent 97.69% of the Total Assets of the Fund at the year end.</p> <p>In view of the significance of existence and valuation of bank balances and investments in relation to determination of the Net Asset Value of the Fund, we have considered these to be a key audit matter.</p> <p>Refer to Notes 4 and 5 of the financial statements of the Fund for the year ended 30</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We tested controls over receipts and payments, and bank reconciliations as well as acquisition, disposals, and periodic valuation of investments portfolio. - We obtained independent confirmations for verifying the existence of the bank balances and investments as on 30 June 2023. Where



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

Other Matter

The financial statements of Alfalah GHP Islamic Value Fund for the year ended 30 June 2022, were audited by another auditor who expressed an unmodified opinion on those statements on 30 September 2022.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Responsible for the financial statements



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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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




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

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

Report on Other Legal and Regulatory Requirements

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

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


Chartered Accountants
Date: 26 September 2023
Karachi
UDIN Number: AR20231012002D1zIT09

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Assets			
Bank balances	4	350,743,103	459,955,584
Investments	5	2,025,915,091	1,480,405,086
Advance, deposits and prepayment	6	3,546,187	3,417,312
Profit and other receivables	7	72,743,947	40,099,587
Total assets		2,452,948,328	1,983,877,569
Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	9	106,978	275,502
Payable to Central Depository Company of Pakistan Limited - Trustee	10	200,823	164,778
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	426,741	458,997
Accrued and other liabilities	12	3,355,205	2,996,161
Dividend payable		7,662	4,092
Total liabilities		4,097,409	3,899,530
Net assets attributable to the unit holders		2,448,850,919	1,979,978,039
Unit holders' fund (as per the statement attached)		2,448,850,919	1,979,978,039
Contingencies and commitments			
Number of units in issue	13	----- (Number of units) -----	----- (Number of units) -----
		27,374,558	22,231,557
Net asset value per unit		----- (Rupees) -----	----- (Rupees) -----
		89.4572	89.0616

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 -----
Income			
Profit earned	14	379,908,331	225,327,356
loss on sale of investments - net		(16,058,136)	(28,462,677)
Unrealised (loss) / gain on revaluation of investments classified 'as fair value through profit or loss' - net	5.4	(8,275,388)	13,180,570
Other income		-	47,130
Total income		355,574,807	210,092,379
Expenses			
Remuneration of Alfalah Asset Management Limited - Management Company	9.1	3,200,781	3,442,693
Sindh sales tax on remuneration of the Management Company	9.2	416,102	447,550
Remuneration of Central Depository Company of Pakistan - Trustee	10.1	1,600,355	1,721,357
Sindh sales tax on remuneration of the Trustee	10.2	208,046	223,776
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	426,766	459,022
Bank and settlement charges		592,492	485,329
Auditors' remuneration	15	715,936	719,025
Brokerage expenses		516,561	52,500
Amortisation of preliminary expenses and floatation costs		-	87,774
Printing and related costs		57,100	36,759
Annual listing fee		27,500	33,001
Shariah advisory fee		359,948	359,946
Legal charges		28,250	161,590
Reversal of provision for Sindh Workers' Welfare Fund		-	(3,235,783)
Total expenses		8,149,837	4,994,539
Net income for the year before taxation		347,424,970	205,097,840
Taxation	17	-	-
Net income for the year after taxation		347,424,970	205,097,840
Allocation of net income for the year after taxation			
Net income for the year after taxation		347,424,970	205,097,840
Income already paid on units redeemed		(341,585,866)	(209,129,475)
		5,839,104	(4,031,635)
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		5,839,104	345,047,525
		5,839,104	345,047,525

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income for the year after taxation	347,424,970	554,177,000
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>347,424,970</u>	<u>554,177,000</u>

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



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

Chief Executive Officer

Chief Financial Officer

Director

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

	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	2,004,117,924	(24,139,885)	1,979,978,039	2,309,833,353	(21,926,392)	2,287,906,961
Issuance of 36,924,623 units (2022: 171,792,635 units)						
- Capital value (at net asset value per unit at the beginning of the year)	5,467,354,885	-	5,467,354,885	2,308,295,075	-	2,308,295,075
- Element of income	399,249,042	-	399,249,042	150,638,782	-	150,638,782
Total proceeds on issuance of units	5,866,603,927	-	5,866,603,927	2,458,933,857	-	2,458,933,857
Redemption of 67,280,664 units (2022: 177,919,169 units)						
- Capital value (at net asset value per unit at the beginning of the year)	5,009,310,979	-	5,009,310,979	2,614,091,035	-	2,614,091,035
- Element of income	40,842,563	341,585,866	382,428,429	9,407,144	205,056,523	214,463,667
Total payments on redemption of units	(5,050,153,542)	(341,585,866)	(5,391,739,408)	(2,623,498,179)	(205,056,523)	(2,828,554,702)
Total comprehensive income for the year	-	347,424,970	347,424,970	-	205,097,840	205,097,840
Interim cash distribution for the year ended June 30, 2022 @ Rs. 8.4367 per unit (declared on June 24, 2022)	-	-	-	(141,151,107)	(2,254,810)	(143,405,917)
Interim cash distribution for the year ended June 22, 2023 @ Rs. 15.0982 per unit (declared on June 23, 2023)	(352,631,452)	(785,156)	(353,416,608)	-	-	-
Net assets at the end of the year	2,467,936,857	(19,085,936)	2,448,850,919	2,004,117,924	(24,139,885)	1,979,978,039
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised loss		(37,320,455)			(24,282,300)	
- Unrealised income		13,180,570			2,355,908	
		(24,139,885)			(21,926,392)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains	5,839,104			41,317		
	5,839,104			41,317		
Distributions made		(785,156)			(2,254,810)	
Undistributed income carried forward		(19,085,936)			(24,139,885)	
Undistributed income carried forward						
- Realised loss		(10,810,548)			(37,320,455)	
- Unrealised (loss) / gain		(8,275,388)			13,180,570	
		(19,085,936)			(24,139,885)	
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year	89.0616			89.1575		
Net asset value per unit at the end of the year	89.4572			89.0616		

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		347,424,970	205,097,840
Adjustments for:			
Unrealised loss / (gain) on revaluation of investments classified as fair value through profit or loss' - net		8,275,388	(13,180,570)
Amortization of preliminary expenses and floatation charges		-	87,774
Reversal of provision for Sindh Workers' Welfare Fund		-	(3,235,783)
		<u>355,700,358</u>	<u>188,769,261</u>
(Increase) / decrease in assets			
Investments - net		(553,785,393)	495,373,342
Advance, deposits and prepayment		(128,875)	-
Profit and other receivables		(32,644,360)	5,244,695
		<u>(586,558,628)</u>	<u>500,618,037</u>
Increase / (decrease) in liabilities			
Payable to Alfalah Asset Management Limited - Management Company		(168,524)	(50,420)
Payable to Central Depository Company of Pakistan Limited - Trustee		36,045	(25,204)
Annual fee payable to the Securities and Exchange Commission of Pakistan		(32,256)	48,033
Accrued and other liabilities		359,044	404,698
Dividend Payable		3,570	-
		<u>197,879</u>	<u>377,107</u>
Net cash flows (used in) / generated from operating activities		<u>(230,660,391)</u>	<u>689,764,405</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units - net of refund of capital		5,513,972,475	2,317,782,750
Amount paid against redemption of units		(5,391,739,408)	(2,828,554,702)
Dividend paid		(785,156)	(2,254,810)
Net cash flows generated from / (used in) financing activities		<u>121,447,910</u>	<u>(513,026,762)</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(109,212,481)</u>	<u>176,737,643</u>
Cash and cash equivalents at beginning of the year		459,955,584	283,217,941
Cash and cash equivalents at end of the year	4	<u><u>350,743,103</u></u>	<u><u>459,955,584</u></u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Islamic Value Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah Asset Management Limited (formerly Alfalah GHP Investment Management Limited), (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee) on July 03, 2008. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). The SECP approved the first Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. AMCW /03/ AGIML/ AMS/02/2014 dated March 10, 2014 to modify and restate the previous Trust Deed to effectuate the amendments listed in Annexure A of the Supplemental Trust Deeds.

After promulgation of Provincial Trust Acts namely "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan, the abovementioned Trust Deeds have been registered under the Sindh Trust Act on 13 September, 2021.

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

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

1.4 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificates of investment, Musharika and Morabaha arrangements and debt securities. The investment objectives and policy are explained in the Fund's offering document.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023 (2022: AM2+ (stable outlook) on March 3, 2022).

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

1.7 During the year, the Fund has made a distribution of Rs. 352.76 million. However, the maximum amount of income available for distribution for the current year as per the criteria given in the constitutive documents of the Fund was Rs. 347.42 million. The Fund intends to adjust the same in the future years through subsequent available profits.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

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

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

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

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

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

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

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of investments (notes 3.3.1 and 5)
- ii. Provision for Sindh Workers' Welfare Fund
- iii. Provision against Federal Excise Duty (note 8.3)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.2 Impairment other than debt securities

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

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

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

3.3.2.1 Impairment on debt securities

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

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

Deferred

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.
- Income on debt securities and Government securities is recognised on a time proportion basis using the effective yield method.
- profit income on bank balances is recognised on an accrual basis.

3.13 Expenses

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

3.14 Earnings per unit

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

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

3.15 Foreign currency translation

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

	Note	2023 (Rupees)	2022
4 BANK BALANCES			
In savings accounts	4.1	341,428,667	396,385,181
In current accounts		9,314,436	63,570,403
		<u>350,743,103</u>	<u>459,955,584</u>

4.1 These accounts carry profit at rates ranging between 8.5% to 20.5% (2022: 3.1% to 16.6%) per annum. These include bank balances of Rs. 9.43 million (2022: 0.184 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 20.5% (2022: 16.6%) per annum.

	Note	2023 (Rupees)	2022
5 INVESTMENTS			
At fair value through profit or loss			
Sukuk certificates	5.1	1,625,373,591	1,331,440,086
Short term sukuk certificates	5.2	75,000,000	-
Government of Pakistan Ijara Sukuks	5.3	325,541,500	148,965,000
		<u>2,025,915,091</u>	<u>1,480,405,086</u>

5.1 Sukuk certificates

Name of investee company	Profit payments / principal redemptions	Profit rate	Issue date	Maturity date	As at July 01, 2022	Purchased during the year	Disposed / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation/ (diminution)	Market value as a percentage of		
												total investments of the Fund	net assets	
					Number of certificates		Rupees		Percentage					
Commercial banks														
Meezan Bank Limited* [(AA+, VIS, Face value Rs.1,000,000) (2022 : AA+, VIS, Face value Rs. 1,000,000)] {Note 5.1.1}	Monthly / N/A	24.50%	August 1, 2018	Perpetual	295	120	55	360	360,020,000	360,000,000	(20,000)	17.77%	14.70%	
Bank Islami ADT1 Ehad Sukuk II [(AA-, VIS Face value of Rs. 5,000) (2022 : AA-, VIS Face value of Rs. 5,000 each)]	Semi-annually / At maturity	6 months KIBOR + 2.8%	December 29, 2022	December 29, 2023	-	10,000	-	10,000	50,000,000	50,000,000	-	2.47%	2.04%	
Dubai Islamic Bank Pakistan Limited* [(AA-, VIS Face value Rs. 5,000) (2022 : AA-, VIS, Face value Rs. 5,000)] {Note 5.1.1}	Monthly / N/A	23.82%	December 24, 2018	Perpetual	10,000	26,000	-	36,000	179,100,000	180,000,000	900,000	8.88%	7.35%	
BankIslami Pakistan Limited* [(AA-, VIS Face value of Rs. 5,000) (2022 : AA-, VIS Face value of Rs. 5,000 each) {Note 5.1.1}	Monthly / N/A	24.94%	April 21, 2020	Perpetual	21,200	29,800	700	50,300	251,500,000	251,500,000	-	12.41%	10.27%	
Dubai Islamic Bank Pakistan Limited [(AA-, VIS Face value Rs. 1,000,000) (2022 : AA-, VIS, Face value Rs. 1,000,000)]	14-Jul-27	6 months Kibor + 0.5%	14-Jul-17	14-Jul-27	35	-	35	-	-	-	-	0.00%	0.00%	
Al-Baraka Bank (Pakistan) Limited [(A, VIS Face Value of 1,000,000) (2022 : A, VIS Face Value of 1,000,000 each)]	Semi-annually / At maturity	6 month KIBOR + 0.75%	August 22, 2017	August 22, 2024	215	50	265	-	-	-	-	0.00%	0.00%	
Power generation & distribution														
K-Electric Limited [(AA, PACRA, Face value Rs. 4,250) (2022 : AA, PACRA, Face value Rs. 5,000)]	Quarterly / Quarterly commencing from November 3, 2022	3 months KIBOR + 1.7%	August 3, 2020	August 3, 2027	50,000	19,400	-	69,400	301,773,279	300,356,739	(1,416,540)	14.83%	12.27%	
CRESCENT STEEL AND ALLIED PRODUCST LTD [(AAA, VIS Face value of Rs. 83,333 each)]	Semi-annually	6 month KIBOR + 2.0%	October 11, 2022	October 11, 2025	-	1,200	-	1,200	100,000,000	98,461,480	(1,538,520)	4.86%	4.02%	

Name of investee company	Profit payments / principal redemptions	Profit rate	Issue date	Maturity date	As at July 01, 2022	Purchased during the year	Disposed / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation/ (diminution)	Market value as a percentage of	
												total investments of the Fund	net assets
----- Number of certificates -----						----- Rupees -----			----- Percentage -----				
The Hub Power Company Limited [(AA+, PACRA, Face value Rs. 50,000) (2022 : AA+, PACRA, Face value Rs. 75,000)]	Semi-annually / Semi-annually commencing from September 19, 2022	12 months KIBOR + 1.9%	March 19, 2020	March 19, 2024	2,250	500	1,000	1,750	88,156,250	87,937,500	(218,750)	4.34%	3.59%
OBS AGP (PVT) LTD. - SUKUK [(A, VIS Face value : 81,250 (2022: A, VIS Face Value of 100,000 each)]	Semi-annually / At maturity	6 month KIBOR + 1.6%	August 22, 2017	August 22, 2024	-	3,760	1,056	2,704	222,540,250	220,139,400	(2,400,850)	10.87%	8.99%
THE HUB POWER COMPANY LTD. - [(AA+, PACRA, Face value Rs. 25,000) (2022 : AA+, PACRA, Face value Rs. 100,000)]	Quarterly / At maturity	3 months KIBOR + 1.9%	August 22, 2019	August 22, 2023	-	3,070	-	3,070	80,587,500	76,978,472	(3,609,028)	3.80%	3.14%
Pak Elektron Limited [(A+, PACRA Face value of Rs. 1,000,000 each) (2022 : A+, PACRA Face value of Rs. 1,000,000 each)]	Quarterly / At maturity	3 months KIBOR + 1.3%	November 15, 2021	February 15, 2023	50	-	50	-	-	-	-	0.00%	0.00%
Engro Polymer & Chemicals Ltd [(AA-, PACRA, Face value Rs. 4,750) (2022: A, PACRA, Face value Rs. 4,750)]	Quarterly	3 month KIBOR + 0.90%	January 19, 2021	July 11, 2026	-	500	500	-	-	-	-	0.00%	0.00%
Mughal Iron & Steel Industries Limited (A+, [(A+, PACRA, Face value Rs. 687,500) (2022: A+, PACRA, Face value Rs. 750,000)]	Quarterly	3 months KIBOR + 1.3%	March 02, 2021	March 30, 2026	-	75	75	-	-	-	-	0.00%	0.00%
Total as at June 30, 2023									1,633,677,279	1,625,373,591	(8,303,688)		
Total as at June 30, 2022									1,319,665,766	1,331,440,086	11,774,320		

* These investments have been carried at cost as they were not valued by MUFAP as at June 30, 2023.

5.1.1 The profit is received on the basis of profit sharing ratio and monthly weightages as announced by the issuer under the SBP guidelines.

5.2 Short Term Sukuks

Name of the investee company	Profit rate	Date of Maturity	As at July 01, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as percentage of	
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments
----- (Number of certificates) -----						----- (Rupees) -----			----- (%) -----		
Hubco Short term Sukuk (AA, VIS)	6 months KIBOR + 0.50%	Nov 18, 2023	-	115	-	115	75,000,000	75,000,000	-	3.06%	3.70%
Total as at June 30, 2023			-	-	-	-	75,000,000	75,000,000	-	0.00%	0.00%
Total as at June 30, 2022			-	-	-	-	-	-	-	0.00%	0.00%

5.3 Government of Pakistan Ijara Sukuks (GIS)

(face value of Rs. 100,000/- each).

Name of the investee company	Yield per annum	Issue date	Maturity date	As at July 01, 2022	Purchased during the year	Matured / sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain	Market value as a percentage of	
											Net Assets	Total Investments
----- (Number of certificates) -----						----- (Rupees) -----			----- (%) -----			
Ijara-GIS (VRR) -23 - 8047	N/A	April 14, 2023	April 14, 2024	3,235	-	-	3,235	323,527,000	323,694,100	167,100	15.98%	13.22%
GOP Ijara Sukuk - FRR 12	12.49%	April 27, 2022	April 27, 2027	-	1,500	1,480	20	1,986,200	1,847,400	(138,800)	0.09%	0.08%
Total as at June 30, 2023								325,513,200	325,541,500	28,300	16.07%	13.29%
Total as at June 30, 2022								147,558,750	148,965,000	1,406,250	10.06%	7.52%

5.4 Unrealised (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net	Note	2023 ----- (Rupees) -----	2022 -----
Market value of investments		2,025,915,091	1,480,405,086
Less: Carrying value of investments		<u>(2,034,190,479)</u>	<u>(1,467,224,516)</u>
		<u><u>(8,275,388)</u></u>	<u><u>13,180,570</u></u>

6 ADVANCE, DEPOSITS AND PREPAYMENT

Advance:

Advance tax	6.1	817,939	817,312
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Deposits:

- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
		<u>2,600,000</u>	<u>2,600,000</u>

Prepayments		<u>128,248</u>	-
		<u><u>3,546,187</u></u>	<u><u>3,417,312</u></u>

- 6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2022, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividend and profit on debt amounts to Rs. 0.817 million (2022: Rs. 0.817 million).

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

7 PROFIT AND OTHER RECEIVABLES

Profit receivable on:	Note	2023 ----- (Rupees) -----	2022 -----
- Bank balances		5,044,524	3,917,838
- Sukuk certificates		53,047,114	32,800,884
- GOP Ijara Sukuks		14,607,896	3,336,452
Dividend receivable		<u>44,413</u>	<u>44,413</u>
		<u><u>72,743,947</u></u>	<u><u>40,099,587</u></u>

8 PRELIMINARY EXPENSES AND FLOATATION COSTS

At the beginning of the year			
Amortisation during the year		87,774	156,890
At the end of the year		<u>(87,774)</u>	<u>(69,116)</u>
	8.1	<u><u>-</u></u>	<u><u>87,774</u></u>

- 8.1 Preliminary expenses and floatation cost represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

9 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable	Note	2023 ----- (Rupees) -----	2022 -----
Management remuneration payable	9.1	94,671	243,807
Sindh sales tax payable on management remuneration	9.2	<u>12,307</u>	<u>31,695</u>
		<u><u>106,978</u></u>	<u><u>275,502</u></u>

- 9.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.15% (2022: 0.15%) of average annual net assets of the Fund.

The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 During the year, an amount of Rs. 0.409 million (2022: Rs. 0.401 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.401 million (2022: Rs. 0.393 million) has been paid to the Management Company which acts as a collecting agent.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Trustee remuneration payable	10.1	175,091	144,158
Sindh sales tax payable on trustee remuneration	10.2	25,732	20,620
		<u>200,823</u>	<u>164,778</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration is payable to the trustee at the rate of 0.075% (2022: 0.075%) per annum of the net assets of the Fund.

10.2 During the year, an amount of Rs. 0.204 million (2022: Rs. 0.23 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.200 million (2022: Rs. 0.31 million) was paid to the Trustee which acts as a collecting agent.

11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Annual fee payable to the SECP	11.1	426,741	458,997

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

12 ACCRUED AND OTHER LIABILITIES

	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Auditors' remuneration payable	552,586	604,869
Printing charges payable	67,897	70,835
Brokerage payable	77,064	20,962
Settlement charges payable	1,488,569	988,520
Shariah advisory fee payable	725,420	629,472
Charity payable	4,776	4,776
Sales load payable	290,895	290,474
Withholding tax payable	147,998	386,253
	<u>3,355,205</u>	<u>2,996,161</u>

13 CONTINGENCIES AND COMMITMENTS

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

14 PROFIT EARNED

	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Profit on:		
- Bank balances	59,769,399	32,572,298
- Sukuk certificates	304,667,331	147,714,843
- GOP Ijara sukuks	15,471,601	45,040,215
	<u>379,908,331</u>	<u>225,327,356</u>

15 AUDITORS' REMUNERATION

Annual audit fee	465,140	325,000
Review and other certifications	137,500	260,000
Out of pocket expenses	60,264	80,764
	662,904	665,764
Sindh sales tax on services	53,032	53,261
	<u>715,936</u>	<u>719,025</u>

16 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at June 30, 2023 results is 0.33% (2022: 0.36%) which includes 0.032% (2022: 0.049%) representing Government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The prescribed limit for the ratio is 4.5% (2022: 4.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "asset allocation scheme".

17 TAXATION

"The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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

18 NON SHARIAH COMPLIANT INCOME

According to the instructions of the Shariah Advisor, if any income is earned by the Fund from the investments whereby a portion of income of such investees has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2023, no such income is earned.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

19.1 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Note	2023										
	As at July 1, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 1, 2022	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023	
	(Units)					(Rupees)					
Unit holder holding 10% or more Units											
Pak Qatar Investment Account	19.1.1	14,751,698	20,393,191	1,593,511	25,745,049	10,993,351	1,313,809,804	1,960,494,884	141,920,663	2,460,494,885	983,434,414
Pak Qatar Individual Family - Participant Investment Amount Fund	19.1.1	7,206,114	37,027,897	2,365,902	30,277,974	16,321,938	628,350,769	3,552,766,324	210,711,025	2,910,766,323	1,460,114,892
	2022										
Note	As at July 1, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 1, 2021	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022	
	(Units)					(Rupees)					
Unit holder holding 10% or more Units											
Pak Qatar Investment Account	19.1.1	13,280,644	13,791,502	960,196	13,280,644	14,751,698	1,182,795,404	1,315,305,032	85,608,637	1,290,305,032	1,319,645,598
Pak Qatar Individual Family - Participant Investment Amount Fund	19.1.1	11,989,402	8,723,832	622,945	14,130,065	7,206,114	1,045,438,687	842,479,075	55,540,219	1,367,479,075	644,638,781

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

	2023	2022
	----- (Rupees) -----	
19.2 Other transactions		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Remuneration of the Management Company	3,200,781	3,442,693
Sindh sales tax on remuneration of the Management Company	416,102	447,550
Bank Alfalah Limited		
Profit on bank balances	7,784	1,778
Bank charges	-	1,565
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,600,355	1,721,357
Sindh sales tax on remuneration of the Trustee	208,046	223,776
Settlement charges	592,492	483,730
19.3 Other balances		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	94,671	243,807
Sindh sales tax payable on management remuneration	12,307	31,695
Bank Alfalah Limited		
Bank balance	9,438,446	63,754,218
Sale load payable	290,895	290,474
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	175,091	144,158
Sindh sales tax payable on trustee remuneration	25,732	20,620
Security deposit	100,000	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	350,743,103	-	350,743,103
Investments	-	2,025,915,091	2,025,915,091
Advance, deposits and prepayment	2,600,000	-	2,600,000
Profit and other receivables	71,926,008	-	71,926,008
	<u>425,269,111</u>	<u>2,025,915,091</u>	<u>2,451,184,202</u>
Financial Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	106,978	-	106,978
Payable to Central Depository Company of Pakistan Limited - Trustee	200,823	-	200,823
Accrued and other liabilities	3,207,207	-	3,207,207
Dividend payable	7,662	-	7,662
	<u>3,522,670</u>	<u>-</u>	<u>3,522,670</u>

Particulars	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	459,955,584	-	459,955,584
Investments	-	1,480,405,086	1,480,405,086
Profit and other receivables	40,099,587	-	40,099,587
Advance, deposits and prepayment	2,600,000	-	2,600,000
	<u>502,655,171</u>	<u>1,480,405,086</u>	<u>1,983,060,257</u>
Financial Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	275,502	-	275,502
Payable to Central Depository Company of Pakistan Limited - Trustee	164,778	-	164,778
Accrued and other liabilities	2,609,908	-	2,609,908
Dividend payable	4,092	-	4,092
	<u>3,054,280</u>	<u>-</u>	<u>3,054,280</u>

21 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund, the NBFC Regulations and the directives issued by the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds and are explained below:

21.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP.

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

21.1.1 Currency risk

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

21.1.2 Yield / profit rate risk

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

	2023	2022
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Short term sukuk	75,000,000	-
Sukuk certificates	1,625,373,591	1,331,440,086
Bank balances	<u>350,743,103</u>	<u>459,955,584</u>
	<u>2,051,116,694</u>	<u>1,791,395,670</u>
Fixed rate instruments (financial assets)		
GoP Ijara Sukuk	<u>325,541,500</u>	<u>148,965,000</u>
	<u>325,541,500</u>	<u>148,965,000</u>

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 20.51 million (2022: Rs. 17.91 million) The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in profit rates on the last repricing date would have increased / decreased net income of the year and the net assets of the Fund by Rs 3.26 million (2022: 1.49 million). The analysis assumes that all other variables remain constant.

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

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

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

Particulars	2023					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit risk	
		Upto three months	More than three months and upto one year	More than one year		
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	8.5% - 20.5%	341,428,667	-	-	9,314,436	350,743,103
Investments	15.48%-22.97%	1,258,974,611	441,398,980	325,541,500	-	2,025,915,091
Advance, deposits and prepayment		-	-	-	3,546,187	3,546,187
Profit and other receivables		-	-	-	72,743,947	72,743,947
Sub total		1,600,403,278	441,398,980	325,541,500	85,604,570	2,452,948,328
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		106,978	-	-	-	106,978
Payable to Central Depository Company of Pakistan Limited - Trustee		200,823	-	-	-	200,823
Accrued and other liabilities		3,207,207	-	-	-	3,207,207
Dividend payable		7,662	-	-	-	7,662
Sub total		3,522,670	-	-	-	3,522,670
On-balance sheet gap		1,596,880,608	441,398,980	325,541,500	85,604,570	2,449,425,658
Total profit rate sensitivity gap		1,596,880,608	441,398,980	325,541,500	85,604,570	2,449,425,658
Cumulative profit rate sensitivity gap		1,596,880,608	2,038,279,588	2,363,821,088		

Particulars	2022					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit risk	
		Upto three months	More than three months and upto one year	More than one year		
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	2.11% - 7%	283,217,941	-	-	-	283,217,941
Investments	7.79% - 11.05%	659,582,786	676,290,766	626,724,306	-	1,962,597,858
Advance, deposits and prepayment		-	-	-	2,600,000	2,600,000
Profit and other receivables		-	-	-	45,344,760	45,344,760
Sub total		942,800,727	676,290,766	626,724,306	47,944,760	2,293,760,559
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	325,922	325,922
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	189,982	189,982
Accrued and other liabilities		-	-	-	1,870,597	1,870,597
Dividend payable		-	-	-	3,502	3,502
		-	-	-	2,390,003	2,390,003
On-balance sheet gap		942,800,727	676,290,766	626,724,306	45,554,757	2,291,370,556
Total profit rate sensitivity gap		942,800,727	676,290,766	626,724,306	45,554,757	2,291,370,556
Cumulative profit rate sensitivity gap		942,800,727	1,619,091,493	2,245,815,799		

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at reporting date, the Fund is not exposed to price risk.

Debt price risk is the risk that the fair value of debt instruments decreases as a result of changes in the spread and market rate of the debt securities. As at June 30, 2023, the Fund is not exposed to any debt price risk as the Fund holds the Government securities and the debt risk pertaining to non Government securities is not material.

21.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

	2023						Total
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	
	(Rupees)						
Financial assets							
Bank balances	350,743,103	-	-	-	-	-	350,743,103
Investments	-	-	76,978,472	807,079,880	350,356,739	791,500,000	2,025,915,091
Profit and other receivables	12,123,154	25,653,164	14,721,399	20,246,230	-	-	72,743,947
Advance, deposits and prepayment	-	-	-	-	-	2,600,000	2,600,000
	362,866,257	25,653,164	91,699,871	827,326,110	350,356,739	794,100,000	2,452,002,141
Financial liabilities							
Payable to Alfalah Asset Management Limited - Management Company	106,978	-	-	-	-	-	106,978
Payable to Central Depository Company of Pakistan Limited - Trustee	200,823	-	-	-	-	-	200,823
Dividend payable	7,662	-	-	-	-	-	7,662
Accrued and other liabilities	3,207,207	-	-	-	-	-	3,207,207
	3,522,670						3,522,670
Net financial assets	359,343,587	25,653,164	91,699,871	827,326,110	350,356,739	794,100,000	2,448,479,471

	2022						Total
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	
	(Rupees)						
Financial assets							
Bank balances	283,217,941	-	-	-	-	-	283,217,941
Investments	-	-	4,707,786	1,267,036,227	289,853,845	401,000,000	1,962,597,858
Profit and other receivable	40,099,587	-	-	-	-	-	40,099,587
Advance, deposits and prepayment	-	-	-	-	-	2,600,000	2,600,000
	323,317,528	-	4,707,786	1,267,036,227	289,853,845	403,600,000	2,288,515,386
Financial liabilities							
Payable to Alfalah Asset Management Limited - Management Company	325,922	-	-	-	-	-	325,922
Payable to Central Depository Company of Pakistan Limited - Trustee	189,982	-	-	-	-	-	189,982
Dividend payable	3,502	-	-	-	-	-	3,502
Accrued and other liabilities	1,870,597	-	-	-	-	-	1,870,597
	2,390,003	-	-	-	-	-	2,390,003
	(2,390,003)	-	-	-	-	-	(2,390,003)

21.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

21.3.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 was as follows:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	350,743,103	350,743,103	459,955,584	459,955,584
Investments	2,025,915,091	1,700,373,591	1,480,405,086	1,331,440,086
Advance, deposits and prepayment	3,546,187	2,728,248	2,600,000	2,600,000
Profit and other receivables	71,926,008	42,004,634	40,916,899	36,763,135
	<u>2,452,130,389</u>	<u>2,095,849,576</u>	<u>1,983,877,569</u>	<u>1,830,758,805</u>

Difference in the balance as per statement of assets and liabilities and maximum exposure is due to the fact that the Fund has made the investments in GOP Ijara sukuk and has receivable of profit thereon and due to the advance taxes of Rs. 356.28 million (2022: Rs. 338.56) as these are not exposed to credit risk.

No financial assets were considered to be past due or impaired at June 30, 2023 and June 30, 2022.

21.3.2 Bank balances

The Fund held bank balances at June 30, 2023 with banks having following credit ratings:

Bank name	Rating agency	Rating (Short Term / Long Term)	2023	2022	2023	2022
			Percentage of investments		Percentage of total profit receivable on bank	
Bank Alfalah Limited	PACRA	A1+/AA+	2.69%	13.86%	0.00%	0.00%
Al-Baraka Bank (Pakistan) Limited	VIS	A+ / A-1	96.79%	6.83%	6.95%	0.00%
Habib Metropolitan Bank Limited	PACRA	A1+/AA+	0.003%	0.00%	0.00%	0.00%
Allied Bank Limited	PACRA	A1+/AAA	0.003%	0.00%	0.00%	0.95%
BankIslami Pakistan Limited	PACRA	A1+/AAA	0.49%	8.51%	0.00%	4.17%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	0.01%	70.79%	0.00%	4.45%
MCB Islamic Bank Limited	PACRA	A1+/AAA	0.004%	0.00%	0.06%	0.00%
Meezan Bank Limited	VIS	A-1+/AAA	0.002%	0.00%	0.00%	0.00%
			100.00%	100.00%	7.01%	9.58%

21.3.3 Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2023.

Investments

The Fund held investments in sukuk certificates, commercial papers, term deposit receipts and bai muajjal receivable with entities having following credit ratings:

Entity name	Rating agency	Rating (Short Term / Long Term)	2023	2022	2023	2022
			Percentage of investments		Percentage of profit receivable on investments	
Meezan Bank Limited	VIS	A-1+ / AAA	17.77%	16.55%	9.66%	8.10%
PAK electron limited	PACRA	A1- / AA	0.00%	3.34%	0.00%	2.54%
Bank Islami Pakistan limited	VIS	A1 / AA-	14.88%	7.16%	6.84%	3.14%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA-	8.88%	5.82%	5.02%	6.06%
Hub Power Company Limited	PACRA	A1+ / AA+	11.84%	15.64%	11.14%	22.39%
NEELUM JHELUM Company limited	VIS	A-1 / AAA	0.00%	9.36%	0.00%	0.28%
K-Electric Limited	PACRA	A1+ / AA	14.83%	17.25%	15.74%	16.15%
Crescent steel and allied product ltd	PACRA	A-2 / A-	4.86%	0.00%	7.50%	0.00%
Obs agp (pvt) ltd. - sukuk	VIS	A-1+ / A+	10.87%	0.00%	15.04%	0.00%
AL BARAKA Bank limited	VIS	A-1 / A	0.00%	14.82%	0.00%	21.51%
			83.93%	89.94%	70.94%	80.16%

This excludes investments made by the Fund in Government securities namely and GoP Ijara Sukuks.

Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2023.

21.3.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk. Details of Fund's concentration of credit risk of financial instruments is as follows:

21.4

	2023		2022	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable)	355,787,627	16.85%	463,873,422	17.23%
Investments (including profit receivable)	1,753,420,705	83.03%	1,364,240,970	82.61%
Dividend receivable	44,413	0.00%	44,413	0.00%
National Clearing Company of Pakistan Limited (security deposit)	2,500,000	0.12%	2,500,000	0.15%
Central Depository Company of Pakistan Limited (security deposit)	100,000	0.00%	100,000	0.01%
	2,111,852,745	100.00%	1,830,758,805	100.00%

22 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- "- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);"
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following assets measured at fair values:

2023				
Level 1	Level 2	Level 3	Total	
Rupees				
At fair value through profit or loss				
Sukuk certificates	-	1,625,373,591	-	1,625,373,591
Short term sukuk certificates	-	75,000,000	-	75,000,000
Government of Pakistan Ijara Sukuks	-	325,541,500	-	325,541,500
	-	<u>2,025,915,091</u>	-	<u>2,025,915,091</u>
2022				
Level 1	Level 2	Level 3	Total	
Rupees				
At fair value through profit or loss				
Sukuk certificates	-	1,331,440,086	-	1,335,873,552
GOP Ijara sukuks	-	148,965,000	-	626,724,306
	-	<u>1,480,405,086</u>	-	<u>1,962,597,858</u>

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

24 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

25 GENERAL

Figures are rounded off to the nearest rupee.

Corresponding figures have been rearranged, reclassified or additionally incorporated in the financial statements, wherever necessary, to facilitate comparison and to conform with the changes in presentation. No significant rearrangements or reclassifications were made in these financial statements.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **25 August 2023** by the Board of Directors of the Management Company.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	286	59,269	5,302,016	0%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	-	-	-	0%
Others	11	27,315,289	2,443,548,903	100%
	297	27,374,558	2,448,850,919	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	91	273,746	24,380,228	1%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	4	21,957,811	1,955,597,813	99%
	95	22,231,557	1,979,978,041	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023 %
Next Capital Limited	100%
	30 June 2022 %
Summit Capital (Private) Limited	5%
Next Capital Limited	95%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banking, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGIVF

	30 June 2023 (Rupees in '000)	30 June 2022 (Rupees in '000)	30 June 2021 (Rupees in '000)	30 June 2020 (Rupees in '000)	30 June 2019 (Rupees in '000)
Net Assets	2,448,851	1,979,978	2,287,907	746,562	143,159
NAV per unit	89.4572	89.0616	89.1575	88.8143	89.4164
Selling price per unit	90.2153	89.8164	89.9131	89.5670	92.4476
Redemption price per unit	89.4572	89.0616	89.1575	88.8143	89.4164
Highest selling price per unit	105.0426	100.5844	96.5921	106.4587	106.3914
Highest redemption price per unit	104.1598	89.9319	95.7804	102.9681	102.9030
Lowest selling price per unit	89.8408	89.0393	89.5810	79.3273	88.3010
Lowest redemption price per unit	89.0858	89.7939	88.8282	76.7263	88.3010
Total interim distribution per unit	15.0982	N/A	6.6178	0.2547	N/A
Interim distribution date	23 Jun,2023	-	28 Jun,2021	26 Jun,2020	N/A
Final distribution per unit	N/A	8.4367	0.0271	0.0743	N/A
Final distribution date	N/A	24 Jun,2022	30 Jun,2021	30 Jun,2020	N/A
Annualized returns	17.47%	9.34%	7.87%	1.86%	-10.80%
Income distribution	16.95%	9.46%	N/A	N/A	N/A
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is 3.80%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



Alfalah
Islamic Rozana Amdani Fund

FUND INFORMATION

Management Company:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA(f)

Alfalah Islamic Rozana Amdani Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Islamic Money Market

Investment Objective

The objective of Alfalah Islamic Rozana Amdani Fund (AIRAF) is to provide competitive returns and to meet liquidity needs of investors by providing investors a daily dividend by investing in low risk and highly liquid Shari'ah Compliant money market instruments.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration shariah compliant fixed income instruments within the guidelines provided under NBFC rules.

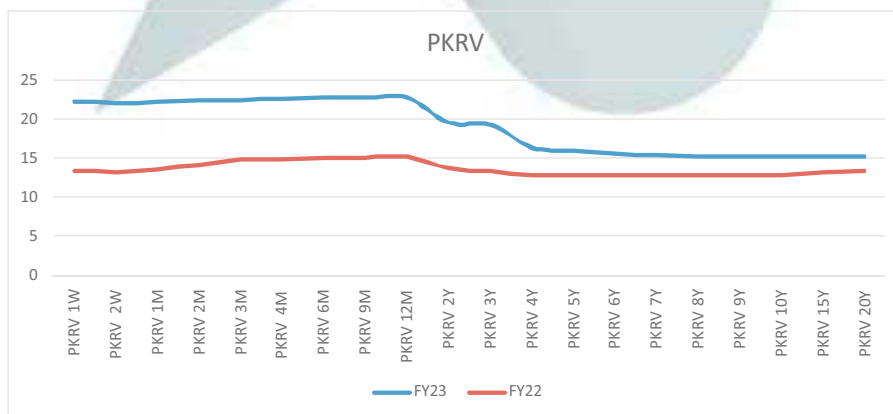
Money Market Review:-

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

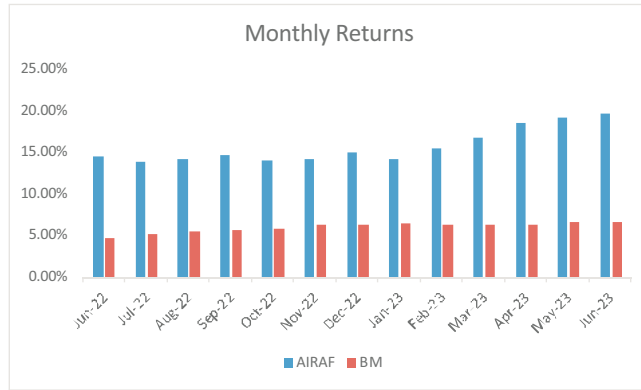
In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.

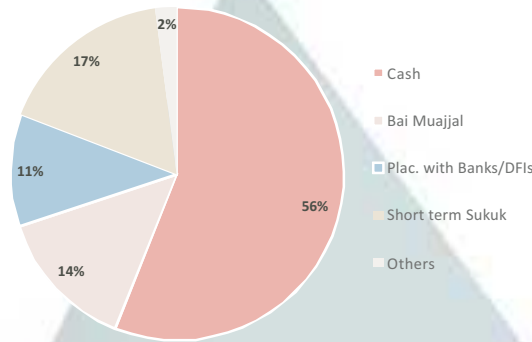


Fund Performance

The fund's return stood at 17.07% against the benchmark return of 6.20%.



**Asset Allocation
(as at 30 June 2023)**



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	0.00%	A+	0.00%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	23.27%	A-	0.00%
AA+	28.21%	BBB+	0.00%
AA	46.34%	Below IG	0.00%
AA-	0.00%	NR/UR/MTS	2.19%

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 44-B, Block 'D'
S.M.C.H.S, Main Shakra-e-Faisal
Karachi- 74400, Pakistan
Tel: (92-21) 111-111-500
Fax: (92-21) 24326021 - 23
URL: www.cdp-pakistan.com
Email: info@cdcpk.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH ISLAMIC ROZANA AMDANI FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Islamic Rozana Amdani Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Baduddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2023





Alfalah Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC ROZANA AMDANI FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Rozana Amdani Fund ("AIRAF") managed by Alfalah Asset Management Limited, are issuing this report in accordance with the Trust Deed dated June 25, 2020 and Offering Document dated July 17, 2020 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have reviewed and given approval for investment in following avenues during the period from July 01, 2022 to June 30, 2023.

Investment Avenue
<i>Approved Shariah Compliant Sukuk</i>
<i>Approved Islamic Commercial Papers</i>
<i>Approved Bai Mu'ajjal Transactions</i>
<i>Term Deposit Receipts with Approved Islamic Banks</i>

We hereby certify that all the above-mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2023, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board:


Mufti Shaikh Noman
Shariah Advisor


Mufti Javed Ahmad
Shariah Board Member



Alfalah Asset Management Limited

2nd Floor, Islamic Chamber of Commerce, Industry and Agriculture Building, Block-9, Clifton, Karachi - 75600 Pakistan.
U: +92 (21) 111-090-090 | W: www.alfalahamc.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah Islamic Rozana Amdani Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 28, 2023

Mr. Khaldoon Bin Latif
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah Islamic Rozana Amdani Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Islamic Rozana Amdani Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year ended June 30, 2023 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	<p>The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 13,095.26 million and bank balances aggregated to Rs. 17,510.78 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR202310611DVonTQrNH

ALFALAH ISLAMIC ROZANA AMDANI FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Assets			
Bank balances	4	17,510,778,220	5,270,159,471
Investments	5	13,095,260,239	1,350,000,000
Deposit, advance and profit receivables	6	636,332,802	94,720,030
Preliminary expenses and floatation costs	7	1,436,019	2,083,404
Total assets		<u>31,243,807,280</u>	<u>6,716,962,905</u>
Liabilities			
Payable to Alfalah Asset Management Limited - Management Company	8	45,780,910	6,486,318
Payable to Central Depository Company of Pakistan Limited - Trustee	9	1,551,838	352,546
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	3,367,420	1,034,948
Accrued expenses and other liabilities	11	76,474,812	10,891,683
Total liabilities		<u>127,174,980</u>	<u>18,765,495</u>
Net assets attributable to the unit holders		<u>31,116,632,300</u>	<u>6,698,197,410</u>
Unit holders' fund (as per the statement attached)		<u>31,116,632,300</u>	<u>6,698,197,410</u>
Contingencies and commitments			
	12	----- (Number of units) -----	----- (Number of units) -----
Number of units in issue		<u>311,166,323</u>	<u>66,982,002</u>
Net asset value per unit		<u>(Rupees) 100.000</u>	<u>(Rupees) 100.000</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	----- (Rupees) -----	
Income		
Profit earned	2,944,492,971	511,403,398
(Loss) / gain on sale of investments - net	(758,450)	1,426,390
Total income	<u>2,943,734,521</u>	<u>512,829,788</u>
Expenses		
Remuneration of Alfalah Asset Management Limited - Management Company	8.1 76,877,697	12,386,682
Sindh sales tax on remuneration of the Management Company	8.2 9,994,101	1,610,271
Selling and marketing expenses	8.3 18,410,000	1,708,000
Allocated expense	8.4 15,570,047	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 9,282,106	2,982,645
Sindh sales tax on remuneration of the Trustee	9.2 1,206,674	387,748
Annual fee to the Securities and Exchange Commission of Pakistan	10.1 3,367,445	1,034,973
CDS charges	2,855,114	659,815
Bank and settlement charges	210,368	64,617
Auditors' remuneration	14 444,495	452,365
Printing and publication charges	138,465	64,897
Brokerage expense	1,182,379	376,926
Amortisation of preliminary expenses and floatation costs	7 647,385	647,385
Fees and subscriptions	421,139	549,616
Shariah advisor fee	258,792	258,792
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	(4,141,077)
Total expenses	<u>140,866,207</u>	<u>19,043,655</u>
Net income for the year before taxation	<u>2,802,868,314</u>	<u>493,786,133</u>
Taxation	17 -	-
Net income for the year after taxation	<u>2,802,868,314</u>	<u>493,786,133</u>
Allocation of net income for the year		
Net income for the year after taxation	2,802,868,314	493,786,133
Income already paid on units redeemed	-	-
	<u>2,802,868,314</u>	<u>493,786,133</u>
Accounting income available for distribution		
- Relating to capital gain	-	1,426,390
- Excluding capital gain	2,802,868,314	492,359,743
	<u>2,802,868,314</u>	<u>493,786,133</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees) -----	
Net income for the year after taxation	2,802,868,314	493,786,133
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>2,802,868,314</u></u>	<u><u>493,786,133</u></u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets beginning of the year	6,698,197,410	-	6,698,197,410	5,107,335,200	-	5,107,335,200
Issuance of 771,093,943 (2022: 102,485,561) units						
- Capital value (at par value per unit at the beginning of the year)	77,109,394,300	-	77,109,394,300	10,248,556,100	-	10,248,556,100
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	77,109,394,300	-	77,109,394,300	10,248,556,100	-	10,248,556,100
Redemption of 526,909,622 (2022: 86,576,939) units						
- Capital value (at par value per unit at the beginning of the year)	52,690,959,410	-	52,690,959,410	8,657,693,890	-	8,657,693,890
- Element of income	-	-	-	-	-	-
Total payments on redemption of units	52,690,959,410	-	52,690,959,410	8,657,693,890	-	8,657,693,890
Total comprehensive income for the year	-	2,802,868,314	2,802,868,314	-	493,786,133	493,786,133
Distributions during the year *	-	(2,802,868,314)	(2,802,868,314)	-	(493,786,133)	(493,786,133)
Net assets at end of the year	31,116,632,300	-	31,116,632,300	6,698,197,410	-	6,698,197,410
Undistributed income brought forward						
- Realised income		-			-	
- Unrealised income		-			-	
Accounting income available for distribution						
- Relating to capital gain		-			1,426,390	
- Excluding capital gain		2,802,868,314			492,359,743	
		2,802,868,314			493,786,133	
Distributions during the year: Rs. 21.1294 (2022: 9.2572) per unit i.e. 21.12% (2022: 9.25%) of the par value of Rs. 100/- each		(2,802,868,314)			(493,786,133)	
Undistributed income carried forward		-			-	
Net asset value per unit at the end of the year		<u>100.00</u>			<u>100.00</u>	

* Alfalah Islamic Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the year ended June 30, 2023 amounted to Rs. 21.1294 (2022: 9.2572 per unit).

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	2,802,868,314	493,786,133
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	647,385	647,385
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	(4,141,077)
	<u>2,803,515,699</u>	<u>490,292,441</u>
Increase in assets		
Investments - net	(3,983,000,000)	(449,701,903)
Deposit, advance and profit receivables	(541,612,772)	(75,458,275)
	(4,524,612,772)	(525,160,178)
Increase in liabilities		
Payable to Alfalah Asset Management Limited - Management company	39,294,592	1,957,088
Payable to Central Depository Company of Pakistan Limited - Trustee	1,199,292	37,161
Annual fee payable to the Securities and Exchange Commission of Pakistan	2,332,472	407,529
Accrued expenses and other liabilities	65,583,129	6,303,930
	<u>108,409,485</u>	<u>8,705,708</u>
Net cash used in the operating activities	(1,612,687,588)	(26,162,029)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	77,109,394,300	10,248,556,100
Payment against redemption of units	(52,690,959,410)	(8,657,693,890)
Dividend paid	(2,802,868,314)	(493,786,133)
Net cash generated from financing activities	<u>21,615,566,576</u>	<u>1,097,076,077</u>
Net increase in cash and cash equivalents during the year	20,002,878,988	1,070,914,048
Cash and cash equivalents at beginning of the year	5,270,159,471	4,199,245,423
Cash and cash equivalents at the end of the year	15 <u><u>25,273,038,459</u></u>	<u><u>5,270,159,471</u></u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH ISLAMIC ROZANA AMDANI FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah Islamic Rozana Amdani Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah Asset Management Limited (Formerly Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on May 19, 2020, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules) on June 25, 2020.
- 1.2** During the year ended June 30, 2021, The Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2022" (the Sindh Trust Act). Consequently, the Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd Floor, ST-2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
- 1.4** The Fund has been categorised as a 'Shari'ah Compliant Money Market Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from September 21, 2020 and are transferable and redeemable by surrendering them to the Fund.
- 1.5** The objective of the Fund is to provide competitive returns and to meet liquidity needs of investors by providing investors a daily pay-out by investing in low risk and highly liquid Shariah Compliant money market instruments. The Management Company has appointed Mufti Atta Ullah and Mufti Javed Ahmad as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.6 The Fund has the following specific features:**
- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day).
 - (b) Daily dividend received by the unit holder shall be reinvested.
- By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.
- 1.7** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on March 3, 2023 (2022: AM2+ dated March 3, 2022) and AA(f) to the Fund in its credit rating report dated April 14, 2023 (2021: AA(f) dated May 07, 2022).
- 1.8** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of these financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks and Islamic Commercial Papers on a deferred payment basis. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the term of the transaction.

3.3 Financial assets

3.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.3.2 Classification and subsequent measurement

a) Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost ;
- at fair value through other comprehensive income (FVOCI);
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

b) Impairment

The Fund assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted around that is determined by evaluating a range of possible outcomes;

- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

c) **Impairment loss on debt securities**

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.3.3 **Regular way contracts**

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.4 **Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.4 **Financial liabilities**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.5 **Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 **Provisions**

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 **Taxation**

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.9 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.10 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

3.11 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.12 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place;
- Profit on term deposit receipts and commercial papers is recognised on time proportion basis using the effective yield;
- Income on sukuk certificates is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis;
- Income on bai Muajjal is recognised on time proportion basis, the difference between the sale and the credit price is recognised over the credit period; and
- Profit on bank balances is recognised on an accrual basis.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.15 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period after taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

4 BANK BALANCES	Note	2023	2022
		----- (Rupees) -----	
In savings accounts	4.1	17,355,768,220	5,270,159,471
In current account		155,010,000	
		<u>17,510,778,220</u>	<u>5,270,159,471</u>

4.1 These accounts carry profit rates ranging from 5.50% to 20.50% (2022: 5.60% to 15.50%) per annum. These include bank balance of Rs 2,686.34 million (2022: 3.07 million) which is maintained with Bank Alfalah Limited (a related party), having profit rate of 20.25%.

5 INVESTMENTS

	Note	2023	2022
		(Rupees)	
At fair value through profit or loss			
Bai Muajjal receivable	5.1	4,337,260,239	-
Term deposit receipts	5.2	3,425,000,000	-
Short term sukuk certificates	5.3	5,333,000,000	1,350,000,000
Musharakah Certificate	5.4	-	-
Mudaraba Certificate	5.5	-	-
		<u>13,095,260,239</u>	<u>1,350,000,000</u>

5.1 Bai Muajjal receivable - at fair value through profit or loss

Name of the investee company	Rating (Long Term / Short Term)	Maturity date	Profit rate	Total transaction price	Deferred income	Accrued profit	Carrying value as at June 30, 2023	Carrying value as a percentage of		
								net assets of the Fund	total investments of the Fund	
							Rupees	%		
Pak Brunei Investment Company Limited	AA+/A-1+	December 12, 2022	14.85%	657,633,025	16,180,422	16,180,422	-	-	-	
Pak Brunei Investment Company Limited	AA+/A-1+	March 22, 2023	16.60%	321,765,561	7,852,136	7,852,136	-	-	-	
Pak Brunei Investment Company Limited	AA+/A-1+	March 25, 2023	16.60%	322,982,603	8,161,206	8,161,206	-	-	-	
Pak Brunei Investment Company Limited	AA+/A-1+	March 27, 2023	16.60%	646,679,381	15,920,997	15,920,997	-	-	-	
Pak Brunei Investment Company Limited	AA+/A-1+	April 4, 2023	19.40%	325,796,432	4,440,870	4,440,870	-	-	-	
Pak Brunei Investment Company Limited	AA+/A-1+	June 13, 2023	20.41%	833,670,567	17,792,622	17,792,622	-	-	-	
Pak Brunei Investment Company Limited	AA+/A-1+	August 10, 2023	20.40%	834,509,491	26,202,436	8,131,790	816,438,845	2.62	6.23	
Pak Brunei Investment Company Limited	AA+/A-1+	August 15, 2023	20.40%	551,908,116	18,772,226	5,363,493	538,499,383	1.73	4.11	
Pak Brunei Investment Company Limited	AA+/A-1+	December 7, 2022	14.85%	547,568,297	13,260,352	13,260,352	-	-	-	
Pak Brunei Investment Company Limited	AA+/A-1+	May 25, 2023	20.41%	1,258,099,332	24,488,115	24,488,115	-	-	-	
Pak Brunei Investment Company Limited	AA+/A-1+	June 13, 2023	20.41%	437,692,402	8,637,060	8,637,060	-	-	-	
Pak Brunei Investment Company Limited	AA+/A-1+	August 15, 2023	20.40%	833,919,434	28,364,366	8,104,105	813,659,172	2.61	6.21	
Pak Oman Investment Company Limited	AA+/A-1+	December 6, 2022	15.00%	656,269,202	16,305,914	16,305,914	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	December 7, 2022	15.00%	656,515,086	16,055,360	16,055,360	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	March 27, 2023	16.55%	1,214,846,346	26,824,991	26,824,991	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	April 4, 2023	19.50%	271,540,713	4,142,836	4,142,836	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	April 10, 2023	19.25%	326,618,149	2,393,930	2,393,930	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	May 10, 2023	20.50%	331,955,947	5,500,550	5,500,550	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	May 11, 2023	20.50%	332,118,002	5,503,235	5,503,235	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	May 12, 2023	20.50%	332,280,057	5,505,920	5,505,920	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	May 15, 2023	20.50%	332,809,353	5,875,846	5,875,846	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	April 10, 2023	19.25%	482,281,596	3,534,856	3,534,856	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	May 8, 2023	20.50%	331,673,714	5,855,796	5,855,796	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	May 9, 2023	20.50%	631,553,090	11,150,254	11,150,254	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	June 19, 2023	20.25%	836,457,800	14,590,951	14,590,951	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	March 27, 2023	16.55%	427,561,400	9,848,861	9,848,861	-	-	-	
Pak Oman Investment Company Limited	AA+/A-1+	June 19, 2023	20.25%	1,316,091,666	22,604,926	22,604,926	-	-	-	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	December 6, 2022	14.90%	656,153,651	15,942,144	15,942,144	-	-	-	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	March 27, 2023	16.50%	1,516,888,305	36,520,194	36,520,194	-	-	-	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	April 5, 2023	19.20%	325,855,058	3,224,537	3,224,537	-	-	-	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	June 13, 2023	20.41%	533,539,712	11,672,665	11,672,665	-	-	-	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	August 10, 2023	20.40%	834,546,867	25,765,771	7,684,528	816,465,624	2.62	6.23	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	August 15, 2023	20.40%	551,933,579	18,485,086	5,068,491	538,516,984	1.73	4.11	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	March 27, 2023	16.50%	433,969,084	10,481,304	10,481,304	-	-	-	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	December 6, 2022	14.90%	547,413,160	13,300,146	13,300,146	-	-	-	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	June 5, 2023	20.41%	653,926,270	11,848,188	11,848,188	-	-	-	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	June 13, 2023	20.41%	1,313,412,155	28,383,032	28,383,032	-	-	-	
Pakistan Kuwait Investment Company (Pvt) Ltd	AAA+/A-1+	August 15, 2023	20.40%	833,952,234	27,930,316	7,658,312	813,680,231	2.61	6.21	
Samba Bank Limited	AA/A-1	September 5, 2022	14.37%	528,575,858	9,301,885	9,301,885	-	-	-	
Total as at June 30, 2023						<u>558,622,302</u>	<u>455,112,820</u>	<u>4,337,260,239</u>	<u>13.92</u>	<u>33.10</u>
Total as at June 30, 2022						<u>73,085,325</u>	-	-	-	-

5.1.1 These Bai Muajjal transactions are carried out against the Short-term Sukuks of the Hub Power Company Limited, K-Electric and Lucky Electric Power Company Limited.

5.2 Term deposit receipts - at fair value through profit or loss

Name of investee company	Profit rate	Issue Date	Maturity date	Face value				Market Value as at June 30, 2023	Market value as a percentage of	
				As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023		net assets of the Fund	total investments of the Fund
Rupees								%		
UBL Ameen (A1+, VIS)	15.25%	September 13, 2022	October 3, 2022	-	1,000,000,000	1,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	14.70%	August 3, 2022	August 31, 2022	-	700,000,000	700,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	15.20%	September 1, 2022	September 13, 2022	-	1,000,000,000	1,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	15.35%	September 13, 2022	October 13, 2022	-	1,100,000,000	1,100,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	15.15%	October 13, 2022	November 14, 2022	-	1,350,000,000	1,350,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	15.15%	November 14, 2022	December 2, 2022	-	1,200,000,000	1,200,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	16.00%	December 2, 2022	January 3, 2023	-	1,300,000,000	1,300,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	15.70%	January 3, 2023	February 2, 2023	-	1,400,000,000	1,400,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	18.50%	March 27, 2023	April 10, 2023	-	2,000,000,000	2,000,000,000	-	-	-	-
Bank Alfalah Limited (A1+, PACRA)	20.45%	May 23, 2023	August 23, 2023	-	2,650,000,000	-	2,650,000,000	2,650,000,000	8.52	20.24
Bank Alfalah Limited (A1+, PACRA)	20.45%	June 1, 2023	September 1, 2023	-	250,000,000	-	250,000,000	250,000,000	0.80	1.91
Bank Alfalah Limited (A1+, PACRA)	20.45%	June 15, 2023	September 15, 2023	-	350,000,000	-	350,000,000	350,000,000	1.12	2.67
Bank Alfalah Limited (A1+, PACRA)	20.45%	June 20, 2023	September 20, 2023	-	175,000,000	-	175,000,000	175,000,000	0.56	1.34
Zarai Taraqiati Bank Ltd (A1-, VIS)	18.00%	May 29, 2023	June 5, 2023	-	2,000,000,000	2,000,000,000	-	-	-	-
Zarai Taraqiati Bank Ltd (A1-, VIS)	18.00%	June 12, 2023	June 13, 2023	-	3,000,000,000	3,000,000,000	-	-	-	-
Total as at June 30, 2023								3,425,000,000	11.00	26.16
Total as at June 30, 2022								-	-	-

5.2.1 The profit payments and principal redemptions of term deposit receipts are receivable at maturity.

5.3 Short term sukuk - at fair value through profit or loss

Name of the investee company	Profit rate	Maturity date	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the Fund	total investments of the Fund
--- (Number of certificates) ---							(Rupees)			(%)	
K-Electric Limited - Short term Sukuk V (A1+, PACRA)	6M Kibor + 0.7%	October 12, 2022	250	500	750	-	-	-	-	-	-
Face value of Rs. 1,000,000 each											
K-Electric Limited - Short term Sukuk VIII (A1+, PACRA)	6M Kibor + 0.35%	February 28, 2023	-	300	300	-	-	-	-	-	-
Face value of Rs. 1,000,000 each											
K-Electric Limited - Short term Sukuk XI (A1+, PACRA)	6M Kibor + 1.45%	April 26, 2023	-	10,384	10,384	-	-	-	-	-	-
Face value of Rs. 1,000,000 each											
K-Electric Limited - Short term Sukuk XII (A1+, PACRA)	6M Kibor + 1.40%	June 13, 2023	-	4,510	4,510	-	-	-	-	-	-
Face value of Rs. 1,000,000 each											
K-Electric Limited - Short term Sukuk XIII (A1+, PACRA)	6M Kibor + 1.00%	August 9, 2023	-	3,750	3,000	750	750,000,000	750,000,000	-	2.41	5.73
Face value of Rs. 1,000,000 each											
K-Electric Limited - Short term Sukuk XIV (A1+, PACRA)	6M Kibor + 0.75%	August 28, 2023	-	1,800	1,300	500	500,000,000	500,000,000	-	1.61	3.82
Face value of Rs. 1,000,000 each											
K-Electric Limited - Short term Sukuk XV (A1+, PACRA)	6M Kibor + 0.50%	September 21, 2023	-	333	-	333	333,000,000	333,000,000	-	1.07	2.54
Face value of Rs. 1,000,000 each											
K-Electric Limited - Short term Sukuk XVI (A1+, PACRA)	6M Kibor + 0.30%	October 11, 2023	-	300	-	300	300,000,000	300,000,000	-	0.96	2.29
Face value of Rs. 1,000,000 each											
K-Electric Limited - Short term Sukuk XVII (A1+, PACRA)	6M Kibor + 0.45%	November 18, 2023	-	500	-	500	500,000,000	500,000,000	-	1.61	3.82
Face value of Rs. 1,000,000 each											
Lucky Electric Power Co Limited - Short term Sukuk (A1+, PACRA)	3M Kibor + 0.70%	October 14, 2022	500	1,000	1,500	-	-	-	-	-	-
Face value of Rs. 1,000,000 each											

Name of the investee company	Profit rate	Maturity date	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the Fund	total investments of the Fund
							Rupees			%	
Lucky Electric Power Co Limited - Short term Sukuk IV (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.65%	April 13, 2023	-	1,069	1,069	-	-	-	-	-	-
Lucky Electric Power Co Limited - Short term Sukuk V (A1+, PACRA) Face value of Rs. 1,000,000 each	3M Kibor + 1.35%	June 14, 2023	-	5,695	5,695	-	-	-	-	-	-
Lucky Electric Power Co Limited - Short term Sukuk VII (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.65%	August 15, 2023	-	3,750	3,000	750	750,000,000	750,000,000	-	2.41	5.73
Lucky Electric Power Co Limited - Short term Sukuk VIII (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.55%	September 27, 2023	-	300	-	300	300,000,000	300,000,000	-	0.96	2.29
Lucky Electric Power Co Limited - Short term Sukuk X (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.65%	October 23, 2023	-	700	-	700	700,000,000	700,000,000	-	2.25	5.35
Lucky Electric Power Co Limited - Short term Sukuk XI (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.50%	December 13, 2023	-	150	-	150	150,000,000	150,000,000	-	0.48	1.15
The Hub Power Company Limited - Short Term Sukuk IX (A1+, PACRA) Face value of Rs. 100,000 each	6M Kibor + 1.30%	October 27, 2022	6,000	48,000	54,000	-	-	-	-	-	-
The Hub Power Company Limited - Short Term Sukuk I (A1+, PACRA) Face value of Rs. 100,000 each	6M Kibor + 1.30%	November 17, 2023	-	300	-	300	300,000,000	300,000,000	-	0.96	2.29
China Power Hub Generation Company Limited- Short Term Sukuk II (A1+, PACRA) Face value of Rs. 100,000 each	6M Kibor + 1.45%	June 7, 2023	-	175	175	-	-	-	-	-	-
China Power Hub Generation Company Limited- Short Term Sukuk (A1+, PACRA) Face value of Rs. 100,000 each	6M Kibor + 0.76%	September 28, 2023	-	750	-	750	750,000,000	750,000,000	-	2.41	5.73
Total as at June 30, 2023							5,333,000,000	5,333,000,000	-	17.13	40.74
Total as at June 30, 2022							1,350,000,000	1,350,000,000	-	20.15	100.00

5.3.1 The profit payments and principal redemptions of these Sukuk certificates are receivable at maturity.

5.4 Musharakah Certificate

Name of investee company	Profit rate	Issue Date	Maturity date	Face value				Market Value as at June 30, 2023	Market value as a percentage of		
				As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023		net assets of the Fund	total investments of the Fund	
							Rupees			%	
Faysal Bank Limited (A1+, PACRA)	18.00%	March 16, 2023	March 31, 2023	-	1,900,000,000	1,900,000,000	-	-	-	-	-
Meezan Bank Limited (A1-, VIS)	18.00%	March 30, 2023	April 7, 2023	-	2,000,000,000	2,000,000,000	-	-	-	-	-
Meezan Bank Limited (A1-, VIS)	18.00%	April 10, 2023	April 14, 2023	-	2,300,000,000	2,300,000,000	-	-	-	-	-
Meezan Bank Limited (A1-, VIS)	18.00%	April 14, 2023	April 28, 2023	-	2,300,000,000	2,300,000,000	-	-	-	-	-
Meezan Bank Limited (A1-, VIS)	18.00%	May 2, 2023	May 16, 2023	-	2,500,000,000	2,500,000,000	-	-	-	-	-
Total as at June 30, 2023											
Total as at June 30, 2022											

5.5 Mudaraba Certificate

Name of investee company	Profit rate	Issue Date	Maturity date	Face value				Market Value as at June 30, 2023	Market value as a percentage of	
				As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023		net assets of the Fund	total investments of the Fund
Zarai Taraqati Bank Ltd (A1-, VIS)	18.00%	May 29, 2023	June 5, 2023	-	2,000,000,000	2,000,000,000	-	-	-	-
Zarai Taraqati Bank Ltd (A1-, VIS)	18.00%	June 12, 2023	June 13, 2023	-	3,000,000,000	3,000,000,000	-	-	-	-
Total as at June 30, 2023								-	-	-
Total as at June 30, 2022								-	-	-

6 DEPOSIT, ADVANCE AND PROFIT RECEIVABLES

Note ----- (Rupees) -----

Profit receivable on:

Bank balances		252,372,845	53,195,597
Term deposit receipts		66,322,432	-
Short term sukuk certificates		313,774,509	37,567,597
		<u>632,469,786</u>	<u>90,763,194</u>
Advance tax	6.1	3,763,016	3,763,016
PACRA rating fee		-	93,820
Security Deposit with Central Depository Company of Pakistan Limited - Trustee		100,000	100,000
		<u>636,332,802</u>	<u>94,720,030</u>

- 6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the period ended June 30, 2022, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs. Nil (2022: Rs. 3.240 million) during the year.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PRELIMINARY EXPENSES AND FLOATATION COSTS

Note ----- (Rupees) -----

Balance at beginning	7.1	2,083,404	2,730,789
Less: amortised during the year		647,385	647,385
Balance as at year end		<u>1,436,019</u>	<u>2,083,404</u>

- 7.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations and Notified Entities Regulation.

8 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2023	2022
		(Rupees)	
Management remuneration payable	8.1	14,897,183	1,399,782
Sindh sales tax payable on management remuneration	8.2	1,936,634	181,976
Selling and marketing payable	8.3	15,000,000	1,708,000
Allocated expense payable	8.4	13,842,046	-
Payable against preliminary expenses and floatation costs		20,000	3,086,260
Sales load payable		5,047	30,300
Other payable		80,000	80,000
		<u>45,780,910</u>	<u>6,486,318</u>

8.1	Rate applicable from July 01, 2022 to August 25, 2022	Rate applicable from August 26, 2022 to November 30, 2022	Rate applicable from December 1, 2022 to April 4, 2023	Rate applicable from April 5, 2023 to June 30, 2023
	0.25% per annum of the average annual net assets	0.38% per annum of the average annual net assets	0.45% per annum of the average annual net assets	0.55% per annum of the average annual net assets

Rate applicable from July 01, 2021 to December 22, 2021	Rate applicable from December 23, 2021 to February 25, 2022	Rate applicable from February 26, 2022 to February 28, 2022	Rate applicable from March 01, 2022 to June 30, 2022	Rate applicable from August 13, 2020 to June 30, 2021
2% of gross earnings subject to minimum floor of 0.25% of net assets p.a and maximum cap of 1.00% of net assets p.a	0.25% per annum of the average annual net assets	0.05% per annum of the average annual net assets	0.15% per annum of average daily net assets	2% of gross earnings subject to minimum floor of 0.25% of net assets p.a and maximum cap of 1.00% of net assets p.a

8.2 During the year, an amount of Rs.9.994 million (2022: Rs.1.610 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 8.579 million (2022: Rs. 1.568 million) has been paid to the Management Company which acts as a collecting agent.

8.3 The SECP has allowed the Asset Management companies to charge selling and marketing in all categories of open-end mutual funds up to a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses at the rate of 0.109% (2022: 0.0331%) to the Fund based on its direction subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

8.4 The SECP has allowed the Asset Management companies to charge allocated expense in all categories of open-end mutual funds up to a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged allocated expense at the rate of 0.092% (2022: Nil) to the Fund based on its direction subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		(Rupees)	
Trustee remuneration payable	9.1	1,373,308	253,258
Sindh sales tax payable on Trustee remuneration	9.2	178,530	99,288
		<u>1,551,838</u>	<u>352,546</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate of 0.055% per annum (July 01, 2021 till September 30, 2021: 0.065% and October 01, 2021 till June 30, 2022: 0.055%) of average net assets of the Fund.

9.2 During the year, an amount of Rs. 1.207 million (2022: Rs. 0.388 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh sales tax on Services Act, 2011 and an amount of Rs. 1.127 million (2022: Rs. 0.325 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023	2022
		(Rupees)	
Annual fee payable	10.1	<u>3,367,420</u>	<u>1,034,948</u>

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	2023	2022
	----- (Rupees) -----	
Auditors' remuneration payable	374,154	191,838
Settlement charges payable	1,474,568	143,010
Listing fee payable	35,559	30,271
Brokerage expense payable	1,281,245	319,915
Withholding tax payable	69,937,428	8,461,083
Capital gain tax payable	42,245	-
Printing charges payable	149,602	86,758
Rating fee payable	138,086	187,640
Shariah advisory fee payable	337,677	254,884
Sales load payable	2,704,248	1,216,284
	<u>76,474,812</u>	<u>10,891,683</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

13 PROFIT EARNED	2023	2022
	----- (Rupees) -----	
Profit on:		
- Commercial papers	-	41,937,140
- Term deposits receipts	179,505,161	33,674,890
- Musharakah certificate	64,605,753	-
- Mudaraba certificate	9,400,000	-
- Bai Muajjal	455,804,882	65,853,999
- Short term sukuks	440,471,168	74,351,352
- Bank deposits	1,794,706,007	295,586,017
	<u>2,944,492,971</u>	<u>511,403,398</u>

14 AUDITORS' REMUNERATION

Annual audit fee	121,000	110,000
Review and other certifications	253,154	270,779
Out of pocket expenses	37,415	38,078
Sindh Sales Tax	32,926	33,508
	<u>444,495</u>	<u>452,365</u>

15 CASH AND CASH EQUIVALENTS

Bank balances	4	17,510,778,220	5,270,159,471
Bai Muajjal receivable (with original maturity of 3 months or less)		4,337,260,239	-
Term deposit receipts (with original maturity of 3 months or less)		3,425,000,000	-
		<u>25,273,038,459</u>	<u>5,270,159,471</u>

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 0.83% (2022: 0.45%) which includes 0.09% (2022: 0.06%) representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit holders' fund

		June 30, 2023									
Note	As at July 1, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 1, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023	
	Units					Rupees					
Associated Companies / Undertakings											
Alfalah Asset Management Limited	18.1.1	-	6,558,593	118,577	6,677,170	-	-	655,859,319	11,857,655	667,716,974	-
Alfalah GHP Islamic Prosperity Planning Fund - Moderate Allocation Plan	-	-	194,000	17,588	-	211,588	-	19,400,000	1,758,768	-	21,158,768
Alfalah GHP Islamic Prosperity Planning Fund - Balanced Allocation Plan	-	-	621,000	56,299	-	677,299	-	62,100,000	5,629,871	-	67,729,871
Alfalah GHP Islamic Active Allocation Plan II	-	-	390,000	35,357	-	425,357	-	39,000,000	3,535,668	-	42,535,668
Alfalah GHP Islamic Prosperity Planning Fund II - Capital Preservative Plan VI	-	-	1,470,000	59,315	1,529,315	-	-	147,000,000	5,931,503	-	-
Alfalah GHP Islamic Capital Preservative Plan IV	-	-	76,000	6,890	-	82,890	-	7,600,000	689,002	-	8,289,002
Key management personal											
Syed Raheel Ahmed Shah (Head of Fund & AMC accounting)	18.1.1	106	-	-	106	-	10,589	-	-	10,603	-
Syed Shams Uddin (Head of Research)	18.1.1	11,084	28,005	3,182	3,000	39,271	1,108,367	2,800,500	318,165	300,000	3,927,133
Mr. Nabeel Malik (SEVP- Portfolio Management)	18.1.1	-	77,500	780	78,280	-	-	7,750,000	78,021	7,828,021	-
Unit holder holding 10% or more units	18.1.1	13,072,828	102,000,000	5,202,958	10,947,551	109,328,235	1,307,282,783	10,200,000,000	520,295,781	1,094,755,145	10,932,823,519
		June 30, 2022									
Note	As at July 1, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2022	As at July 1, 2021	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022	
	Units					Rupees					
Associated Companies / Undertakings											
Alfalah GHP Investment Management Limited	18.1.1	3,444,076	-	169,298	3,613,374	-	344,407,600	-	16,929,829	361,337,399	-
Key management personal											
Syed Raheel Ahmed Shah (Head of Fund & AMC accounting)	18.1.1	-	500	6	400	106	-	50,000	589	40,000	10,589
Syed Shams Uddin (Head of Research)	18.1.1	6,195	4,094	794	-	11,084	619,548	409,424	79,396	-	1,108,367
Mr. Wahaj Ahemd (Fund Manager)	18.1.1	-	21,697	442	9,100	13,039	-	2,169,728	44,218	910,000	1,303,946
Mr. Tauseef Ahmad (Head of Human Resource)	18.1.1	104	-	1	105	-	10,388	-	120	10,508	-
Mr. Mustafa Kamal (Head of Fixed Income)	18.1.1	-	13,000	52	13,052	-	-	1,300,000	5,163	1,305,163	-
Syed Muhammad Jawad Shamim (Head of SMA)	18.1.1	-	26,705	309	-	27,014	-	2,670,500	30,863	-	2,701,363
Unit holder holding 10% or more units	18.1.1	8,188,527	6,000,000	884,301	2,000,000	13,072,828	818,852,700	600,000,000	88,430,102	200,000,000	1,307,282,783

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2023.

18.2 Other transactions

	2023	2022
	----- (Rupees) -----	
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Remuneration of the Management Company	76,877,697	12,386,682
Sindh sales tax on remuneration of the Management Company	9,994,101	1,610,271
Selling and marketing	18,410,000	1,708,000
Allocated expense	15,570,047	-
Sales load	5,047	30,338
Other transactions		
Bank Alfalah Limited		
Term deposit receipts	3,425,000,000	470,000,000
Profit on term deposit receipts	171,149,003	-
Profit on bank balances	83,317,234	78,035
Sales load	2,704,248	3,079,117
Alfalah GHP Islamic Income Fund		
Sukuk certificates - sold	-	450,000,000
Alfalah GHP Money Market Fund		
Sukuk certificates - purchased	750,000,000	369,500,000
Alfalah GHP Cash Fund		
Sukuk certificates - purchased	250,000,000	-
Alfalah GHP Islamic Prosperity Planning Fund II - CP6		
Units issued	-	78,351,351
Units redeemed	-	78,351,400
Dividend paid	-	351,171
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	9,282,106	2,982,645
Sindh sales tax on remuneration of the Trustee	1,206,674	387,748
CDS charges	2,855,114	659,815
Other balances		
Associated companies / undertakings		
Alfalah Asset Management Limited - Management Company		
Management remuneration payable	14,897,183	1,399,782
Sindh sales tax payable on management remuneration	1,936,634	181,976
Payable against preliminary expenses and floatation costs	20,000	3,086,260
Selling and marketing payable	15,000,000	1,708,000
Allocated expense payable	13,842,046	-
Sales load payable	5,047	30,300
Other payable	80,000	80,000
Bank Alfalah Limited		
Bank balances	4,191,903,855	3,072,646
Sales load payable	2,704,248	1,216,284
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	1,373,308	253,258
Sindh sales tax payable on trustee remuneration	178,530	99,288
Other payable	-	143,010

19 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2023 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	17,510,778,220	-	17,510,778,220
Investments	-	13,095,260,239	13,095,260,239
Deposits and profit receivables	632,569,786	-	632,569,786
	<u>18,143,348,006</u>	<u>13,095,260,239</u>	<u>31,238,608,245</u>

	----- 2023 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	45,780,910	-	45,780,910
Payable to Central Depository Company of Pakistan Limited - Trustee	1,551,838	-	1,551,838
Accrued expenses and other liabilities	6,495,139	-	6,495,139
	<u>53,827,887</u>	<u>-</u>	<u>53,827,887</u>

	----- 2022 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	5,270,159,471	-	5,270,159,471
Investments	1,350,000,000	-	1,350,000,000
Deposits and other receivables	90,863,194	-	90,863,194
	<u>6,711,022,665</u>	<u>1,350,000,000</u>	<u>8,061,022,665</u>

Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	6,486,318	-	6,486,318
Payable to Central Depository Company of Pakistan Limited - Trustee	352,546	-	352,546
Accrued expenses and other liabilities	2,430,600	-	2,430,600
	<u>9,269,464</u>	<u>-</u>	<u>9,269,464</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2023, is as follows:

	January 0, 1900	2022
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	17,510,778,220	5,270,159,471
Sukuk certificates	<u>5,333,000,000</u>	<u>1,350,000,000</u>
	<u>22,843,778,220</u>	<u>6,620,159,471</u>
Fixed rate instruments (financial assets)		
Bai Muajjal receivable	4,337,260,239	-
Term deposit receipts	<u>3,425,000,000</u>	-
	<u>7,762,260,239</u>	-

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the period and net assets of the Fund would have been higher / lower by Rs. 228.92 million (2022: Rs 66.20). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The funds' fixed rate risk arises from the investment in term deposits and bai Muajjal. As of June 30, 2023, in case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the period and net assets of the Fund would have been higher / lower by Rs. 77.62 million (2022: Rs Nil). The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

		----- 2023 -----				
Effective yield / profit rate		Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
		----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50% - 20.50%	17,510,778,220	-	-	-	17,510,778,220
Investments:						
- Bai Muajjal receivable	20.40%	4,337,260,239	-	-	-	4,337,260,239
- Term deposit receipts	20.45%	3,425,000,000	-	-	-	3,425,000,000
- Short term sukuk certificates	22.34%- 23.07%	1,950,000,000	3,383,000,000	-	-	5,333,000,000
Deposit and profit receivables		-	-	-	632,569,786	632,569,786
Sub total		<u>27,223,038,459</u>	<u>3,383,000,000</u>	-	<u>632,569,786</u>	<u>31,238,608,245</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	45,780,910	45,780,910
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,551,838	1,551,838
Accrued expenses and other liabilities		-	-	-	6,495,139	6,495,139
Sub total		-	-	-	<u>53,827,887</u>	<u>53,827,887</u>
On-balance sheet gap		<u>27,223,038,459</u>	<u>3,383,000,000</u>	-	<u>578,741,899</u>	<u>31,184,780,358</u>
Total interest rate sensitivity gap		<u>27,223,038,459</u>	<u>3,383,000,000</u>	-	<u>578,741,899</u>	<u>31,184,780,358</u>
Cumulative interest rate sensitivity gap		<u>27,223,038,459</u>	<u>30,606,038,459</u>	<u>30,606,038,459</u>		

----- 2022 -----					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----					
On-balance sheet financial instruments					
Financial assets					
Bank balances	5.60% - 15.50%	5,270,159,471	-	-	5,270,159,471
Investments:					
- Bai Muajjal receivable		-	-	-	-
- Term deposit receipts		-	-	-	-
- Short term sukuk certificates	13.98% - 15.10%	-	1,350,000,000	-	1,350,000,000
Deposit and profit receivables		-	-	90,863,194	90,863,194
Sub total		5,270,159,471	1,350,000,000	-	6,711,022,665
Financial liabilities					
Payable to Alfalah Asset Management Limited - Management Company		-	-	6,486,318	6,486,318
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	352,546	352,546
Accrued expenses and other liabilities		-	-	2,430,600	2,430,600
Sub total		-	-	9,269,464	9,269,464
On-balance sheet gap		5,270,159,471	1,350,000,000	-	6,701,753,201
Total interest rate sensitivity gap		5,270,159,471	1,350,000,000	-	6,701,753,201
Cumulative interest rate sensitivity gap		5,270,159,471	6,620,159,471	6,620,159,471	

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	----- 2023 -----		----- 2022 -----	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- (Rupees) -----		----- (Rupees) -----	
Bank balances	17,510,778,220	17,510,778,220	5,270,159,471	5,270,159,471
Investments	13,095,260,239	13,095,260,239	1,350,000,000	1,350,000,000
Deposits and profit receivables	632,569,786	632,569,786	90,863,194	90,863,194
	31,238,608,245	31,238,608,245	6,711,022,665	6,711,022,665

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired as at June 30, 2023.

20.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2023 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2023	2022
			% of financial assets exposed to credit risk	% of financial assets exposed to credit risk
Allied Bank Limited	PACRA	A1+ / AAA	0.06%	50.47%
Askari Bank Limited	PACRA	A1+ / AA+	0.00%	0.00%
Bank Al Habib	PACRA	A1+ / AAA	0.06%	0.00%
Bank Alfalah Limited	PACRA	A1+ / AA+	23.94%	0.06%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	0.00%	5.98%
Faysal Bank Limited	PACRA	A1+ / AA	42.71%	43.44%
Habib Metropolitan Bank Limited	PACRA	A1+ / AA+	0.00%	0.00%
National Bank of Pakistan	PACRA	A-1+ / AAA	26.37%	0.00%
Central Depository Company of Pakistan Limited	N/A	N/A	0.00%	0.05%
United Bank Limited- Ameen	VIS	A-1+ / AAA	6.86%	0.00%
Habib Bank Limited	VIS	A-1+ / AAA	0.00%	0.00%
			100.00%	100.00%

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2023.

Ratings of bai Muajjal receivable, term deposit receipts, commercial papers and sukuk certificates have been disclosed in related notes to financial statements.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	17,510,778,220	-	-	-	-	17,510,778,220
Investments	-	11,145,260,239	1,950,000,000	-	-	13,095,260,239
Deposit and profit receivables	632,469,786	-	-	-	100,000	632,569,786
	18,143,248,006	11,145,260,239	1,950,000,000	-	100,000	31,238,608,245
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	45,780,910	-	-	-	-	45,780,910
Payable to Central Depository Company of Pakistan Limited - Trustee	1,551,838	-	-	-	-	1,551,838
Accrued expenses and other liabilities	6,120,985	374,154	-	-	-	6,495,139
	53,453,733	374,154	-	-	-	53,827,887
Net financial assets	18,089,794,273	11,144,886,085	1,950,000,000	-	100,000	31,184,780,358
2022						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	5,270,159,471	-	-	-	-	5,270,159,471
Investments	1,350,000,000	-	-	-	-	1,350,000,000
Deposit and profit receivables	90,763,194	-	-	-	100,000	90,863,194
	6,710,922,665	-	-	-	100,000	6,711,022,665
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	6,486,318	-	-	-	-	6,486,318
Payable to Central Depository Company of Pakistan Limited - Trustee	352,546	-	-	-	-	352,546
Accrued expenses and other liabilities	2,238,762	191,838	-	-	-	2,430,600
	9,077,626	191,838	-	-	-	9,269,464
Net financial assets/ (liabilities)	6,701,845,039	(191,838)	-	-	100,000	6,701,753,201

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

21.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

----- 2023 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
At fair value through profit or loss			
Bai Muajjal receivable*	-	4,337,260,239	-
Term deposit receipts**	-	3,425,000,000	-
Short term sukuk certificates**	-	5,333,000,000	-
	-	13,095,260,239	-
	-	-	13,095,260,239
----- 2022 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
At fair value through profit or loss			
Short term sukuk certificates**	-	1,350,000,000	-
	-	-	1,350,000,000
	-	-	1,350,000,000

*The valuation of commercial papers and Bai Muajjal receivable have been carried out based on amortisation to their face values / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and they are placed with counterparties which have high credit ratings.

**The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

24 GENERAL

Figures have been rounded off to the nearest rupee.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **25 August 2023** by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1748	123,286,999	12,328,699,912	40%
Associated Co./ Directors	2	12	1,175	0%
Insurance Co.	108	169,246,711	16,924,671,126	54%
Retirement & Other Funds	21	18,632,601	1,863,260,088	6%
	1879	311,166,323	31,116,632,300	100%

Category	As at 30 June 2022			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	397	32,356,480	3,235,645,203	10%
Associated Co./ Directors	2	0	7	0%
Banks/Dfis	1	417,345	41,734,500	0%
Insurance Co.	5	789,399	78,939,900	0%
Retirement & Other Funds	42	30,385,224	3,038,522,400	10%
Others	5	3,033,554	303,355,400	1%
	452	66,982,002	6,698,197,410	22%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023%
Summit Capital (Private) Limited	10%
Magenta Capital (Pvt) Limited	11%
Invest One Markets Limited	18%
Bright Capital (Pvt.) Limited	35%
Pearl Securities Limited	7%
Arif Habib Limited	9%
Alfalah CLSA Securities (Private) Limited	8%
Optimus Markets (Private) Limited	2%
JS Global	1%
	30 June 2022%
Summit Capital (Private) Limited	72.02%
Magenta Capital (Pvt) Limited	10.38%
Invest One Markets Limited	6.77%
Paramount Capital (Pvt.) Limited	4.06%
Bright Capital (Pvt.) Limited	3.38%
Pearl Securities Limited	1.35%
C&M Management (Pvt) Limited	1.35%
Arif Habib Limited	0.68%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banking, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1



Alfalah
GHP Islamic Prosperity
Planning Fund - II

FUND INFORMATION

Management Company:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant Fund of Funds Scheme

Investment Objective

Alfalāh GHP Islamic Prosperity Planning Fund is an Open-ended Shariah Complaint Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah complaint Mutual funds in line with the risk tolerance of the investor.

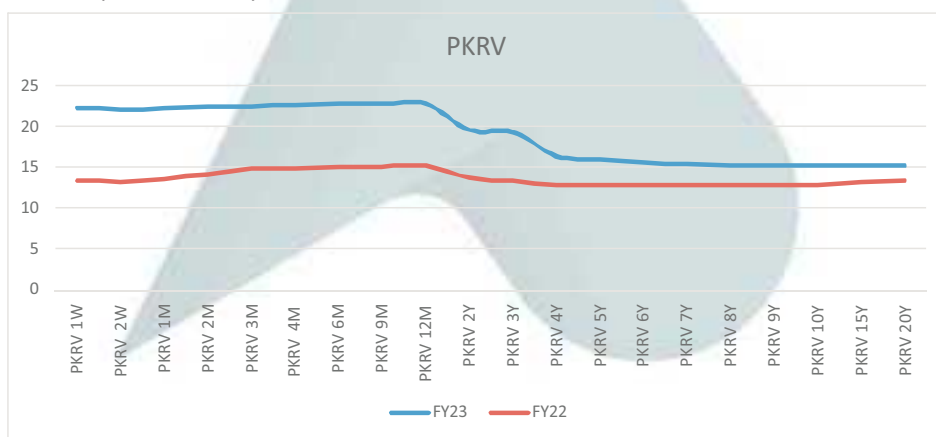
Accomplishment of Objective

The Fund has achieved its objective of generating higher return by investing in a mix of underlying fixed income and equity based mutual funds within the guidelines provided under NBFC rules.

Money Market

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22. Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24. In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.



Equity Market Review

During FY23, the benchmark index largely remained flat and posted a slight negative return of 0.21% on account of worsening economic indicators. The index remained range bound during the year as it peaked at 43,676 level in Aug'22, however closed at a lower level of 41,453 points.

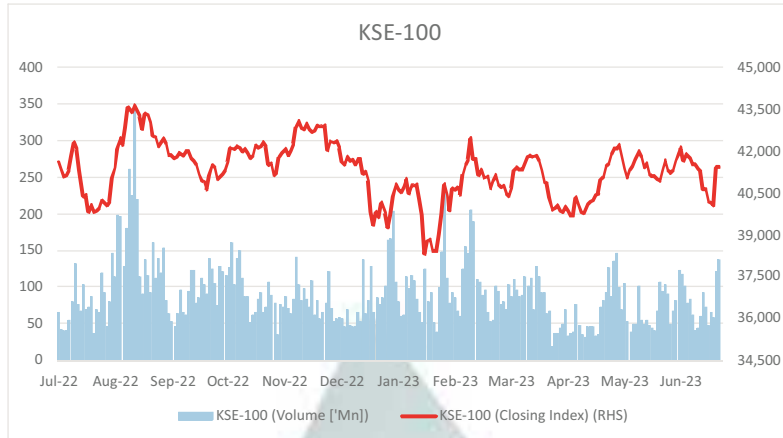
Deterioration in macro-economic indicators including a) slowdown in economic activity due to unprecedented high inflation and interest rates; b) falling forex reserves and sliding PKR due to massive external debt repayments and c) failure in resumption of the stalled IMF program, dampened investors sentiment and resulted in investors shifting allocation to low risk money market investments.

Despite record profitability posted by companies in the benchmark index in 9MFY23, the above mentioned factors kept investors away from the Equity market as average trading volume of KSE-100 index also declined by 21%YoY to 90.65 million shares. Power Generation and Fertilizer sectors contributed to the index the most, as investors jumped to sectors with stable demand, high dividend yield and USD pegged revenues in case of the Power sector, while Pharmaceuticals contributed most negatively to the index due to massive devaluation of PKR against the greenback.

Foreigners remained net buyers in FY23, as the net foreign inflow amounted to USD 4mn compared to net outflow of USD 295mn during FY22.

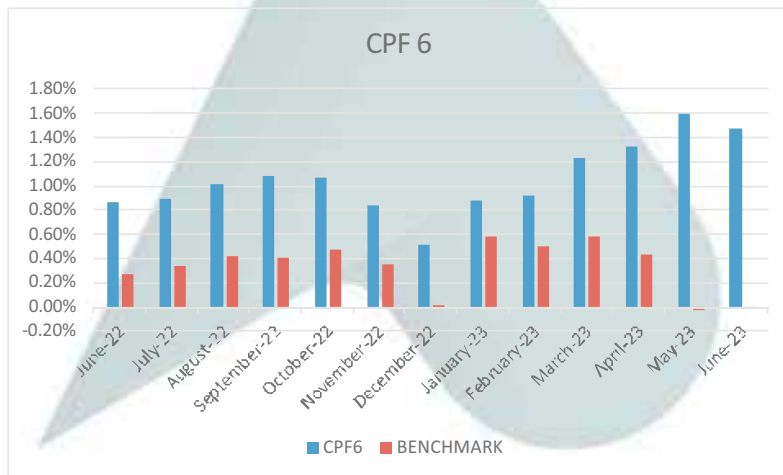
Going forward, we believe that the resumption of the stalled IMF program and with a caretaker government, the focus will likely be on preserving macroeconomic stability ensuring prudent monetary policy, avoiding fiscal slippages and maintaining market based exchange rate. This will provide much-needed clarity and assurance for the economic plan.

A favorable macroeconomic outlook i.e. falling inflation, peaking interest rates, improving reserves, and a stable PKR, will serve as a huge booster for the Equity market which is currently trading at historic low multiples (forward PE of 3.7x), offering significant potential for a rebound. With double digits' growth in earnings expected in 2024, we expect the local stock market to deliver a strong performance in FY24.

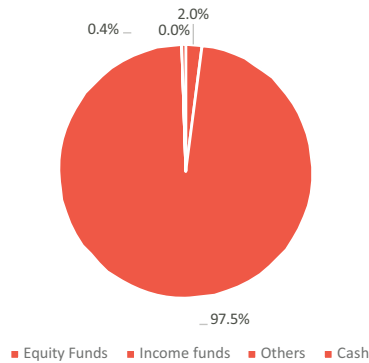


(Alfalah Islamic Capital Preservation Plan 6).

During the period under review, Alfalah Islamic Capital Preservation Plan 6 - Balanced posted a return of 1.48% as compared to its benchmark of -0.01%.



Asset Allocation as at June 2023



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising: -

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.



**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shaheer-e-Faisal
Karachi - 74400, Pakistan
Tel: (92-21) 111-113-500
Fax: (92-21) 34329021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND II

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Prosperity Planning Fund II (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 28, 2023





SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND-2

We, the Shariah Advisors of the Alfalah GHP Islamic Prosperity Planning Fund-2 (AGIPPF-2) managed by Alfalah Asset Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have checked following avenues presented to us by the Management in which AGIPPF made Investment during the period from July 1, 2022 to June 30, 2023.

Investment Head	Investment Avenue
Shariah Compliant Funds	Alfalsh GHP Islamic Dedicated Equity Fund Alfalah GHP Islamic Income Fund Alfalah GHP Islamic Money Market Fund Alfalah GHP Islamic Rozana Amdani Fund

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2023, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.


Mufti Shaikh Noman
 Shariah Advisor


Mufti Javed Ahmad
 Shariah Board Member



Alfalsh Asset Management Limited
 2nd Floor, Islamic Chamber of Commerce, Industry and Agriculture Building, Block-9, Clifton, Karachi - 75600 Pakistan.
 U: +92 (21) 111-090-090 | W: www.alfalahamc.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 28, 2023

Mr. Khaldoun Bin Latif
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Prosperity Planning Fund- II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Prosperity Planning Fund - II (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year ended June 30, 2023 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>Investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 174.498 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR202310611yxhczkZ9o

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	June 30, 2023	June 30, 2022
	AICPP – 6	AICPP – 6
Note	----- (Rupees)-----	
Assets		
Bank balances	4 133,702	255,625
Investments	5 174,497,749	157,387,646
Advances and profit receivable	6 189,375	59,998
Preliminary expenses and floatation costs	7 569,351	1,390,907
Total assets	175,390,177	159,094,176
Liabilities		
Payable to Alfalah Asset Management Limited - the Management company	8 101	1,436,876
Payable to Central Depository Company of Pakistan Limited - Trustee	9 11,259	10,208
Annual fee payable to the Securities and Exchange Commission of Pakistan	10 32,912	9,577
Accrued expenses and other liabilities	11 2,111,968	498,757
Total liabilities	2,156,240	1,955,418
Net assets attributable to the unit holders	<u>173,233,937</u>	<u>157,138,758</u>
Unit holders' fund (as per statement attached)	<u>173,233,937</u>	<u>157,138,758</u>
Contingencies and commitments		
	12 ----- (Number of units)-----	
Number of units in issue	<u>1,721,726</u>	<u>1,567,891</u>
	----- Rupees)-----	
Net asset value per unit	<u>100.6164</u>	<u>100.2230</u>

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023	For the period from March 11, 2022 to June 30, 2022
	AICPP – 6	AICPP – 6
Note	----- (Rupees) -----	
Income		
Profit on bank balances	11,562	164,488
Dividend income	12,540,240	3,835,958
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	5.2 (263,161)	(1,179,923)
Gain on sale of investments - net	10,424,270	1,931,398
Other income	55,390	22,640
Total income	22,768,301	4,774,561
Expenses		
Remuneration of the management company	8.1 227	3,695
Sindh sales tax on remuneration of the Management Company	8.2 29	485
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 115,293	33,505
Sindh sales tax on remuneration of the Trustee	9.2 14,986	4,357
Annual fee to the Securities and Exchange Commission of Pakistan	10.1 32,937	9,577
Auditors' remuneration	13 392,040	100,911
Amortisation of formation cost	7 821,556	252,093
Annual listing fee	30,886	25,212
Printing and related costs	17,055	15,122
Bank charges	11,409	-
Shariah advisory fee	95,693	25,212
Total expenses	1,532,111	470,169
Net income for the year / period before taxation	21,236,190	4,304,392
Taxation	15 -	-
Net income for the year / period after taxation	21,236,190	4,304,392
Allocation of net income for the year / period		
Net income for the year / period after taxation	21,236,190	4,304,392
Income already paid on units redeemed	(10,407,321)	(6,486)
	10,828,869	4,297,906
Accounting income available for distribution		
-Relating to capital gains	10,161,109	-
-Excluding capital gains	667,760	4,297,906
	10,828,869	4,297,906

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023	For the period from March 11, 2022 to June 30, 2022
	AICPP – 6	AICPP – 6
	----- (Rupees) -----	
Net income for the year / period after taxation	21,236,190	4304392
Other comprehensive income for the year / period	-	-
Total comprehensive income for the year / period	<u>21,236,190</u>	<u>4,304,392</u>

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023	For the period from March 11, 2022 to June 30, 2022
	AICPP – 6	AICPP – 6
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year/ period before taxation	21,236,190	4,304,392
Adjustments for:		
Unrealised loss on revaluation of investments classified as at fair value through profit or loss - net	263,161	1,179,923
Amortisation of formation cost	821,556	252,093
	<u>22,320,907</u>	<u>5,736,408</u>
Increase in assets		
Investments - net	(17,373,264)	(158,567,569)
Advances and profit receivable	(129,377)	(59,998)
Preliminary expenses and floatation costs	-	(1,643,000)
	<u>(17,502,641)</u>	<u>(160,270,567)</u>
Increase in liabilities		
Payable to Alfalah Asset Management Limited - Management Company	(1,436,775)	1,602,989
Payable to Central Depository Company of Pakistan Limited - Trustee	1,051	10,208
Payable to the Securities and Exchange Commission of Pakistan	23,335	9,577
Accrued expenses and other liabilities	1,613,211	332,644
	<u>200,822</u>	<u>1,955,418</u>
Net cash flows generated from / (used in) operating activities	<u>5,019,088</u>	<u>(152,578,741)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	95,934,926	157,914,616
Payments on redemption of units	(90,924,367)	(1,132,030)
Dividend paid	(10,151,570)	(3,948,220)
Net cash flows (used in) / generated from financing activities	<u>(5,141,011)</u>	<u>152,834,366</u>
Net (decrease) / increase in cash and cash equivalents during the year / period	<u>(121,923)</u>	<u>255,625</u>
Cash and cash equivalents at the beginning of the year / period	255,625	-
Cash and cash equivalents at end of the year / period	<u>4</u> <u>133,702</u>	<u>255,625</u>

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023			For the period from March 11, 2022 to June 30, 2022		
	AICPP – 6			AICPP – 6		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees)					
Net assets at the beginning of the year / period	156,789,072	349,686	157,138,758	-	-	-
Issuance of 1,160,423 (2022: 1,579,146)						
- Capital value (at net asset value per unit at the beginning of the year / period)	116,301,088	-	116,301,088	157,914,600	-	157,914,600
- Element of income	(10,151,541)	-	(10,151,541)	16	-	16
Total proceeds on issuance of units	106,149,547	-	106,149,547	157,914,616	-	157,914,616
Redemption of 1,006,588 (2022: 11,255) units						
- Capital value (at net asset value per unit at the beginning of the year / period)	100,883,281	-	100,883,281	1,125,500	-	1,125,500
- Element of loss	(20,366,235)	10,407,321	(9,958,914)	44	6,486	6,530
Total payments on redemption of units	80,517,046	10,407,321	90,924,367	1,125,544	6,486	1,132,030
Total comprehensive income for the year / period	-	21,236,190	21,236,190	-	4,304,392	4,304,392
Final distribution @ Rs 13.2785 per unit on June 26, 2023	(10,214,621)	(10,151,570)	(20,366,191)	-	-	-
1st interim distribution @ Rs 1.4372 per unit on May 12, 2022	-	-	-	-	(2,215,180)	(2,215,180)
2nd interim distribution @ Rs 1.1148 per unit on June 24, 2022	-	-	-	-	(1,733,040)	(1,733,040)
	(10,214,621)	(10,151,570)	(20,366,191)	-	(3,948,220)	(3,948,220)
Net assets at end of the year / period	172,206,952	1,026,985	173,233,937	156,789,072	349,686	157,138,758
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		1,529,609			-	
- Unrealised loss		(1,179,923)			-	
		349,686			-	
Accounting income available for distribution						
- Relating to capital gains	10,161,109				-	
- Excluding capital gains	667,760			4,297,906		
Distribution for the year / period	(10,151,570)			(3,948,220)		
Undistributed income carried forward	1,026,985			349,686		
Undistributed income carried forward						
- Realised (loss) / income		1,290,146		1,529,609		
- Unrealised loss		(263,161)		(1,179,923)		
		1,026,985		349,686		
Net assets value per unit at end of the year / period	100.6164			100.2230		

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Islamic Prosperity Planning Fund II was established under a Trust Deed under the Sindh Trust Act, 2020 between Alfalah Asset Management Limited (formerly 'Alfalah GHP Investment Management Limited') [the Management Company] and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on August 24, 2021 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry and Agricultural Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.

1.2 The objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The duration of the fund is perpetual, however, allocation plans may have a set time frame. Presently, the fund offers following allocation plans :

a. Alfalah Islamic Capital Preservation Plan – 6 (AICPP-6) : The initial maturity of this plan is two (2) years from the close of the subscription period.

1.3 The Fund commenced its operations from March 11, 2022. The Fund is categorised as a 'Shariah Compliant Fund of Funds Scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2++ on August 31, 2023 (June, 30 2022: AM2+) (stable outlook) to the Management Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification, impairment and valuation of financial instruments (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.2 Classification

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as puttable instruments and are mandatorily required to be classified as fair value through profit or loss.

3.2.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV).

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss'.

3.2.4 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

3.2.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 2 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.9 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

3.10 Issue and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

3.11 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.12 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances is recognised on an accrual basis.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.15 Earnings per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

		June 30, 2023	June 30, 2022
		AICPP – 6	AICPP – 6
		----- (Rupees) -----	
4	BANK BALANCES		
		Note	
	In Savings accounts	4.1	
		133,702	255,625
		<u>133,702</u>	<u>255,625</u>

- 4.1 These accounts carry profit rates ranging from 5.50% to 20.25% (June, 30 2022: 3.25% to 9.00%) per annum. These include bank balance of Rs. 0.055 (June, 30 2022: Rs 0.085) million which is maintained with Bank Alfalah Limited (a related party), carrying profit rate of 22.95% per annum.

5 INVESTMENTS	Note	June 30, 2023	June 30, 2022
		AICPP – 6	AICPP – 6
(Rupees)			
At fair value through profit or loss			
Units of open-ended mutual funds	5.1	174,497,749	157,387,646
		<u>174,497,749</u>	<u>157,387,646</u>

5.1 Investments at fair value through profit or loss' - Units of open-ended mutual funds

Alfalah Islamic Capital Preservation Plan – 6

Particulars	As at July 1 2022	Purchased during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised loss	net assets	total investments
Alfaha GHP Islamic Income Fund*	1,537,004	1,289,786	2,826,790	-	-	-	-	-	-
Alfaha GHP Islamic Dedicated Equity Fund*	-	368,029	312,683	55,346	3,670,932	3,492,449	(178,483)	2.02	2.00
Alfaha Islamic Money Market Fund*	-	1,715,571	5,517	1,710,053	171,089,978	171,005,300	(84,678)	98.71	98.00
Alfaha Islamic Rozana Amdani Fund*	-	1,529,084	1,529,084	-	-	-	-	-	-
As at June 30, 2023					<u>174,760,910</u>	<u>174,497,749</u>	<u>(263,161)</u>		
As at June 30, 2022					<u>158,567,569</u>	<u>157,387,646</u>	<u>(1,179,923)</u>		

* These represent investments held in related parties i.e. funds under common management.

5.2 Unrealised loss on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net	Note	June 30, 2023	June 30, 2022
		AICPP – 6	AICPP – 6
(Rupees)			
Market value of investments	5.1	174,497,749	157,387,646
Less: Carrying value of investments	5.1	(174,760,910)	(158,567,569)
		<u>(263,161)</u>	<u>(1,179,923)</u>

6 ADVANCES AND PROFIT RECEIVABLE

Profit receivable		63,796	59,998
Advance tax	6.1	125,579	-
		<u>189,375</u>	<u>59,998</u>

- 6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the year ended June 30, 2021, withholding tax on profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on bank deposits amounts to Rs. 0.126 million (2022: Nil).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	June 30, 2023	June 30, 2022
		AICPP – 6	AICPP – 6
(Rupees)			
Balance at beginning of the year/ period	7.1	1,390,907	-
Preliminary expenses and floatation costs incurred		-	1,643,000
Less: amortised during the year / period		821,556	252,093
Balance as at year / period end		<u>569,351</u>	<u>1,390,907</u>

7.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of two years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations and Notified Entities Regulation.

	Note	June 30, 2023	June 30, 2022
		AICPP – 6	AICPP – 6
----- (Rupees)-----			
8 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY			
Management remuneration payable	8.1	89	4
Sindh sales tax payable on management remuneration	8.2	12	4
Payable against preliminary expenses and floatation costs		-	1,436,868
		<u>101</u>	<u>1,436,876</u>

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.5% of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the year, an amount of Rs. 29 (June, 30 2022: 485) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.35 (June 30, 2022:Rs 481) has been paid to the Management Company which acts as a collecting agent.

	Note	June 30, 2023	June 30, 2022
		AICPP – 6	AICPP – 6
----- (Rupees)-----			
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE			
Trustee remuneration payable	9.1	9,963	9,032
Sindh sales tax payable on Trustee remuneration	9.2	1,296	1,176
		<u>11,259</u>	<u>10,208</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. During the year, the Trustee has charged remuneration at the rate of 0.07% (June 30, 2022: 0.07%) per annum of net assets of the Fund.

9.2 During the year, an amount of Rs. 14,986 (June 30, 2022: Rs. 4,357) was charged on account of sales tax on remuneration of the Trustee at the rate of 13% (June 30, 2022: 13%) per annum levied through the Sindh Sales Tax on Services Act, 2011.

	Note	June 30, 2023	June 30, 2022
		AICPP – 6	AICPP – 6
----- (Rupees)-----			
10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	10.1	32,912	9,577

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (June 30,2022: 0.02%) of the average annual net assets of the Fund.

		June 30, 2023	June 30, 2022
		AICPP – 6	AICPP – 6
----- (Rupees)-----			
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		237,531	100,911
Withholding tax payable		1,534,258	132,966
Listing fee payable		40,598	25,212
Shariah advisory fee payable		120,905	25,212
Printing charges payable		12,563	15,122
Sales load payable		-	29,399
Sindh sales tax payable on sales load		-	3,822
Other Payable		166,113	166,113
		<u>2,111,968</u>	<u>498,757</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30,2022.

13 AUDITORS' REMUNERATION

	For the year ended June 30, 2023	For the period from March 11, 2022 to June 30, 2022
	AICPP – 6	AICPP – 6
	----- (Rupees) -----	
Annual audit fee	165,000	84,247
Review and other certifications	165,000	-
Out of pocket expenses	33,000	5,055
Sindh sales tax	29,040	11,609
	<u>392,040</u>	<u>100,911</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 0.9% (June 30, 2022:0.99%) which includes 0.03% (June 30, 2022:0.03%) representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Unit holders' fund

Note	For the year ended June 30, 2023									
	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2023	As at July 01, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023
	----- Units -----					----- Rupees -----				
Alfalah Islamic Capital Preservation Plan – 6										
Associated companies / undertakings										
Bank Alfalah Limited - Employee Gratuity Fund Trust	256,420	256,420	33,973	256,420	290,393	25,699,185	29,104,061	3,404,874	29,104,061	29,218,301
Bank Alfalah Limited - Employee Provident Fund	512,840	512,840	67,946	512,840	580,786	51,398,369	58,208,122	6,809,747	58,208,122	58,436,601
Key management personnel										
Mr. Nabeel Malik (SEVP - Portfolio Management)	3,059	-	344	-	3,403	306,582	-	34,525	-	342,398
Unit holder holding 10% or more units	512,844	-	57,754	-	570,598	51,623,193	-	5,788,329	-	57,411,522

For the period from March 11, 2022 to June 30, 2022									
Note	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2022	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2022	
	Units				Rupees				
Alfalsh Islamic Capital Preservation Plan – 6									
Associated companies / undertakings									
		250,000	6,420	-	256,420	25,000,000	642,005	-	25,699,185
Bank Alfalah Limited - Employee Gratuity Fund Trust									
Bank Alfalah Limited - Employee Provident Fund	16.1.1	500,000	12,840	-	512,840	50,000,000	1,284,011	-	51,398,369
Key management personnel									
Chief Executive Officer	16.1.1	3,000	59	-	3,059	306,582	-	-	306,582
Unit holder holding 10% or more units	16.1.1	501,899	10,945	-	512,844	50,528,665	1,094,528	-	51,623,193

16.1.1 This reflects the position of related party / connected persons status as at June 30, 2023.

16.2 Other transactions

Associated companies / undertakings

Alfalsh Asset Management Limited - Management Company

	For the year ended June 30, 2023	For the period from March 11, 2022 to June 30, 2022
	AICPP – 6	AICPP – 6
	(Rupees)	
Remuneration of the Management Company	227	3,695
Sindh sales tax on remuneration of the Management Company	29	485
Sales Load	-	263,799

Bank Alfalah Limited

Profit on bank balances	1,113	4,113
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Other related party

Central Depository Company of Pakistan Limited - the Trustee

Remuneration of Central Depository Company of Pakistan Limited - Trustee	115,293	33,505
Sindh sales tax on remuneration of the Trustee	14,986	4,357

Alfalsh GHP Islamic Income Fund

Invested during the year (Rupees)	139,931,503	243,622,397
Invested during the year (Units)	1,289,786	2,354,337
Redeemed during the year (Rupees)	308,905,244	1,835,029,713
Redeemed during the year (Units)	2,826,790	17,668,748

Alfalsh Islamic Dedicated Equity Fund

Invested during the year (Rupees)	24,412,083	7,500,000
Invested during the year (Units)	368,029	115,406
Redeemed during the year (Rupees)	19,699,381	12,037,318
Redeemed during the year (Units)	312,683	185,218

Alfalsh Islamic Rozana Amdani Fund

Invested during the year (Rupees)	152,908,400	78,351,400
Invested during the year (Units)	1,529,084	783,514
Redeemed during the year (Rupees)	152,908,400	78,351,400
Redeemed during the year (Units)	1,529,084	783,514

Alfalsh Islamic Money Market Fund

Invested during the year (Rupees)	171,641,956	-
Invested during the year (Units)	1,715,571	-
Redeemed during the year (Rupees)	555,000	-
Redeemed during the year (Units)	5,517	-

16.3 Other balances

	Note	June 30, 2023	June 30, 2022
		AICPP – 6	AICPP – 6
(Rupees)			
Associated companies / undertakings			
Alfalah Asset Management Limited - Management Company			
Management remuneration payable		89	4
Sindh sales tax payable on Management remuneration		12	4
Bank Alfalah Limited			
Bank balances		54,651	84,914
Sales load payable		-	29,399
Sindh sales tax payable on sale load		-	3,822
Other related party			
Central Depository Company of Pakistan Limited - the Trustee			
Trustee remuneration payable		9,963	9,032
Sindh sales tax on remuneration of the Trustee		1,296	1,176

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2023		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Alfalah Islamic Capital Preservation Plan – 6			
Financial assets			
Bank balances	133,702	-	133,702
Investments	-	174,497,749	174,497,749
Profit receivable	63,796	-	63,796
	<u>197,498</u>	<u>174,497,749</u>	<u>174,695,247</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - the Management Company	101	-	101
Payable to Central Depository Company of Pakistan Limited - the Trustee	11,259	-	11,259
Accrued expenses and other liabilities	577,710	-	577,710
	<u>589,070</u>	<u>-</u>	<u>589,070</u>
(Rupees)			
2022			
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	255,625	-	255,625
Investments	-	157,387,646	157,387,646
Profit receivable	59,998	-	59,998
	<u>315,623</u>	<u>157,387,646</u>	<u>157,703,269</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - the Management Company	1,602,989	-	1,602,989
Payable to Central Depository Company of Pakistan Limited - the Trustee	10,208	-	10,208
Accrued expenses and other liabilities	199,678	-	199,678
	<u>1,812,875</u>	<u>-</u>	<u>1,812,875</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / profit rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

18.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2023, is as follows:

June 30, 2023	June 30, 2022
AICPP – 6	AICPP – 6
----- (Rupees) -----	

Variable rate instruments (financial assets)

Bank balances

133,702	255,625
133,702	255,625

a) Sensitivity analysis for variable rate instrument

Presently, the Fund has KIBOR based bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year / period and net assets of the Fund would have been higher / lower by Rs 0.001 million (June 30, 2022 Rs 0.003 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The Fund does not have any investment in fixed rate instrument as of June 30, 2023 therefore it is not exposed to any fair value profit rate risk.

The composition of the Fund's investment portfolio, KIBOR rates and the rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

Alfalsh Islamic Capital Preservation Plan – 6

Effective yield / profit rate	2023			Not exposed to yield / profit rate risk	Total
	Exposed to yield / profit risk				
	Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----					

On-balance sheet financial instruments

Financial assets

Bank balances	5.50% - 20.25%	133,702	-	-	-	133,702
Investments		-	-	-	174,497,749	174,497,749
Profit receivable		-	-	-	63,796	63,796
Sub total		133,702	-	-	174,561,545	174,695,247

Financial liabilities

Payable to Alfalah GHP Investment Management

Limited - the Management Company

Payable to Central Depository Company of

Pakistan Limited - the Trustee

Accrued expenses and other liabilities

Sub total

-	-	-	101	101
-	-	-	11,259	11,259
-	-	-	577,710	577,710
-	-	-	589,070	589,070

On-balance sheet gap

133,702	-	-	173,972,475	174,106,177
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Total interest rate sensitivity gap

133,702	-	-	173,972,475	174,106,177
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Cumulative interest rate sensitivity gap

133,702	133,702	133,702		
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----- 2022 -----					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----					
On-balance sheet financial instruments					
Financial assets					
Bank balances	3.25% - 9.00%	255,625	-	-	255,625
Investments		-	-	157,387,646	157,387,646
Profit receivable		-	-	59,998	59,998
Sub total		<u>255,625</u>	<u>-</u>	<u>157,447,644</u>	<u>157,703,269</u>
Financial liabilities					
Payable to Alfalah GHP Investment Management Limited - the Management Company		-	-	1,602,989	1,602,989
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	10,208	10,208
Accrued expenses and other liabilities		-	-	199,678	199,678
Sub total		<u>-</u>	<u>-</u>	<u>1,812,875</u>	<u>1,812,875</u>
On-balance sheet gap		<u>255,625</u>	<u>-</u>	<u>155,634,769</u>	<u>155,890,394</u>
Total interest rate sensitivity gap		<u>255,625</u>	<u>-</u>	<u>155,634,769</u>	<u>155,890,394</u>
Cumulative interest rate sensitivity gap		<u>255,625</u>	<u>255,625</u>	<u>255,625</u>	

18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds which are categorized as equity schemes. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that PSX index increased / decreased by 1%, with all other variables held constant.

As at June 30, 2023, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

	2023	2022
	-----Rupees-----	
Effect due to increase / decrease in KSE 100 Index		
Investments and net assets	34,924	-
Income Statement	<u>34,924</u>	<u>-</u>

18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

18.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	AICPP - 6		AICPP - 6	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees)		(Rupees)	
Bank balances	133,702	133,702	255,625	255,625
Investments	174,497,749	-	157,387,646	-
Profit receivable	63,796	63,796	59,998	59,998
	<u>174,695,247</u>	<u>197,498</u>	<u>157,703,269</u>	<u>315,623</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in units of mutual funds are not exposed to credit risk.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired as at June 30, 2023.

18.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2023 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2023	2022
			% of financial assets exposed to credit risk	% of financial assets exposed to credit risk
Alfalah Islamic Capital Preservation Plan – 6				
Allied Bank Limited	PACRA	A1+ / AAA	51.64%	66.78%
Bank Alfalah Limited	PACRA	A1+ / AA+	40.88%	33.22%
Faysal Bank Limited	PACRA	A1+ / AA	7.48%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA as of June 30, 2023.

Ratings of other instruments have been disclosed in related notes to financial statements.

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining year at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

----- 2023 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
----- (Rupees) -----						
Alfalsh Islamic Capital Preservation Plan – 6						
Financial assets						
Bank balances	133,702	-	-	-	-	133,702
Investments	-	-	-	-	174,497,749	174,497,749
Profit receivable	189,375	-	-	-	-	189,375
	323,077	-	-	-	174,497,749	174,820,826
Financial liabilities						
Payable to Alfalah Asset Management Limited - the Management Company	101	-	-	-	-	101
Payable to Central Depository Company of Pakistan Limited - the Trustee	11,259	-	-	-	-	11,259
Accrued expenses and other liabilities	577,710	-	-	-	-	577,710
	589,070	-	-	-	-	589,070
Net financial assets / (liabilities)	(265,993)	-	-	-	174,497,749	174,231,756
----- 2022 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
----- (Rupees) -----						
Alfalsh Islamic Capital Preservation Plan – 6						
Financial assets						
Bank balances	255,625	-	-	-	-	255,625
Investments	-	-	-	-	157,387,646	157,387,646
Profit receivable	59,998	-	-	-	-	59,998
	315,623	-	-	-	157,387,646	157,703,269
Financial liabilities						
Payable to Alfalah Asset Management Limited - the Management Company	1,602,989	-	-	-	-	1,602,989
Payable to Central Depository Company of Pakistan Limited - the Trustee	10,208	-	-	-	-	10,208
Accrued expenses and other liabilities	199,678	-	-	-	-	199,678
	1,812,875	-	-	-	-	1,812,875
Net financial (liabilities) / assets	(1,497,252)	-	-	-	157,387,646	155,890,394

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

19.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

2023			
Level 1	Level 2	Level 3	Total
(Rupees)			
At fair value through profit or loss			
- Units of open end mutual funds	174,497,749	-	174,497,749
	<u>174,497,749</u>	<u>-</u>	<u>174,497,749</u>
2022			
Level 1	Level 2	Level 3	Total
(Rupees)			
At fair value through profit or loss			
- Units of open end mutual funds	157,387,646	-	157,387,646
	<u>157,387,646</u>	<u>-</u>	<u>157,387,646</u>

20 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year ended June 30, 2023.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

22 GENERAL

Figures have been rounded off to the nearest rupee.

23 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **25 August 2023** by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

As at 30 June 2023				
Category	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	21	165,020	16,603,728	10%
Insurance Co.	1	570,598	57,411,563	33%
Retirement & Other Funds	2	871,179	87,654,905	51%
Others	1	114,929	11,563,741	7%
	25	1,721,726	173,233,937	100%

As at 30 June 2022				
Category	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	17	182,490	18,289,783	11%
Insurance Co.	1	512,844	51,398,761	30%
Retirement & Other Funds	2	769,260	77,097,561	45%
Others	1	103,296	10,352,653	6%
	21	1,567,891	157,138,758	91%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Mr. Muddasir Ahmed Shaikh – Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banking, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - IPPF 2 CP 6

	30 June 2023	30 June 2022
Net Assets	164,704	640,040
NAV per unit	100.6164	100.2230
Selling price per unit	NA	NA
Redemption price per unit	99.6102	98.2185
Highest selling price per unit	NA	NA
Highest redemption price per unit	113.5015	100.0216
Lowest selling price per unit	NA	NA
Lowest redemption price per unit	100.2230	97.8111
1st interim distribution per unit	NA	1.4372
Interim distribution date	12-May-22	12-May-22
1st interim distribution per unit	13.2785	1.1148
Interim distribution date	24-Jun-23	24-Jun-22
Final distribution per unit	Nil	Nil
Final distribution date	Nil	Nil
Annualized returns	13.69%	2.80%
Income distribution	13.249	2.552
Weighted avg. portfolio duration	N/A	N/A

Return since inception is 16.87%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go



Alfalah GHP
Islamic Money Market Fund

FUND INFORMATION

Management Company:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalal Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Islamic Money Market Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Islamic Money Market

Investment Objective

The objective of Alfalah Islamic Money Market Fund (AIMMF) is to provide competitive returns and to meet liquidity needs of investors by providing investors a daily dividend by investing in low risk and highly liquid Shari'ah Compliant money market instruments.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration shariah compliant fixed income instruments within the guidelines provided under NBFC rules.

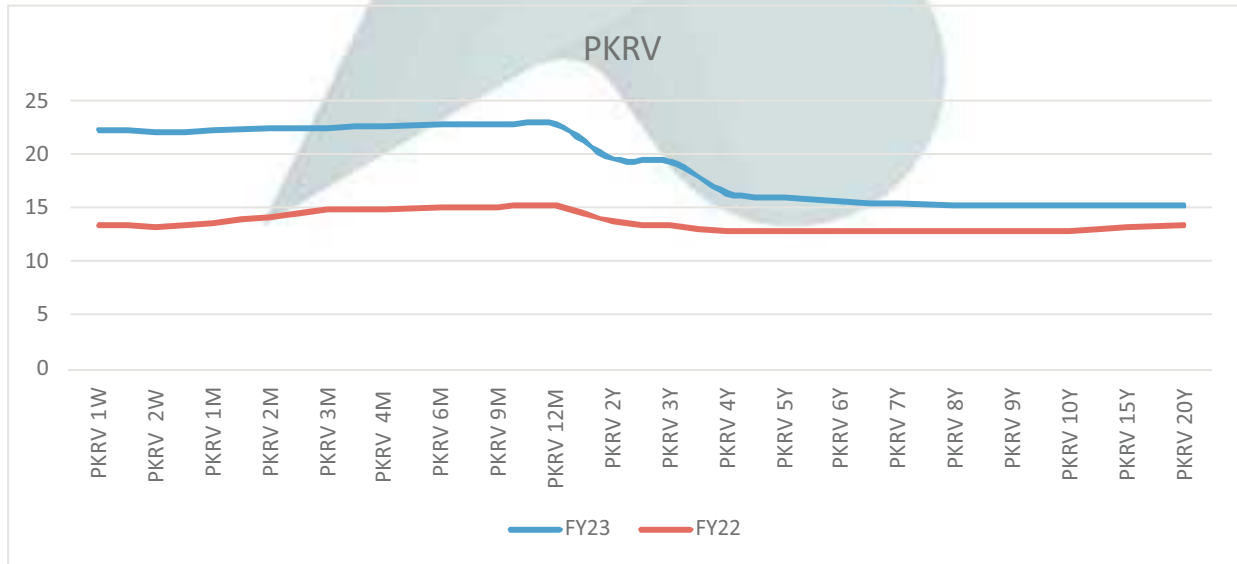
Money Market Review:-

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

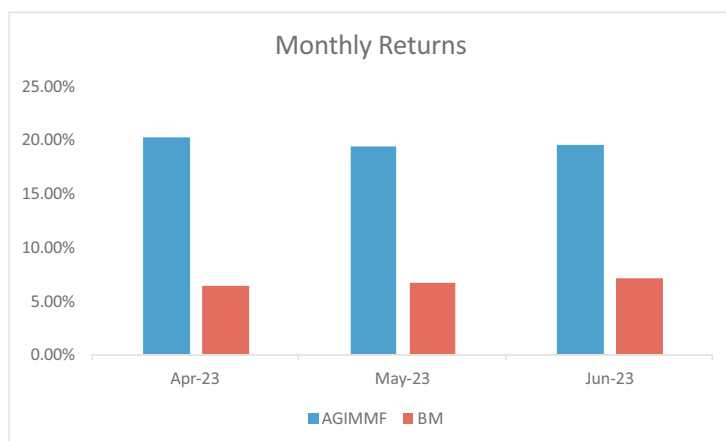
In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation.

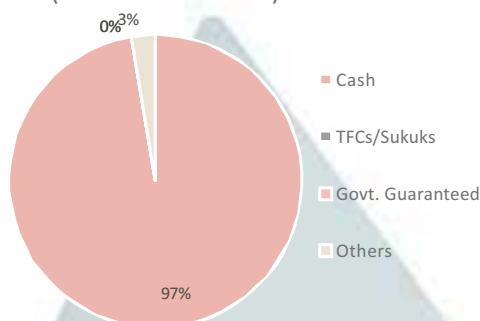


Fund Performance

During FY23, Alfalah Islamic Money Market Fund (AIMMF) generated a return of 19.88% while the benchmark of the fund generated 6.77%



**Asset Allocation
(as at 30 June 2023)**



Credit Quality (as % of Total Assets)			
Govt. Securities (Rated AAA)	0.00%	A+	0.00%
Govt. Guaranteed (Rated AAA)	0.00%	A	0.00%
AAA	9.86%	A-	0.00%
AA+	45.93%	BBB+	0.00%
AA	42.24%	Below IG	0.00%
AA-	0.00%	NR/UR	1.97%
A+			

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
COC House, 99-B, Block 'B'
S.M.C.H.S., Main Shaheed-e-Fajal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34320021 - 23
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH ISLAMIC MONEY MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Islamic Money Market Fund (the Fund) are of the opinion that Alfalah Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from April 13, 2023 to June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

For the purpose of information, we would like to draw the attention of the unit holders towards the requirement of Circular No. 11 of 2022, which states that the cumulative exposure in commercial paper and/or short term sukuk shall not exceed 20% of net assets of the Fund. In this regard, the Fund was non-compliant with the said requirement from April 20, 2023 to May 23, 2023 due to decrease in net assets with total exposure of 27.02% to 48.83% of the net assets. The said non-compliance has also been reported to the Commission.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2023





Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC MONEY MARKET FUND**

We, the Shariah Advisors of the Alfalah GHP Islamic Money Market Fund ("AIMMF") managed by Alfalah Asset Management Limited, are issuing this report in accordance with the Trust Deed dated March 03, 2023 and Offering Document dated April 13, 2023 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have reviewed and given approval for investment in following avenues during the period from July 01, 2022 to June 30, 2023.

Investment Avenue
Approved Shariah Compliant Sukuk
Approved Islamic Commercial Papers
Approved Bai Mu'ajjal Transactions
Term Deposit Receipts with Approved Islamic Banks

We hereby certify that all the above-mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2023, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board.


Mufti Shaikh Noman
Shariah Adviser


Mufti Javed Ahmad
Shariah Board Member



Alfalsh Asset Management Limited

2nd Floor, Islamic Chamber of Commerce, Industry and Agriculture Building, Block-9, Clifton, Karachi - 75600 Pakistan.
U: +92 (21) 111-090-090 | W: www.alfalahamc.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 28, 2023

Mr. Khaldoun Bin Latif
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah Islamic Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Islamic Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from April 13, 2023 to June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the period from April 13, 2023 to June 30, 2023 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 and 6 to the financial statements)	
	<p>The bank balances and investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 2,070.00 million and bank balances aggregated to Rs. 5,465.04 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR2023106110Vs8BTdpz

ALFALAH GHP ISLAMIC MONEY MARKET FUND**STATEMENT OF ASSETS AND LIABILITIES**

AS AT JUNE 30, 2023

	Note	2023 (Rupees)
Assets		
Bank balances	5	5,465,038,008
Investments	6	2,070,000,000
Deposit, advance, profit and other receivables	7	150,417,964
Preliminary expenses and floatation costs	8	955,683
Total assets		<u>7,686,411,655</u>
Liabilities		
Payable to Alfalah Asset Management Limited - Management Company	9	6,539,220
Payable to Central Depository Company of Pakistan Limited - Trustee	10	347,713
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	163,579
Accrued expenses and other liabilities	12	10,105,759
Total liabilities		<u>17,156,271</u>
Net assets attributable to the unit holders		<u>7,669,255,384</u>
Unit holders' fund (as per the statement attached)		<u>7,669,255,384</u>
Contingencies and commitments	13	
Number of units in issue		<u>76,692,554</u>
Net asset value per unit		<u>100.0000</u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC MONEY MARKET FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	For the period from April 13, 2023 to June 30, 2023 (Rupees)
Income		
Profit earned	14	167,320,181
Total income		167,320,181
Expenses		
Remuneration of Alfalah Asset Management Limited - Management Company	9.1	5,921,272
Sindh Sales Tax on remuneration of the Management Company	9.2	769,765
Allocated expense	9.3	741,750
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	449,843
Sindh Sales Tax on remuneration of the trustee	10.2	58,480
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	163,579
CDS charges		41,259
Bank and settlement charges		424
Auditors' remuneration	15	177,280
Printing and publication charges		12,147
Brokerage expense		10,056
Amortisation of preliminary expenses and floatation costs	8	42,667
Other expenses		9,500
Shariah advisor fee		151,944
Credit rating fee		101,308
Listing fee		25,336
Total expenses		8,676,610
Net income for the period before taxation		158,643,571
Taxation	18	-
Net income for the period after taxation		158,643,571
Allocation of net income for the period		
Net income for the period after taxation		158,643,571
Income already paid on units redeemed		(129,417,524)
		29,226,047
Accounting income available for distribution		
- Relating to capital gain		-
- Excluding capital gain		29,226,047
		29,226,047

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

For the period from April 13, 2023 to June 30, 2023 (Rupees)
--

Net income for the period after taxation	158,643,571
Other comprehensive income for the period	-
Total comprehensive income for the period	<u><u>158,643,571</u></u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	For the period from April 13, 2023 to June 30, 2023		
	Capital value	Undistributed income	Total
	(Rupees)		
Issuance of 218,885,461 units			
- Capital value (at par value per unit)	21,888,546,100	-	21,888,546,100
- Element of income	315,754,235	-	315,754,235
Total proceeds on issuance of units	22,204,300,335	-	22,204,300,335
Redemption of 142,192,907 units			
- Capital value (at par value per unit)	14,219,290,700	-	14,219,290,700
- Element of income	100,239,220	129,417,524	229,656,744
Total payments on redemption of units	14,319,529,920	129,417,524	14,448,947,444
Total comprehensive income for the period	-	158,643,571	158,643,571
Distributions during the period*			
1st Distribution for the period ended June 30, 2023 @0.2571 per unit on April 18, 2023.	(32,376)	(8,513,267)	(8,545,643)
2nd Distribution for the period ended June 30, 2023 @3,5444 per unit on June 23, 2023.	(201,790,370)	(5,837,007)	(207,627,377)
3rd Distribution for the period ended June 30, 2023 @3.3738 per unit on June 30, 2023.	(13,692,285)	(14,875,773)	(28,568,058)
Net assets at the end of the period	7,669,255,384	-	7,669,255,384
Accounting income available for distribution			
- Relating to capital gain		-	
- Excluding capital gain		29,226,047	
Distributions during the period			
1st Distribution for the period ended June 30, 2023 @0.2571 per unit on April 18, 2023.		(8,513,267)	
2nd Distribution for the period ended June 30, 2023 @3,5444 per unit on June 23, 2023.		(5,837,007)	
3rd Distribution for the period ended June 30, 2023 @3.3738 per unit on June 30, 2023.		(14,875,773)	
Undistributed income carried forward		-	
Undistributed income carried forward			
- Realised		-	
- Unrealised		-	
Net asset value per unit at the end of the period		100.00	

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC MONEY MARKET FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	For the period from April 13, 2023 to June 30, 2023 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation		158,643,571
Adjustments for:		
Amortisation of formation cost		42,667
		<u>158,686,238</u>
Increase in assets		
Investments - net		(1,180,000,000)
Deposit, advance, profit and other receivables		(150,417,964)
Preliminary expenses and floatation costs		(998,350)
		<u>(1,331,416,314)</u>
Increase in liabilities		
Payable to Alfalah Asset Management Limited - Management Company		6,539,220
Payable to Central Depository Company of Pakistan Limited - Trustee		347,713
Annual fee payable to the Securities and Exchange Commission of Pakistan		163,579
Accrued and other liabilities		10,105,759
		<u>17,156,271</u>
Net cash flows used in operating activities		<u>(1,155,573,805)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units		21,988,785,304
Payments on redemption of units		(14,448,947,444)
Dividend paid		(29,226,047)
Net cash flows generated from financing activities		<u>7,510,611,813</u>
Net increase in cash and cash equivalents during the period		<u>6,355,038,008</u>
Cash and cash equivalents at end of the period	16	<u><u>6,355,038,008</u></u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah Islamic Money Market Fund (the Fund) was established under a Trust Deed executed between Alfalah Asset Management Limited Company (formerly Alfalah GHP Investment Management Limited) the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The offering document was executed on April 5, 2023 under Sindh Trusts Act, 2020 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules) on April 5, 2023
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd Floor, ST-2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
- 1.3** The Fund has been categorised as a 'Shari'ah Compliant Money Market Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from April 13, 2023 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The investment objective of the Fund is to generate regular and stable returns by investing primarily in Shariah Compliant Banks and windows of conventional Banks and any other Shariah compliant money market instruments.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ to the Management Company on August 31, 2023.
- 1.6** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** As per offering document approved by SECP, the accounting period, in case of the first period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from April 13, 2023.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after April 13, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification, impairment and valuation of financial assets (notes 5 and 4.3).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks and Islamic Commercial Papers on a deferred payment basis. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the term of the transaction.

4.3 Financial assets

4.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

4.3.2 Classification and subsequent measurement

a) Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost ;
- at fair value through other comprehensive income (FVOCI);
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

b) Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

c) Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

4.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.3.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

4.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

4.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

4.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

4.9 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.10 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

4.11 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.12 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.13 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place;
- Profit on term deposit receipts and commercial papers is recognised on time proportion basis using the effective yield;
- Income on sukuk certificates is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis;
- Income on bai muajjal is recognised on time proportion basis, the difference between the sale and the credit price is recognised over the credit period; and
- Profit on bank balances is recognised on an accrual basis.

4.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

4.15 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period after taxation of the Fund by the weighted average number of units outstanding during the period.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

		2023
5	BANK BALANCES	Note ---- (Rupees) ----
	In savings accounts	5.1 <u>5,465,038,008</u>
		<u>5,465,038,008</u>

5.1 These accounts carry profit rates ranging from 6.15% to 20.5% per annum. These include bank balance of Rs 2.922 billion which is maintained with Bank Alfalah Limited (a related party) which carries a profit rate of 20.25% per annum.

		2023
6	INVESTMENTS	Note ---- (Rupees) ----
At fair value through profit or loss		
	Certificate of musharaka	6.1 -
	Certificate of mudarabah	6.2 -
	Term deposit receipts	6.3 890,000,000
	Short term sukuk certificates	6.4 <u>1,180,000,000</u>
		<u>2,070,000,000</u>

6.1 Certificate of musharakah

Name of the investee company	Profit rate	Issue date	Maturity date	Face value				Market Value as at June 30, 2023	Market value as a percentage of	
				As at April 13, 2023	Purchased during the period	Matured during the period	As at June 30, 2023		net assets of the Fund	total investments of the Fund
				(Rupees)				(%)		
Meezan Bank Limited (VIS AAA/A-1+)	20%	April 18, 2023	April 28, 2023	-	300,000,000	300,000,000	-	-	-	
Meezan Bank Limited (VIS AAA/A-1+)	20%	May 2, 2023	May 16, 2023	-	140,000,000	140,000,000	-	-	-	
Total as at June 30, 2023							<u>-</u>			

6.2 Term deposit mudarabah

Name of the investee company	Profit rate	Issue date	Maturity date	Face value				Market value as at June 30, 2023	Market value as a percentage of	
				As at April 13, 2023	Purchased during the period	Matured during the period	As at June 30, 2023		net assets of the Fund	total investments of the Fund
				(Rupees)				(%)		
Zarai Taraqiat Bank Ltd (VIS AAA/A-1+)	20.20%	May 29, 2023	June 5, 2023	-	400,000,000	400,000,000	-	-	-	
Total as at June 30, 2023							<u>-</u>			

6.3 Term deposit receipts - at fair value through profit or loss

Name of investee company	Profit rate	Issue Date	Maturity date	Face value				Market Value as at June 30, 2023	Market value as a percentage of	
				As at 13 April 2023	Purchased during the period	Matured during the period	As at June 30, 2023		net assets of the Fund	total investments of the Fund
				Rupees						
Bank Alfalah Limited (A1+, PACRA)	20.45%	May 25, 2023	August 25, 2023	-	350,000,000	-	350,000,000	-	-	
Bank Alfalah Limited (A1+, PACRA)	20.45%	June 1, 2023	September 1, 2023	-	500,000,000	-	500,000,000	-	-	
Bank Alfalah Limited (A1+, PACRA)	20.45%	June 20, 2023	September 20, 2023	-	40,000,000	-	40,000,000	-	-	
Total as at June 30, 2023							<u>890,000,000</u>	<u>890,000,000</u>	<u>-</u>	<u>-</u>

6.3.1 The profit payments and principal redemptions of Term deposit receipts are receivable at maturity.

6.4 Short term sukuks - at fair value through profit or loss

Name of the investee company	Profit rate	Maturity date	As at April 13, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Balance as at June 30, 2023		Market value as a percentage of	
							Carrying value	Market value	net assets of the Fund	total investments of the Fund
						---	---		---	
						(Number of certificates)	(Rupees)		(%)	
Lucky Electric Power Co Limited - Short term Sukuk XI (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.30%	October 12, 2023	-	243	-	243	243,000,000	243,000,000	0.03	0.12
K-Electric Limited - Short term Sukuk XVI (A-1+, VIS) Face value of Rs. 1,000,000 each	6M Kibor + 0.65%	October 11, 2023	-	413	-	413	413,000,000	413,000,000	0.05	0.20
K-Electric Limited - Short term Sukuk XIII (A-1+, VIS) Face value of Rs. 1,000,000 each	6M Kibor + 1%	August 9, 2023	-	250	-	250	150,000,000	150,000,000	0.02	0.07
Lucky Electric Power Co Limited - Short term Sukuk X (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.5%	October 30, 2023	-	100	-	100	100,000,000	100,000,000	0.01	0.05
Lucky Electric Power Co Limited - Short term Sukuk XI (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.5%	December 13, 2023	-	154	-	154	154,000,000	154,000,000	0.02	0.07
Lucky Electric Power Co Limited - Short term Sukuk VII (A1+, PACRA) Face value of Rs. 1,000,000 each	6M Kibor + 0.65%	August 15, 2023	-	250	-	250	120,000,000	120,000,000	0.02	0.06
Total as at June 30, 2023							1,180,000,000	1,180,000,000	0.15	0.57

6.4.1 The profit payments and principal redemptions of these Sukuk certificates are receivable at maturity.

7 DEPOSIT, ADVANCE, PROFIT AND OTHER RECEIVABLES	Note	2023 ---- (Rupees) ----
Profit receivable on:		
Bank balances		67,769,049
Term deposit receipts		15,906,185
Short term sukuk certificates		<u>60,705,680</u>
		144,380,914
Advance tax	7.1	5,897,050
Other receivable		40,000
Security Deposit with Central Depository Company of Pakistan Limited - Trustee		<u>100,000</u>
		<u><u>150,417,964</u></u>

7.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, during the period ended June 30, 2023, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs. 5.897 million during the period.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as advance tax as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2023 ---- (Rupees) ----
Preliminary expenses and floatation costs incurred prior to commencement of operations	8.1	998,350
Less: amortised during the period		<u>42,667</u>
Balance as at period end		<u><u>955,683</u></u>

8.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulation and Notified Entities Regulation, 2008.

9 PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	2023 ---- (Rupees) ----
Management remuneration payable	9.1	3,553,647
Sindh Sales Tax payable on management remuneration	9.2	461,973
Allocated expense	9.3	741,750
Sales load payable		613,500
Formation cost payable		998,350
Other Payable		170,000
		<u>6,539,220</u>

9.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Accordingly, the Management Company has charged its remuneration variably keeping in view the overall return and the total expense ratio limit of the Fund subject to the maximum limit of 1% of average annual net assets as disclosed in the offering document. However, the management has charged the 0.75% management fee of average annual net asset. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 During the period, an amount of Rs. 769,765 was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011.

9.3 The SECP has allowed the Asset Management companies to charge allocated expense in all categories of open-end mutual funds up to a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged allocated expense at the rate of 0.092% (2022: Nil) to the Fund based on its direction subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2023 ---- (Rupees) ----
Trustee remuneration payable	10.1	271,198
Sindh Sales Tax payable on Trustee remuneration	10.2	35,256
Central Depository Company System Payable		41,259
		<u>347,713</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the Trustee has charged remuneration at the rate of 0.055% per annum from April 14, 2023 till June 30, 2023 of average annual net assets of the Fund.

10.2 During the period, an amount of Rs. 58,480 was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011

11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2023 ---- (Rupees) ----
Annual fee payable	11.1	163,579

11.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay an annual fee to the SECP, an amount equal to 0.02% of the average annual net assets of the Fund.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

	2023 ---- (Rupees) ----
Auditors' remuneration payable	177,280
Listing fee payable	25,336
Brokerage expense payable	10,056
Withholding tax payable	4,727,827
Printing charges payable	12,147
Rating fee payable	101,308
Shariah advisory fee payable	151,944
Sales load payable	4,899,861
	<u>10,105,759</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023.

**For the period
from April 13, 2023
to June 30, 2023**

14 PROFIT EARNED	Note	----- (Rupees) -----
Profit on:		
Term deposit mudarabah		1,549,590
- Term deposits receipts		15,906,183
Certificate of musharakah		2,727,291
- Short term sukuk		37,715,324
- Bank deposits		109,421,793
		<u>167,320,181</u>
15 AUDITORS' REMUNERATION		
Annual audit fee		90,000
Other certifications		60,000
Out of pocket expenses		14,148
Sindh sales tax		13,132
		<u>177,280</u>
16 CASH AND CASH EQUIVALENTS		
Bank balances	5	5,465,038,008
Term deposit receipts (with original maturity of 3 months or less)		890,000,000
		<u>6,355,038,008</u>

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 0.23% which includes 0.03% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 1.44% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

18 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the period to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements.

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.

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, Limited, Bank Alfalah Limited, MAB Investment Incorporation, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and their close family members and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

19.1 Unit holders' fund

Note

		2023								
		Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2023	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2023	
Associated Companies / Undertakings										
Alfalsh GHP Investment Mnaagement Limited										
	Staff Providednd Fund	19.1.1	58,474	2,067	-	60,541	6,000,000	206,652	-	6,054,100
CDC Trustee- Alfalah GHP IPPF-2 Capital										
	Preservation Plan 6	19.1.1	3,298,090	63,767	1,651,803	1,710,054	335,728,988	6,376,712	171,018,744	171,005,400
	Alfalsh Asset Management Limited	19.1.1	13,434,553	18,955	13,445,304	8,204	1,354,096,391	1,895,521	1,356,402,856	820,400
Key management personal										
	Muddasir Ahmed Shaikh	19.1.1	2,995	10	-	3,005	300,000	1,024	-	300,500
	Nabeel Malik (N)	19.1.1	32,879	706	6,288	27,297	3,300,000	70,628	650,000	2,729,700
	Zubdah Tun Nisa Yousuf	19.1.1	67,433	416	56,792	11,057	6,922,885	41,579	5,836,000	1,105,700
	Mustafa Kamal	19.1.1	13,250	22	12,928	344	1,350,000	2,187	1,330,000	34,400
	Unit holder holding 10% or more units	19.1.1	31,860,461	103,789	13,149,293	18,814,957	3,189,052,476	10,378,853	1,315,605,146	1,881,495,700

19.1.1 This reflects the position of related party / connected persons status as at June 30, 2023.

19.2 Other transactions

For the period from
April 13, 2023 to
June 30, 2023**Associated companies / undertakings****Alfalsh Asset Management Limited - Management Company**

Management remuneration payable	5,921,272
Sindh Sales Tax payable on management remuneration	769,765
Allocated expense	741,750
Payable against preliminary expenses and floatation costs	42,667
Sales load	613,500
Sukuk Certificates - purchased	100,000,000

Bank Alfalah Limited

Profit on bank deposits	45,530,536
Profit on term deposits receipts	15,906,185
Term deposit receipts - purchased	890,000,000
Sales load	4,899,861

Alfalsh GHP Money Market Fund

Sukuk Certificate (purchased)	656,000,000
-------------------------------	-------------

Other related party**Central Depository Company of Pakistan Limited - Trustee**

Remuneration of the Trustee	449,843
Sindh sales tax on remuneration of the Trustee	58,480
Security Deposit	100,000
CDS charges	41,259

19.3 Other balances

2023

Associated companies / undertakings

---- (Rupees) ----

Alfalsh Asset Management Limited - Management Company

Management remuneration payable	3,553,647
Sindh sales tax payable on management remuneration	461,973
Allocated expense	741,750
Sales load payable	613,500
Formation cost payable	998,350
Other payable	170,000

Bank Alfalah Limited

Bank balances	2,922,179,923
Sales load payable	4,899,861
Profit receivable on bank deposits	45,530,536
Profit receivable on term deposit receipts	15,906,183
Term deposit receipts	890,000,000

2023
---- (Rupees) ----

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	271,198
Sindh sales tax payable on trustee remuneration	35,256
CDS charges	41,259
Security deposit	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

	2023		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Bank balances	5,465,038,008	-	5,465,038,008
Investments	-	2,070,000,000	2,070,000,000
Deposits, advances, profit receivables	144,520,914	-	144,520,914
	5,609,558,922	2,070,000,000	7,679,558,922

Financial liabilities

	2023		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Payable to Alfalah Asset Management Limited - Management Company	6,539,220	-	6,539,220
Payable to Central Depository Company of Pakistan Limited - Trustee	347,713	-	347,713
Accrued expenses and other liabilities	5,377,932	-	5,377,932
	12,264,865	-	12,264,865

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

21.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments, as at June 30, 2023, is as follows:

	2023 ---- (Rupees) ----
Variable rate instruments (financial assets)	
Bank balances	5,465,038,008
Sukuk certificates	1,180,000,000
	<u>6,645,038,008</u>
Fixed rate instruments (financial assets)	
Term deposit receipts	890,000,000
	<u>890,000,000</u>

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds KIBOR based sukuk certificates and bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the period and net assets of the Fund would have been higher / lower by Rs 66.45 million. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

The Fund does not have any investment in fixed rate instrument as of June 30, 2023 therefore it is not exposed to any fair value profit rate risk.

The composition of the Fund's investment portfolio, KIBOR rates and the rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

Effective yield / profit rate	2023				Not exposed to yield / profit rate risk	Total
	Exposed to yield / profit risk					
	Upto three months	More than three months and up to one year	More than one year			
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.15% to 20.50%	5,465,038,008	-	-	-	5,465,038,008
Investments:						
- Certificate of musharakah		-	-	-	-	-
- Certificate of mudarabah		-	-	-	-	-
- Term deposit receipts	20.45%	890,000,000	-	-	-	890,000,000
- Short term sukuk certificates	22.38% - 23.07%	-	1,180,000,000	-	-	1,180,000,000
Deposit, advance, profit and other receivables		-	-	-	144,520,914	144,520,914
Sub total		<u>6,355,038,008</u>	<u>1,180,000,000</u>	<u>-</u>	<u>144,520,914</u>	<u>7,679,558,922</u>
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company		-	-	-	6,539,220	6,539,220
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	347,713	347,713
Accrued expenses and other liabilities		-	-	-	5,377,932	5,377,932
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>12,264,865</u>	<u>12,264,865</u>
On-balance sheet gap		<u>6,355,038,008</u>	<u>1,180,000,000</u>	<u>-</u>	<u>132,256,049</u>	<u>7,667,294,057</u>
Total interest rate sensitivity gap		<u>6,355,038,008</u>	<u>1,180,000,000</u>	<u>-</u>	<u>132,256,049</u>	<u>7,667,294,057</u>
Cumulative interest rate sensitivity gap		<u>6,355,038,008</u>	<u>7,535,038,008</u>	<u>7,535,038,008</u>		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

21.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

21.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees)		
Bank balances	5,465,038,008	5,465,038,008
Investments	2,070,000,000	2,070,000,000
Deposit, advance, profit and other receivables	144,520,914	144,520,914
	<u>7,679,558,922</u>	<u>7,679,558,922</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired as at June 30, 2023.

21.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2023 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2023
			% of financial assets exposed to credit risk
Dubai Islamic Bank	VIS	A-1+/AA	0.02%
Bank Al Habib	PACRA	A1+ / AAA	2.34%
Bank Alfalah Limited	PACRA	A1+ / AA+	53.47%
Faysal Bank Limited	PACRA	A1+ / AA	31.36%
United Bank Limited - Ameen	VIS	A-1+/AAA	12.81%
			<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and Vital Information Services (VIS) as of June 30, 2023.

Ratings of term deposit receipts, certificate of musharaka, certificate of mudarabah and sukuk certificates have been disclosed in related notes to financial statements.

21.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
Financial assets						
Bank balances	5,465,038,008	-	-	-	-	5,465,038,008
Investments	-	1,160,000,000	910,000,000	-	-	2,070,000,000
Deposit, advance, profit and other receivables	128,514,729	-	-	-	100,000	128,614,729
	5,593,552,737	1,160,000,000	910,000,000	-	100,000	7,663,652,737
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company	6,539,220	-	-	-	-	6,539,220
Payable to Central Depository Company of Pakistan Limited - Trustee	347,713	-	-	-	-	347,713
Accrued expenses and other liabilities	5,377,932	177,280	-	-	-	5,555,212
	12,264,865	177,280	-	-	-	12,442,145
Net financial assets	5,581,287,872	1,159,822,720	910,000,000	-	100,000	7,651,210,592

22 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

22.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

At fair value through profit or loss

Term deposit receipts**

Short term sukuk certificates**

2023		
Level 1	Level 2	Level 3
(Rupees)		
-	890,000,000	-
-	1,180,000,000	-
-	-	-

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the period.

24 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

25 GENERAL

Figures have been rounded off to the nearest rupee.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **25 August 2023** by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	324	52,290,398	5,229,039,784	68%
Insurance Co.	1	1,577,762	157,776,188	2%
Retirement & Other Funds	6	19,550,598	1,955,059,840	25%
Others	15	3,273,796	327,379,571	4%
	346	76,692,554	7,669,255,384	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2023 %
Arif Habib Limited	100.00%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenure also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenure as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AIMMF

	30 June 2023
Net Assets	2,548,834
NAV per unit	100.0000
Selling price per unit	103.5444
Redemption price per unit	100.0000
Highest selling price per unit	105.7499
Highest redemption price per unit	103.5444
Lowest selling price per unit	102.5118
Lowest redemption price per unit	100.0000
1st interim distribution per unit	0.2571
Interim distribution date	18-Apr-23
2nd interim distribution per unit	3.5444
Interim distribution date	23-Jun-23
3rd interim distribution per unit	3.3738
Interim distribution date	30-Jun-23
Annualized returns	19.88%
Income distribution	7.18%
Weighted avg. portfolio duration	26.16 days%

Return since inception is 19.88%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



Alfalah GHP
Islamic Stable Return Fund

FUND INFORMATION

Management Company:	Alfalsh Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Board of Directors of the Management Company:	Mr. Atif Aslam Bajwa Mr. Khalid Khanfer Mr. Kabir Qureshi Mr. Sohail Sultan Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khaldoon Bin Latif (CEO)
Audit Committee:	Mr. Khalilullah Shaikh Ms. Ayesha Aziz Mr. Khalid Khanfer
HR Committee:	Ms. Ayesha Aziz Mr. Kabir Qureshi Mr. Khaldoon Bin Latif (CEO)
Risk Committee:	Mr. Khalilullah Shaikh Mr. Khaldoon Bin Latif (CEO) Mr. Khalid Khanfer
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Mr. Faisal Ali Khan
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Haider Waheed House 188, Street 33, Khyaban-e-Qasim, DHA Pahse VIII, Karachi
Registrar:	Alfalsh Asset Management Limited (formerly: Alfalah GHP Investment Management Limited) Islamic Chamber of Commerce, Industry and Agriculture Building, 2nd Floor, ST 2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Prosperity Planning Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Fixed Return

Investment Objective

The investment objective of the Fund is to provide promised return to unit holders at maturity by investing in authorized investable avenues. Accomplishment of Objective

The Fund has achieved its objective of generating regular income by investing in low to mid duration fixed income instruments within the guidelines provided under NBFC rules.

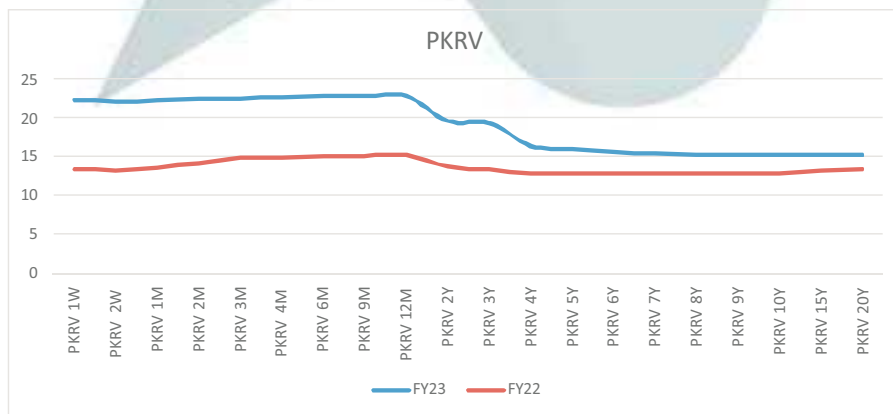
Money Market Review:-

Pakistan is expected to post GDP growth of 0.29% during FY23 against 6.10% in FY22.

Inflation for FY23 averaged at 29.04%, mainly due to excessive devaluation of PKR resulting in higher domestic prices, including petrol and all other imports, while food prices increased relentlessly because of devastation caused by floods, while the expectation for FY24 is between 23%-24% till the high base effect kicks in latter half of FY24.

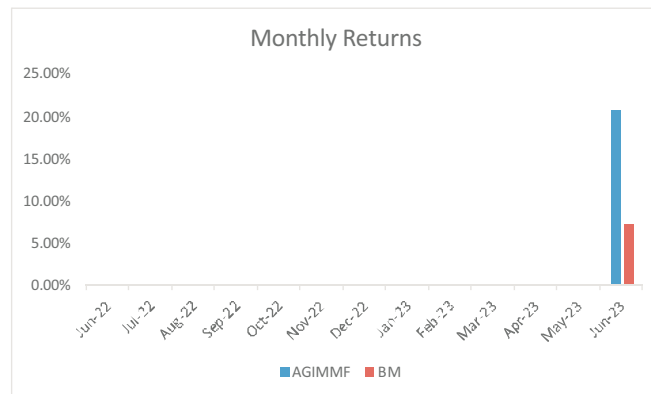
In response to rising inflationary pressures due to PKR devaluation and to control increased economic activity, the Central Bank hiked policy rate to 22% by 825bps from June 2022 (13.75% at June 30, 2022). Similar movement has been witnessed in secondary market yields as they have increased by average 8.14% for 1W to 12M tenor bills. While the overall yield curve is currently inverted reflecting market participants' expectations of decline in rates in the long term.

The next monetary policy is scheduled on July 31, 2023, where another hike in the policy rate cannot be ruled out as inflation is expected to remain elevated till Feb 2024, fueled by increase in utility tariffs and PKR devaluation

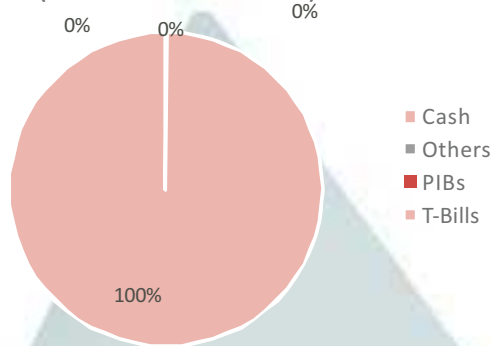


Fund Performance

During FY23, Alfalah Islamic Stable return Fund-Plan (AISRF) generated a return of 19.71% while the benchmark of the fund generated 20.75%.



**Asset Allocation
(as at 30 June 2023)**



Credit Quality (as % of Total Assets)			
Govt. Guaranteed (Rated AAA)	97.46%	A	0.00%
AAA	0.20%	A-	0.00%
AA+	0.00%	BBB+	0.00%
AA	0.00%	BBB	0.00%
AA-	0.00%	NR/UR/MTS	2.34%
A+	0.00%		

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021-23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH ISLAMIC ROZANA AMDANI FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Islamic Rozana Amdani Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badjuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

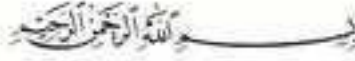
Karachi: February 27, 2023





Alfalsh Investments

Shariah Advisory Board
Mufti Shaikh Noman
Mufti Javed Ahmad



SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC STABLE RETURN FUND

We, the Shariah Advisors of the Alfalah GHP Islamic Stable Return Fund ('AISRF') managed by Alfalah Asset Management Limited, are issuing this report in accordance with the Trust Deed dated March 03, 2023 and Offering Document dated April 05, 2023 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisors, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisors of the Fund, we have reviewed and given approval for investment in following avenues during the period from July 01, 2022 to June 30, 2023.

Investment Avenue
Approved Shariah Compliant Government Securities Term Deposit Receipts with Approved Islamic Banks

We hereby certify that all the above-mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2023, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board:


Mufti Shaikh Noman
Shariah Advisor


Mufti Javed Ahmad
Shariah Board Member

Alfalsh Asset Management Limited
2nd Floor, Islamic Chamber of Commerce, Industry and Agriculture Building, Block-9, Clifton, Karachi - 75600 Pakistan.
U: +92 (21) 111-090-090 | W: www.alfalahamc.com

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND - II has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2023. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 28, 2023

Mr. Khaldoun Bin Latif
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah Islamic Stable Return Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Islamic Stable Return Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from June 07, 2023 to June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the period from June 07, 2023 to June 30, 2023 in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>Investments constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2023 amounted to Rs. 564,376 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2023
UDIN: AR202310611U69suKxti

ALFALAH GHP ISLAMIC STABLE RETURN FUND**STATEMENT OF ASSETS AND LIABILITIES**

AS AT JUNE 30, 2023

	Note	2023
		AISRP-I
		(Rupees)
Assets		
Bank balances	4	1,161,634
Investments	5	564,376,188
Profit receivable	6	14,422,110
Preliminary expenses and floatation costs	7	962,952
Total assets		580,922,884
Liabilities		
Payable to Alfalah Asset Management Limited - Management Company	8	423,165
Payable to Central Depository Company of Pakistan Limited - Trustee	9	22,550
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	7,257
Accrued and other liabilities	11	1,949,912
Total liabilities		2,402,884
Net assets attributable to the unit holders		578,520,000
Unit holders' fund (as per the statement attached)		578,520,000
Contingencies and commitments	12	
Number of units in issue		(Number of units) 5,785,200
Net asset value per unit		---- (Rupees) ---- 100.0000

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STABLE RETURN FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	For the period ended June 7, 2023 to June 30, 2023 AISRP-I (Rupees)
Income		
Profit on bank deposits and investment	13	8,180,104
Net unrealised appreciation on remeasurement of investments classified at fair value through profit or loss	5.2	94,188
Total income		8,274,292
Expenses		
Remuneration of Alfalah Asset Management Limited - Management Company	8.1	369,248
Sindh sales tax on remuneration of the Management Company	8.2	48,002
Selling and marketing expenses	8.3	16,511
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	19,956
Sindh sales tax on remuneration of the Trustee	9.2	2,594
Annual fee to the Securities and Exchange Commission of Pakistan	10	7,257
Brokerage expenses		11,300
Auditors' remuneration	14	178,200
Printing charges		391
Ammortization of formation cost	7	132,573
Total expenses		786,032
Net income for the period before taxation		7,488,260
Taxation	16	-
Net income for the period after taxation		7,488,260
Allocation of net income for the year		
Net income for the period after taxation		7,488,260
Income already paid on units redeemed		(4,696,777)
		2,791,483
Accounting income available for distribution		
- Relating to capital gains		-
- Excluding capital gains		2,791,483
		2,791,483

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STABLE RETURN FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

For the period ended June 7, 2023 to June 30, 2023
AISRP-I
(Rupees)
7,488,260
-
7,488,260
7,488,260

Net income for the period after taxation

7,488,260

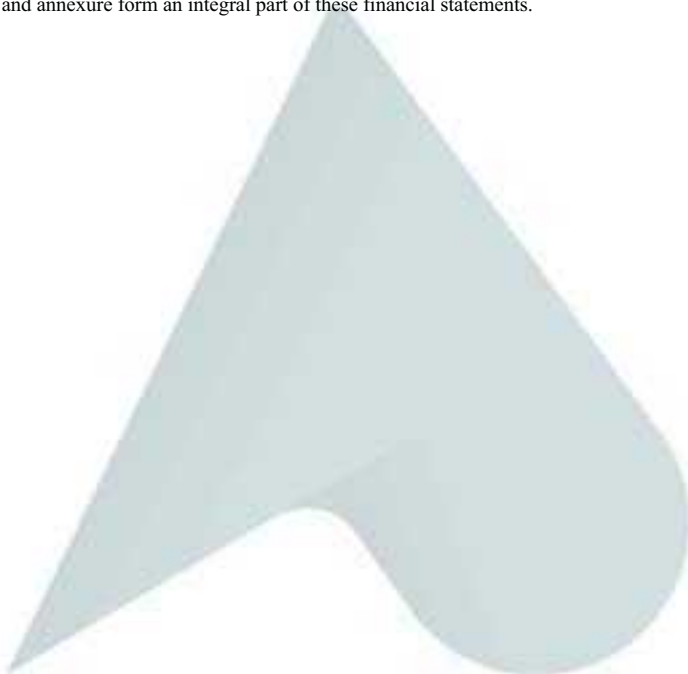
Other comprehensive income for the period

-

Total comprehensive income for the period

7,488,260

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.



For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STABLE RETURN FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2023		
	AISRP-I		
	Capital value	Undistributed income	Total
	(Rupees)		
Issuance of 14,136,353 units			
- Capital value (at par value per unit)	1,413,635,322	-	1,413,635,322
- Element of income	(2,791,476)	-	(2,791,476)
Total proceeds on issuance of units	1,410,843,846	-	1,410,843,846
Redemption of 8,351,153 units			
- Capital value (at par value per unit)	835,115,328	-	835,115,328
- Element of loss	(7,484,320)	4,696,777	(2,787,543)
Total payments on redemption of units	827,631,008	4,696,777	832,327,785
Total comprehensive income for the period	-	7,488,260	7,488,260
Interim distribution @ Rs. 0.9559 per unit on June 23, 2023 for the year ended June 30, 2023		(1,522,391)	(1,522,391)
Refund of capital for the year ended June 30, 2023	(3,938,750)		(3,938,750)
Final distribution @ Rs.0.3509 per unit on June 30, 2023 for the year ended June 30, 2023	-	(1,265,153)	(1,265,153)
Refund of capital for the year ended June 30, 2023	(758,027)		(758,027)
	(4,696,777)	(2,787,544)	(7,484,321)
Net assets at the end of the period	578,516,061	3,939	578,520,000
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		2,791,483	
		2,791,483	
Distribution for the period		(2,787,544)	
Undistributed income carried forward		3,939	
Undistributed income carried forward			
- Realised		(90,249)	
- Unrealised		94,188	
		3,939	
Net assets value per unit at end of the period		100.00	

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STABLE RETURN FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	For the period ended June 7, 2023 to June 30, 2023 AISRP-I (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		7,488,260
Adjustments for:		
Net unrealised appreciation on remeasurement of investments classified at fair value through profit or loss	5.2	(94,188)
Amortisation of formation cost	7	132,573
		7,526,645
Increase in assets		
Investments - net		(564,282,000)
Profit receivable		(14,422,110)
Preliminary expenses and floatation costs		(1,095,525)
		(579,799,635)
Increase in liabilities		
Payable to Alfalah Asset Management Limited - Management Company		423,165
Payable to Central Depository Company of Pakistan Limited - Trustee		22,550
Annual fee payable to the Securities and Exchange Commission of Pakistan		7,257
Accrued and other liabilities		1,949,912
		2,402,884
Net cash used in operating activities		(569,870,106)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units - net of refund of capital		1,410,843,846
Payments made against redemption of units		(832,327,785)
Dividend paid		(7,484,321)
Net cash generated from financing activities		571,031,740
Net increase in cash and cash equivalents during the year		1,161,634
Cash and cash equivalents at beginning of the year		-
Cash and cash equivalents at end of the year	4	1,161,634

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah Asset Management Limited
(formerly: Alfalah GHP Investment Management Limited)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STABLE RETURN FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah Islamic Stable Return Fund (the Fund) was established under a Trust Deed executed between Alfalah Asset Management Limited Company (formerly Alfalah GHP Investment Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The offering document was executed on March 3, 2023 under Sindh Trusts Act, 2020 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at A, Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd floor, Street 2, KDA Scheme 5 Block 9 Clifton, Karachi.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules through a certificate issued by the SECP on February 23, 2023 which is valid for a period of three years w.e.f March 9, 2023. The registered office of the Management Company is situated at Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd Floor, ST-2/A, Block 9, KDA Scheme 5, Clifton, Karachi.
- 1.3 The Fund is categorized as a Fixed Return Scheme pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 Alfalah Islamic Stable Return Fund (AISRF) is an Open-ended Shariah Compliant Fixed Return Fund that aims to generate returns on shariah compliant investments as per the respective Investment Plan by investing in avenues such as government securities, cash in bank account, Islamic money market placements, deposits, certificate of deposits, and certificate of musharaka.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on August 31, 2023.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from June 7, 2023.
- 1.8 These are the first financial statements of the Fund for the period from June 7, 2023 to June 30, 2023 therefore, comparative figures have not been presented.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on June 7, 2023. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of financial assets (notes 3.2.2 and 5)
- Impairment of financial assets (note 3.2.2.1 and 3.2.3)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for investments measured 'at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

3.2.2 Classification and subsequent measurement

3.2.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.3.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the "Income Statement".

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over the period lower of 5 years or maturity of fund in accordance with the requirements set out in the Trust Deed of the Fund.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised appreciation / diminution arising on remeasurement of investments classified at fair value through profit or loss are recorded in the period in which these arise.
- Income on Government of Pakistan ijara sukuks is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Interest income on bank balances is recognised on an accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the "Income Statement".

		2023
		AISRP-I
		(Rupees)
4. BANK BALANCES	Note	
Balances with bank in:		
Savings account	4.1	1,161,634
		<u>1,161,634</u>
4.1	This account carry a profit rate of 19.24% per annum.	
		2023
		AISRP-I
		(Rupees)
5. INVESTMENTS	Note	
At fair value through profit or loss		
GOP Ijara Sukuks	5.1	564,376,188
		<u>564,376,188</u>

5.1 GOP Ijara Sukuks

Certificates have a face value of Rs. 100,000 each.

Name of security	Date of issue	Face value			Balance as at June 30, 2023			Market value as percentage of		
		As at June 7, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2023 *	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the fund	Total investments
		No. of Certificates			Rupees			(%)		
GOP Ijara Sukuk (1 year)*	May 22, 2023	-	99,000,000	-	99,000,000	99,049,500	99,066,033	16,533	17.12	17.55
GOP Ijara Sukuk (1 year)*	May 22, 2023	-	465,000,000	-	465,000,000	465,232,500	465,310,155	77,655	80.43	82.45
GOP Ijara Sukuk (1 year)	May 22, 2023	-	1,000,000	1,000,000	-	-	-	-	-	-
Total as at June 30, 2023						<u>564,282,000</u>	<u>564,376,188</u>	<u>94,188</u>	<u>97.55</u>	<u>100.00</u>

* These will mature latest by May 22, 2024 and carry an effective yield of 22.6657% per annum

		2023
		AISRP-I
		(Rupees)
5.2 Net unrealised appreciation on remeasurement of investments classified at fair value through profit or loss	Note	
Market value of investments	5.1	564,376,188
Less: Carrying value of investments	5.1	564,282,000
		<u>94,188</u>
6. PROFIT RECEIVABLE		
Profit receivable on:		
GOP Ijara Sukuk		14,009,270
Bank balances		412,840
		<u>14,422,110</u>
7. PRELIMINARY EXPENSES AND FLOATATION COSTS		
Preliminary expenses and floatation costs incurred	7.1	1,095,525
Less: amortised during the period		132,573
Balance as at year end		<u>962,952</u>

7.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of not less than five years or within the maturity of the fund whichever is lower in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

		2023
		AISRP-I
		(Rupees)
8. PAYABLE TO ALFALAH ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	
Management remuneration payable	8.1	369,248
Sindh sales tax payable on management remuneration	8.2	48,002
Selling and marketing expenses	8.3	5,915
		<u>423,165</u>

8.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management remuneration as disclosed in the Offering Document subject to the total expense ratio limit. Accordingly, the Management Company has charged its remuneration variably keeping in view the overall return and the total expense ratio limit of the Fund subject to the maximum limit of 1% of average annual net assets as disclosed in the offering document. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the period, an amount of Rs. 48,002 was charged on account of sales tax on management remuneration levied through the Sindh sales tax on Services Act, 2011.

8.3 The SECP has allowed the Asset Management companies to charge selling and marketing expenses to all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

Accordingly, Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

		2023
		AISRP-I
		(Rupees)
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	
Trustee remuneration payable	9.1	19,956
Sindh sales tax payable on Trustee remuneration	9.2	2,594
		<u>22,550</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the Trustee has charged remuneration at the rate of 0.055% per annum from June 8, 2023 till June 30, 2023 of average annual net assets of the Fund.

9.2 During the period, an amount of Rs. 2,594 was charged on account of sales tax on remuneration of the Trustee levied through the Sindh sales tax on Services Act, 2011.

		2023
		AISRP-I
		(Rupees)
10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
Annual fee payable	10.1	7,257

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay an annual fee to the SECP, an amount equal to 0.02% of the average annual net assets of the Fund.

		2023
		AISRP-I
		(Rupees)
11. ACCRUED AND OTHER LIABILITIES	Note	
Withholding tax payable		576,930
Capital gain tax payable		77,036
Brokerage and settlement charges payable		11,300
Auditors' remuneration payable	14	178,200
Printing charges payable		391
Other payable		10,530
Formation cost payable	7.1	1,095,525
		<u>1,949,912</u>

17.1.1 This reflects the position of related party / connected persons status as at June 30, 2023.

17.2 Other transactions

Associated companies / undertakings

Alfalsh Asset Management Limited - Management Company

Remuneration of Alfalah Asset Management Limited - Management Company	369,248
Sindh sales tax on remuneration of the Management Company	48,002
Selling and marketing expenses	5,915

Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration of Central Depository Company of Pakistan Limited - Trustee	19,956
Sindh sales tax on remuneration of the Trustee	2,594

17.3 Other balances

Associated companies / undertakings

Alfalsh Asset Management Limited - Management Company

Management remuneration payable	369,248
Sindh sales tax payable on management remuneration	48,002
Selling and marketing expenses	5,915

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	19,956
Sindh sales tax payable on Trustee remuneration	2,594

18. FINANCIAL INSTRUMENTS BY CATEGORY

	2023		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees)-----		
Financial assets			
Bank balances	1,161,634	-	1,161,634
Investments	-	564,376,188	564,376,188
Profit receivable	14,422,110	-	14,422,110
	<u>15,583,744</u>	<u>564,376,188</u>	<u>579,959,932</u>
Financial liabilities			
Payable to Alfalah Asset Management Limited - Management Company	423,165	-	423,165
Payable to Central Depository Company of Pakistan Limited - Trustee	22,550	-	22,550
Accrued and other liabilities	1,295,946	-	1,295,946
	<u>1,741,661</u>	<u>-</u>	<u>1,741,661</u>

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / interest rate risk and price risk.

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

19.1.2 Yield / Interest rate risk

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2023, is as follows:

	2023 AISRP-I (Rupees)
Variable rate instruments (financial assets)	
Bank balances	1,161,634

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.011616 million and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

	2023 AISRP-I (Rupees)
Fixed rate instruments (financial assets)	
GOP Ijara sukuks	564,376,188

b) Sensitivity analysis for fixed rate instrument

As at June 30, 2023, the Fund holds GOP Ijara sukuks which are classified as financial assets 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in interest rates announced by Government Of Pakistan and with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 5.643 million. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

Effective yield / interest rate	2023				Not exposed to yield / interest rate risk	Total
	Exposed to yield / interest risk					
	Upto three months	More than three months and up to one year	More than one year			
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.24%	1,161,634	-	-	-	1,161,634
Investments	22.6657%	-	564,376,188	-	-	564,376,188
Profit receivable		412,906	-	-	14,009,270	14,422,176
Sub total		1,574,540	564,376,188	-	14,009,270	579,959,998
Financial liabilities						
Payable to Alfalah Asset Management Limited - Management Company			-	-	423,165	423,165
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	22,550	22,550
Accrued and other liabilities			-	-	1,295,946	1,295,946
Sub total		-	-	-	1,741,661	1,741,661
On-balance sheet gap		1,574,540	564,376,188	-	12,267,609	578,218,337
Total interest rate sensitivity gap		1,574,540	564,376,188	-	12,267,609	578,218,337
Cumulative interest rate sensitivity gap		1,574,540	565,950,728	565,950,728		

19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

19.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	----- 2023 -----	
	Balance as per statement of assets and	Maximum exposure to credit risk
----- (Rupees) -----		
Bank balances	1,161,634	1,161,634
Investments	564,376,188	-
Profit receivable	14,422,110	14,422,110
	<u>579,959,932</u>	<u>15,583,744</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Difference in the balance as per statement of assets and liabilities and maximum exposure to credit risk is due to the fact that investment in government Ijara Sukuk amounting to Rs. 564.376 million is not exposed to credit risk.

No financial assets were considered to be past due or impaired at June 30, 2023

19.2.2 Credit quality of financial assets

The Fund held bank balances as at June 30, 2023 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2023 % of bank balances exposed
Bank Al Habib Limited	PACRA	A1+ / AAA	100.00
			<u>100.00</u>

Above ratings are on the basis of available ratings assigned by PACRA as of June 30, 2023.

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

	2023						Total
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	
	(Rupees)						
Financial assets							
Bank balances	1,161,634	-	-	-	-	-	1,161,634
Investments	-	-	564,376,188	-	-	-	564,376,188
Profit receivable	412,840	-	14,009,270	-	-	-	14,422,110
	1,574,474	-	578,385,458	-	-	-	579,959,932
Financial liabilities							
Payable to Alfalah Asset Management Limited - Management Company	423,165	-	-	-	-	-	423,165
Payable to Central Depository Company of Pakistan Limited - Trustee	22,550	-	-	-	-	-	22,550
Accrued and other liabilities	1,295,946	-	-	-	-	-	1,295,946
	1,741,661	-	-	-	-	-	1,741,661
Net financial assets	(167,187)	-	578,385,458	-	-	-	578,218,271

20. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

	2023		
	Level 1	Level 2	Level 3
At fair value through profit or loss	(Rupees)		
GOP Ijara Sukuks	-	564,376,188	-
	-	564,376,188	-

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21. UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;

- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the period.

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

23. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

23. GENERAL

Figures have been rounded off to the nearest rupee.

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **25 August 2023** by the Board of Directors of the Management Company.

For Alfalah Asset Management Limited
(formerly: *Alfalah GHP Investment Management Limited*)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

Alfalah Islamic Stable Return Fund Plan I

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	24	2,227,995	434,065,066.98	39%
Associated Co./ Directors	0	-	-	0%
Insurance Co.			-	0%
Retirement & Other Funds	2	1,130,560	113,055,967.90	20%
Others	3	2,426,645	31,398,899.00	42%
	29	5,785,200	578,519,934	100%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Khaldoon Bin Latif - CEO
Mr. Ayub Khoro – Chief Investment Officer
Mr. Noman Soomro - Chief Operating Officer
Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer
Mr. Muddasir Ahmed Shaikh - – Head of Equities
Mr. Mustafa Kamal - Head of Fixed Income
Mr. Shams-ud-din Shah - Head of Research
Mr. Omar Mukhtar – Head of Risk
Mr. Salman Jawaid - Fund Manager Fixed Income Fund
Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Khaldoon Bin Latif - CEO

Mr. Khaldoon has been associated with the capital markets for over 18 years, with both domestic and international experience providing a comprehensive blend. Prior to joining Alfalah Asset Management Limited Mr. Khaldoon was associated with Faysal Asset Management Limited as its Chief Executive Officer (CEO) and under his leadership, Faysal Asset Management has achieved significant growth during his tenure and transformed into major industry player. Earlier he was associated with BMA Asset Management Company Limited as its CEO, JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds, he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC, where he headed their brokerage, asset management, custody and advisory operations.

He has been a member of the Mutual Fund Association for over six years and has been the Vice Chairman from FY2021-22. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC that has operations in Africa and Europe. He is a former board member of TRG and Pace Pakistan.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenure also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khoro – Chief Investment Officer

Prior to joining Alfalah, he was associated with Faysal Asset Management Limited as Chief Investment Officer. In his tenure at FAML he revamped the investment process, fund management teams and research department to significantly contribute to the company's unprecedented growth and to cater to the ever growing business needs and market dynamics.

Mr. Ayub has over 15 years of experience in banking / asset management industry in research, capital markets and fund management functions. He started his career with Pak Oman AMC in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide in-depth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research and evaluation of historical performance of multiple asset classes and instruments.

Mr. Ayub holds a Bachelor's of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Noman Soomro - Chief Operating Officer

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenure as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.

Mr. Shariq Mukhtar Hashmi – Chief Compliance Officer

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Mr. Muddasir Ahmed Shaikh -- Head of Equities

Mr. Shaikh is heading the Equity Investments team at Alfalah Investments. He has been an integral part of the team since 2007 and holds about two decades of professional experience. He joined the Investment Management Industry in 2004, right after his graduation with an MBA degree. Over the years, he has served various public and private financial institutions of repute. He started his career as Research Analyst and has progressed over the year to higher levels in portfolio management.

Mr. Shaikh is an Alumni of the prestigious Institute of Business Administration, Karachi (IBA).

Mr. Mustafa Kamal - Head of Fixed Income

Mr. Mustafa Kamal has more than 18 years of work experience in the investment management profession out of which he has been associated with the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

Currently serving the company as a Head of Fixed Income Funds, Mr. Kamal is a key member of portfolio management team and a member of the investment committee for the mutual funds. During his career he has managed wide range of conventional and Islamic mutual funds schemes.

Mr. Shams-ud-din Shah - Head of Research

Mr. Shams is a CFA charter holder and member of ACCA. He holds +8 years of experience in financial service industry and has been associated with Alfalah since June 2017. He leads the Research Department and aptly covers Economy, Banks, Construction and Material sectors along with supervision and professional development of other research analysts in the team. His hard work, strong analytical skills and thorough understanding of the economy and sector dynamics have earned him recognition and rendered effective support to the Portfolio Management function.

Mr. Omar Mukhtar – Head of Risk

Mr. Mukhtar is the Head of Risk Management. He has remained part of the Board Risk & Investment Committees and has played an instrumental role in the establishment of the Risk Management, Enterprise Risk Management & Information Security framework for the organization. He brings with him an experience of over fifteen years in the field of Risk Management in the Mutual Funds Industry. Prior to becoming a part of the Alfalah Asset team, he was associated with UBL Funds Ltd in managing their Risk Management Function.

Mr. Mukhtar has done his MBA in Finance from Greenwich University and holds a BBA Honors degree. He is also a member of GARP (Global Association of Risk Professionals).

Mr. Salman Jawaid - Fund Manager Fixed Income Fund

Mr. Salman is managing the Fixed Income Funds at Alfalah Investments. He has almost more than 12 years of work experience in the Mutual Fund Industry precisely in the Fund Management Department. He is an MBA in Finance from the Institute of Business Management (IOBM) and also pursuing his education in the CFA program. Over the years, he has worked at National Investment Trust Limited (NIT) and Faysal Asset Management in the portfolio management department.

Mr. Anil Kumar - Jr. Fund Manager Equity Funds

Mr. Anil has over 3 years of well-rounded sectoral exposure in Investment Research and Fund Management. He was earlier associated as Research Analyst with Alfalah Investments, where he has actively covered Chemical Sector, Cement Sector, Pharmaceutical sector, Textile sector and has also identified many profitable investment ideas. Prior to joining Alfalah, he was associated with UBL Fund Managers and Darson Securities Limited. Anil has done Bachelors (BBA) from Iqra University with majors in Finance and is a CFA Level 3 candidate.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 103rd, 104th, 105th, 106th, 107th and 108th Board Meetings were held on 25 August 2022, 26 October 2022, 10 January 2023, 23 February 2023, 17 April 2023 and 22 June 2023 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Mr. Tanveer Awan	6	4	Resigned	Resigned
Mr. Kabir Ahmad Qureshi	6	6	-	-
Mr. Khaldoon Bin Latif	2	2	-	-
Mr. Hanspeter Beier	6	4	1	Resigned
Mr. Khalilullah Shaikh	6	6	-	-
Mr. Khaled Khanfer	6	4	2	2
Mr. Atif Bajwa	1	1	-	-
Mr. Sohail Sultan	1	1	-	-
Mr. Saad ur Rahman	6	5	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AISRF-1

	AISRF I
	30 June 2023
	(Rupees in '000)
Net Assets	<u>578,520</u>
NAV per unit	<u>100.0000</u>
Selling price per unit	<u>0.0000</u>
Redemption price per unit	<u>100.0000</u>
Highest selling price per unit	<u>100.9559</u>
Highest redemption price per unit	<u>100.9559</u>
Lowest selling price per unit	<u>100.0000</u>
Lowest redemption price per unit	<u>100.0000</u>
1st interim distribution per unit	<u>0.9559</u>
1st interim distribution date	<u>23-Jun-22</u>
2nd interim distribution per unit	<u>0.3509</u>
2nd interim distribution date	<u>30-Jun-23</u>
Final distribution per unit	<u>NIL</u>
Final distribution date	<u>NIL</u>
Annualized returns %	<u>20.79%</u>
Income distribution %	<u>95.94%</u>
Weighted avg. portfolio duration (Days)	<u>-</u>

AISRF I Return since inception is 20.79 %

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

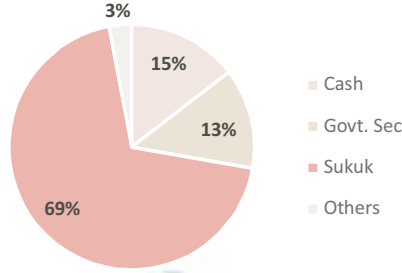
الفلاح GHP اسلامک ویلیو فنڈ

فنڈ نے ریٹ مارک جو 6.23 فیصد کمایا جبکہ 17.74 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 15.0982 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2023)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	2,147.270	2,295.12
Gross (loss)	355.09	210.09
Total Comprehensive Loss	347.42	205.09
Net Assets Value per Unit (PKR)	89.4572	89.0616
Issuance of units during the year	5,866.60	2,458.93
Redemption of units during the year	-5,391.74	-2,828.55

اعتراف

ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے شکرگزار ہیں۔ بورڈ ممبران اور محنت پر مینجمنٹ کمپنی کے ملازمین اور ٹرسٹی کا اور مینجمنٹ میں اعتماد پر پونٹ ہولڈرز کا بھی شکر یہ ادا کرتے ہیں۔

منجانب بورڈ

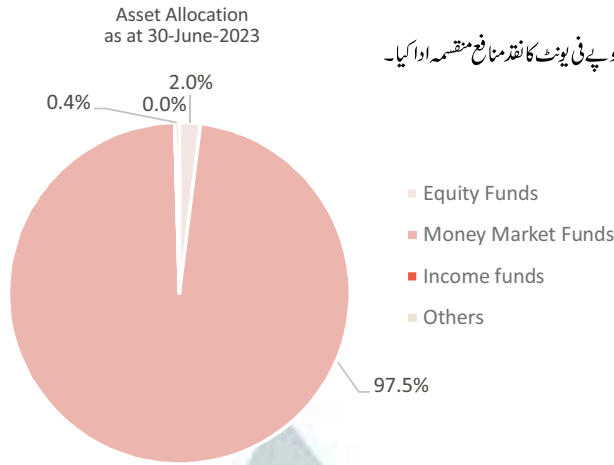
چیف ایگزیکٹو آفیسر

25 اگست 2023ء

الفلاح GHP اسلامک پرائیویٹ پبلک فنانڈ II - کیپٹل پریزیوریشن
 فنڈ نے بیچ مارک جو 4.17 فیصد کمایا جبکہ 13.69 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 13.2785 روپے فی یونٹ کا نقد منافع منظمہ ادا کیا۔



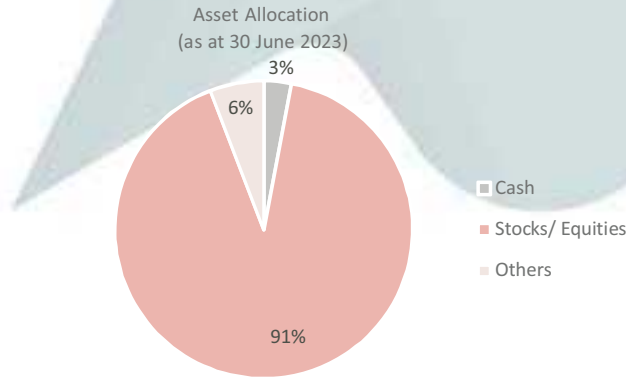
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2023
Average Net Assets	164.7056
Gross income	22.768
Net Comprehensive income	21.236
Net Assets Value per Unit (Rs.)	100.6164
Issuance of units during the period	95.93
Redemption of units during the period	-90.92

الفلاح GHP اسلامک ڈیڈ ویلٹیٹیو ایکٹیو فنڈ

فنڈ نے بیچ مارک جو 2.88 فیصد کمایا جبکہ 0.75 فیصد ریٹرن کمایا۔



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2023	For the year ended June 30, 2022
Average Net Assets	84.9414	273.509
Gross (Loss)	4.306	-50.321
Total Comprehensive Loss	0.21	-61.18
Net Assets Value per Unit (PKR)	63.1021	63.8012
Issuance of units during the year	63.10	215.62
Redemption of units during the year	-176.81	-471.85

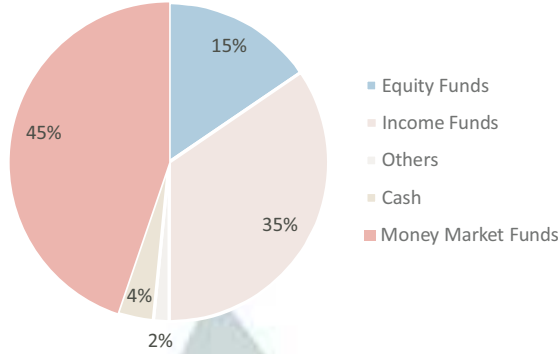
الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ - کیپٹل پریزیرویشن 4

فنڈ نے بیچ مارک 5.83 فیصد کمانے کے برعکس 11.92 فیصد ریٹرن کمایا۔

اداگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 11,0495 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation as at 30-June-2023



Key Financial Data

Alfalah GHP Islamic Prosperity Planning Fund

(Rupees in Million)

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Capital Preservation Plan - IV
Average Net Assets	68.992	181.327	175.593	29.971
Gross income / (loss)	8.70	22.53	18.26	3.39
Total Comprehensive Income / (loss)	8.39	21.70	17.15	3.25
Net Assets Value per Unit (PKR)	104.2928	101.1543	90.8003	100.5237
Issuance of units during the year	6.66	16.49	5.53	0.76
Redemption of units	-0.35	-5.95	-272.61	-28.83

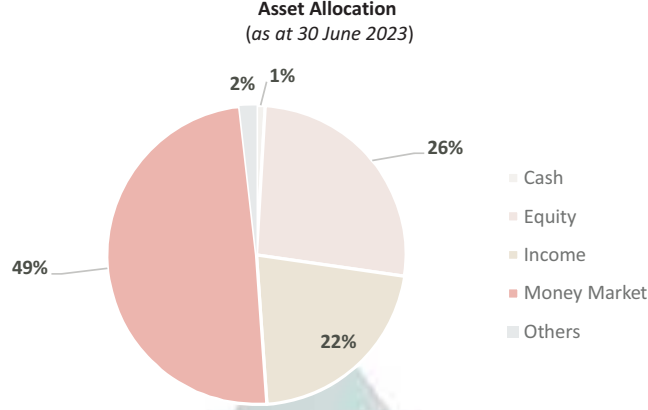
Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
Average Net Assets	72.755	206.383	369.159	71.943	47.333	25.048
Gross income / (loss)	1.21	10.09	-31.10	3.78	0.38	0.35
Total Comprehensive Income / (loss)	6.62	15.97	-27.62	4.09	0.75	0.37
Net Assets Value per Unit (PKR)	103.7259	100.6639	90.1495	87.9206	99.7612	99.6905
Issuance of units during the year	23.54	10.21	2.98	3.36	2.64	0.30
Redemption of units	-22.12	-49.87	-29.05	-8.56	-10.23	-2.68

الفلاح GHP اسلاک پراسیورٹی پلاننگ فنڈ- ایکٹو ایلیکشن پلان II

فنڈ نے بیچ مارک 6.51 فیصد کمانے کے برعکس 10.63 فیصد ریٹرن کمایا۔

ادا ہوگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 8.8644 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

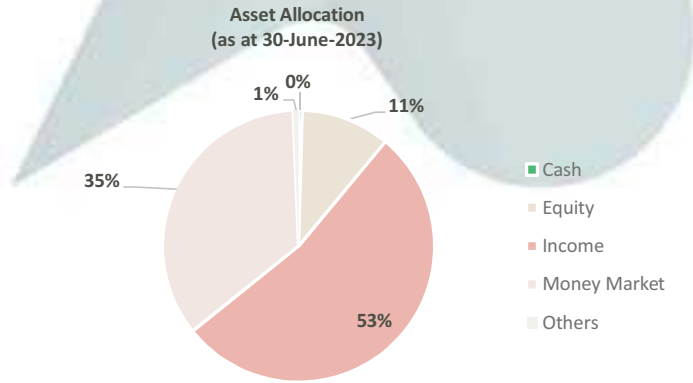


الفلاح GHP اسلاک پراسیورٹی پلاننگ فنڈ- بیلیس ایلیکشن پلان

فنڈ نے بیچ مارک 5.92 فیصد کمانے کے برعکس 12.67 فیصد ریٹرن کمایا۔

ادا ہوگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 12.2024 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

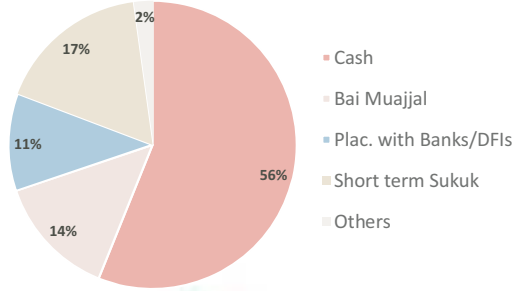


الفلاح اسلامک روزانہ آمدنی فنڈ
فنڈ کارٹین 6.20 فیصد بیچ مارک ریٹرن کے برعکس 17.07 فیصد پر قائم رہا۔

ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 15.7702 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2023)



Key Financial Data

(Rupees in Million)

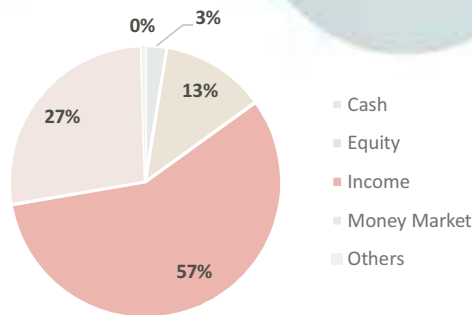
Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	16,876.2295	5,165.6954
Gross income	2,943.734	512.83
Net Comprehensive income	2,802.868	493.79
Net Assets Value per Unit (Rs.)	100.0000	100.0000
Issuance of units during the period	77,109.394	10,248.55
Redemption of units during the period	-52,690.959	-8,657.69

الفلاح GHP اسلامک پرائیمری پلائنگ فنڈ- ماڈریٹ ایلوکیشن پلان
فنڈ نے بیچ مارک 6.13 فیصد کمانے کے برعکس 12.88 فیصد ریٹرن کمایا۔

ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 12.7217 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔

Asset Allocation
(as at 30 June 2023)

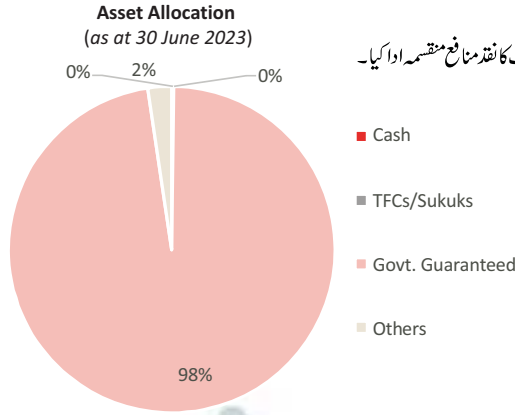


الفلاح اسلامک اسٹیبل ریٹرن فنڈ- پلان 1

مالی سال 23 کے دوران، الفلاح اسلامک اسٹیبل ریٹرن فنڈ- پلان 1 (AISRF-1) نے 20.79 فیصد ریٹرن کمایا جبکہ فنڈ کا بیج مارک 7.16 فیصد کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 1.3608 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

(Rupees in Million)

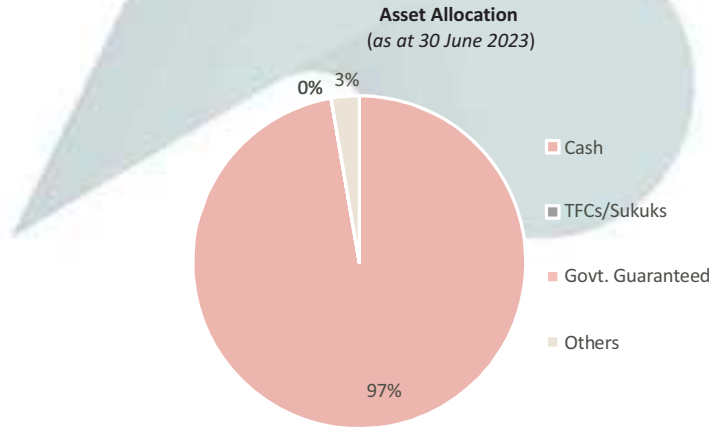
Description	For the year ended June 30, 2023
Average Net Assets	575.5788
Gross income	8.274
Net Comprehensive income	7.488
Net Assets Value per Unit (Rs.)	100.0000
Issuance of units during the period	1,410.843
Redemption of units during the period	-832.327

الفلاح اسلامک منی مارکیٹ فنڈ

مالی سال 23 کے دوران، الفلاح اسلامک منی مارکیٹ فنڈ (AIMMF) نے 19.88 فیصد ریٹرن کمایا جبکہ فنڈ کا بیج مارک 6.77 فیصد کمایا۔

ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 4.1753 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

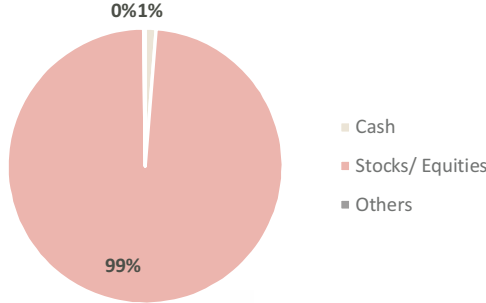
(Rupees in Million)

Description	For the year ended June 30, 2023
Average Net Assets	2,548.8338
Gross income	167.320
Net Comprehensive income	158.643
Net Assets Value per Unit (Rs.)	100.0000
Issuance of units during the period	22,204.300
Redemption of units during the period	-14,448.947

فینڈ کے آپریشنز اور کارکردگی
الفلاح GHP اسلامک اسٹاک فنڈ

مالی سال 23 کے دوران، AGISTF نے 1.26 فیصد کارپوریشن کیا جبکہ اسی مدت کے دوران بیچ مارک ریٹرن 2.88 فیصد کمایا تھا۔

Asset Allocation
(as at 30 June 2023)



Key Financial Data

(Rupees in Million)

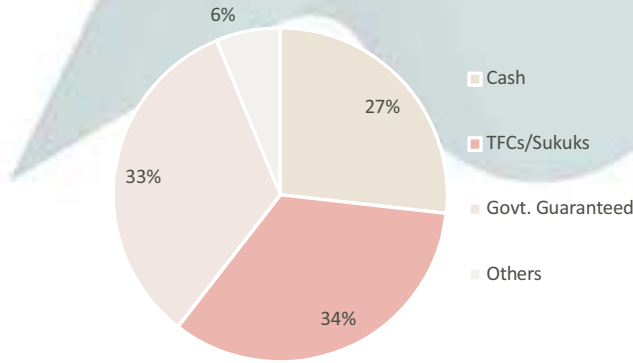
Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	1,319.0385	1,973.6112
Gross (loss) / Profit	77.55	-360.01
Total Comprehensive Loss	14.55	-394.79
Net Assets Value per Unit (PKR)	36.9196	36.9032
Issuance of units during the year	502.45	1,527.17
Redemption of units during the year	-665.04	-2,041.69

الفلاح GHP اسلامک انکم فنڈ

زیر جائزہ مدت کے دوران، الفلاح GHP اسلامک انکم فنڈ نے 14.88 فیصد ریٹرن کیا جبکہ بیچ مارک ریٹرن 6.06 فیصد تھا۔

ادائیگی

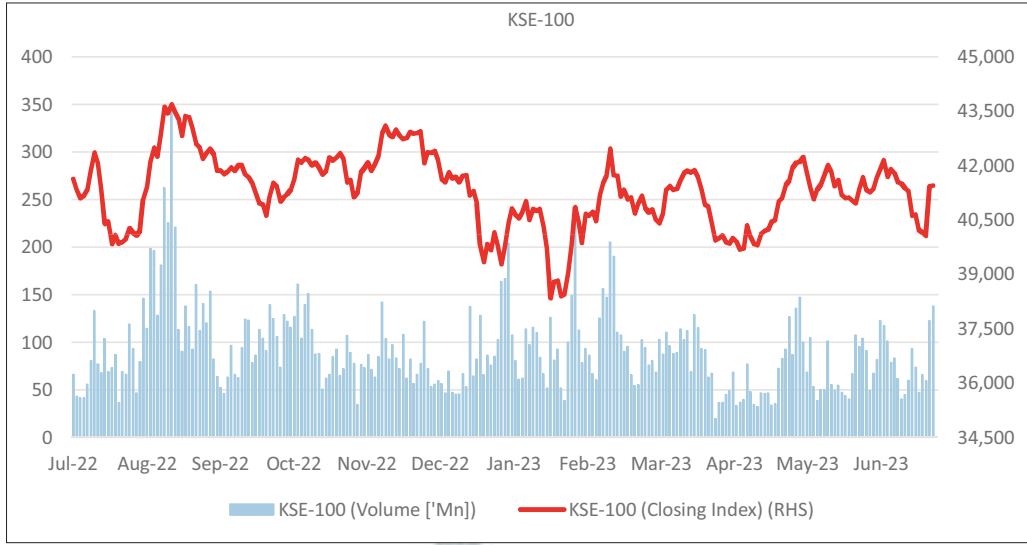
سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 14.7455 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2023	For the year ended June 30, 2022
Average Net Assets	3,824.7289	6,391.2056
Gross income	567.47	646.86
Total Comprehensive Income	509.08	554.18
Net Assets Value per Unit (PKR)	102.8265	102.3990
Issuance of units during the year	4,011.29	17,881.70
Redemption of units during the year	-7,308.45	-18,563.98



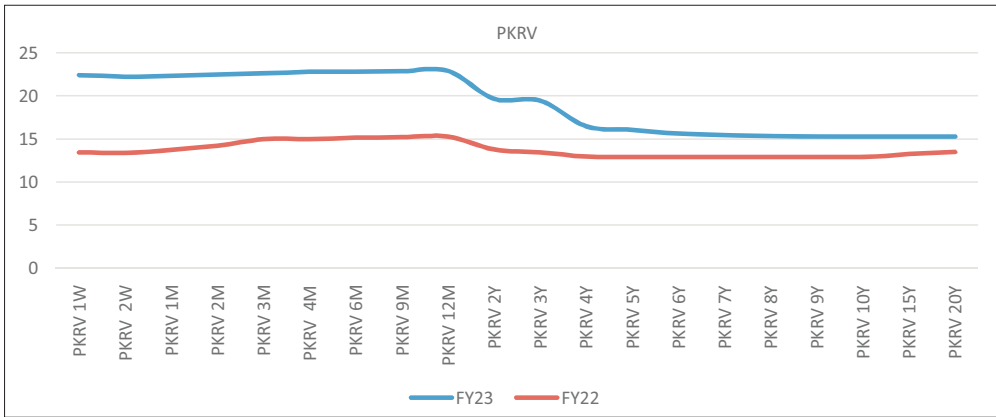
منی مارکیٹ

پاکستان کو مالی سال 22 میں 6.10 فیصد کے مقابلے میں مالی سال 23 کے دوران جی ڈی پی کی شرح نمو 0.29 فیصد متوقع ہے۔

مالی سال 23 کے لیے افراط زر کی اوسط 29.04% رہی، جس کی بنیادی وجہ پاکستانی روپیہ کی قدر میں حد سے زیادہ کمی ہے جس کے نتیجے میں پیٹرول اور دیگر تمام درآمدات سمیت مقامی قیمتیں بڑھ گئیں، جبکہ خوراک کی قیمتوں میں سیلاب کی وجہ سے ہونے والی تباہی کے باعث بہت زیادہ اضافہ ہو گیا، جب کہ مالی سال 24 کی توقع مالی سال 24 کی آخری ششماہی میں ہائی بیس انڈیکس شروع ہونے تک 24%-23% کے درمیان ہے۔

پاکستانی روپیہ کی قدر میں کمی کی وجہ سے بڑھتے ہوئے افراط زر کے دباؤ کے جواب میں اور بڑھتی ہوئی معاشی سرگرمیوں کو کنٹرول کرنے کے لیے، مرکزی بینک نے جون 2022 سے پالیسی شرح کو 825bps تک بڑھا کر 22% کر دیا (30 جون 2022 کو 13.75%)۔ اسی طرح کی حرکت ثانوی مارکیٹ کی پیداوار میں دیکھی گئی ہے کیونکہ ان میں 1W سے 12M مدتی بلوں کے لیے اوسطاً 8.14% اضافہ ہوا ہے۔ جبکہ مجموعی پیداوار کا منحنی خط اس وقت الٹا ہے جو طویل مدتی شرحوں میں کمی کی مارکیٹ شرکاء کی توقعات کو ظاہر کرتا ہے۔

اگلی مائٹری پالیسی 31 جولائی 2023 کو شیڈول ہے، جہاں پالیسی ریٹ میں مزید اضافہ کو مسترد کیا جاسکتا ہے کیونکہ یوٹیلٹی ٹیرف میں اضافے اور پاکستانی روپیہ کی قدر میں کمی کے باعث افراط زر فروری 2024 تک بلند رہنے کی توقع ہے۔



آئی ایم ایف پروگرام نے ہمارے اقتصادی منصوبے کے لیے انتہائی ضروری یقینی اور یقین دہانی فراہم کی ہے۔ اس کی رہنمائی اور حمایت نے پائیدار نمو اور خوشحالی کی راہ کو مضبوط کیا ہے۔

آگے بڑھتے ہوئے، مالی سال 2024 کی آخری ششماہی میں مانیٹری زمی شروع ہونے کے بعد معاشی سرگرمیوں میں اضافہ متوقع ہے کیونکہ آئی ایم ایف کے تخمینے کے مطابق مالی سال 24 اور مالی سال 25 میں جی ڈی پی میں بالترتیب 2.5 فیصد اور 3.6 فیصد نمو کی توقع ہے جس میں سیلاب کی وجہ سے مندی والے سال سے بحالی کے بعد زراعت اہم کردار ادا کرے گی۔

آئی ایم ایف پروگرام کے مطابق پیٹرولیم مصنوعات اور ٹیلیٹیلیف میں ایڈجسٹمنٹ کے ساتھ، مالی سال 24 کے لیے افراط زر کی اوسط 23%-24% کے درمیان متوقع ہے۔ افراط زر میں نرمی اور بتدریج کمی متوقع ہے، جس کی بنیادی وجہ پچھلے سال سے زیادہ بنیادی اثر ہے۔ تاہم، زیادہ ٹیکس اور بڑھتی ہوئی توانائی کی لاگت سمیت وہ اقدامات، جن کا مقصد آئی ایم ایف کے معاہدے کو محفوظ بنانا ہے، کسی حد تک افراط زر کے دباؤ میں حصہ ڈال سکتے ہیں۔

مانیٹری زمی سال کی آخری ششماہی میں شروع ہونے کی توقع ہے جس میں افراط زر 20% سے کم ہونے کی امید ہے۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 23 کے دوران، بیسٹ مارک انڈیکس زیادہ تر فلیٹ رہا اور بگڑتے ہوئے معاشی اشاروں کی وجہ سے 0.21 فیصد کی معمولی منفی ریٹرن درج کرائی۔ سال کے دوران انڈیکس ریٹج باؤنڈ رہی کیونکہ اگست 22 میں یہ 43,676 کی انتہائی سطح پر پہنچ گیا تھا، تاہم 41,453 پوائنٹس کی چلی سطح پر بند ہوا۔

میکرو اکنامک اشاروں میں گراؤ جیسے کہ الف) بہت زیادہ بلند افراط زر اور شرح سود کی وجہ سے معاشی سرگرمیوں میں سست روی؛ ب) غیر ملکی زرمبادلہ کے ذخائر کا کم ہونا اور بیرونی قرضوں کی بڑے پیمانے پر ادائیگیوں کی وجہ سے پاکستانی روپیہ کی گراؤ اور ج) قنصل کے شکار آئی ایم ایف پروگرام کو دوبارہ شروع کرنے میں تاخیر، سرمایہ کاروں کے جذبات کی پستی اور اس کے نتیجے میں سرمایہ کار کم رسک منی مارکیٹ سرمایہ کاری کی طرف متوجہ ہونے پر مجبور ہو گئے۔

مالی سال 23 نومبر میں بیسٹ مارک انڈیکس میں کمپنیوں کی طرف سے درج کردہ ریکارڈ منافع کے باوجود، مذکورہ عوامل نے سرمایہ کاروں کو ایکویٹی مارکیٹ سے دور رکھا کیونکہ KSE-100 انڈیکس کا اوسط تجارتی حجم بھی 21% سالانہ سے کم ہو کر 90.65 ملین شیئرز پر آ گیا۔ پاور جنریشن اور فریڈلٹیز ریکلٹرز نے انڈیکس میں سب سے زیادہ حصہ ڈالا، کیونکہ سرمایہ کاروں نے پاور سیکٹر میں مستحکم طلب، ڈیویڈنڈ کی زیادہ پیداوار اور امریکی ڈالر کی متوقع آمدنی والے شعبوں میں داخل ہو گئے، جبکہ گرین بیک کے برعکس پاکستانی روپیہ کی قدر میں بڑے پیمانے پر کمی کی وجہ سے فارماسیوٹیکلز نے انڈیکس میں سب سے زیادہ منفی حصہ ڈالا۔

مالی سال 23 میں غیر ملکی خالص خریدار رہے، کیونکہ خالص غیر ملکی آمدنی مالی سال 22 کے دوران 295 ملین امریکی ڈالر خالص اخراج کے مقابلے میں 4 ملین امریکی ڈالر رہی۔

آگے بڑھتے ہوئے، ہمارا خیال ہے کہ قنصل کے شکار آئی ایم ایف پروگرام کی بحالی اور گراؤ حکومت کی، ممکنہ طور پر توجہ معاشی استحکام کو برقرار رکھنے پر ہوگی، جس سے محتاط مالیاتی پالیسی کو یقینی، مالیاتی زوال سے بچاؤ اور مارکیٹ کی بنیاد پر شرح مبادلہ کو برقرار رکھا جائے گا۔ یہ اقتصادی منصوبے کے لیے انتہائی ضروری وضاحت اور یقین دہانی فراہم کرے گا۔

سازگار میکرو اکنامک نقطہ نظر یعنی گرتی ہوئی افراط زر، شرح سود کی بلندی، ذخائر میں بہتری اور پاکستانی روپیہ کا استحکام، ایکویٹی مارکیٹ کے لیے ایک بہت بڑے بوسٹر کا کام کرے گا جو اس وقت تاریخی کم ملٹیپلر (3.7x کی فارورڈ PE) پر تجارت کر رہی ہے، جس کے لیے اہم امکانات پیش کیے جا رہے ہیں۔ 2024 میں متوقع آمدنی میں دوہرے ہندسوں کی نمو کے ساتھ، ہم توقع کرتے ہیں کہ مقامی اسٹاک مارکیٹ مالی سال 24 میں مضبوط کارکردگی پیش کرے گی۔

ڈائریکٹرز کی یونٹ ہولڈرز کو رپورٹ برائے اختتامہ سال 30 جون 2023

بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2023 کو ختم ہونے والے سال کے لئے میں الفلاح GHP اسلامک اسٹاک فنڈ (AGISTF)، الفلاح اسلامک اسٹیمبل ریٹرن فنڈ پلان 1، الفلاح GHP اسلامک انکم فنڈ (AGIIF)، الفلاح GHP اسلامک پراسپیئرٹی پلاننگ فنڈ (AGIPPF)، الفلاح GHP اسلامک ڈیٹیکویڈ ایکٹیو فنڈ (AGIDEF)، الفلاح GHP اسلامک ویلیو فنڈ (AGIVF)، الفلاح اسلامک روزانہ آمدنی فنڈ (AIRAF)، الفلاح اسلامک منی مارکیٹ فنڈ (AIMMF)، اور الفلاح GHP اسلامک پراسپیئرٹی پلاننگ فنڈ (AGIPPF-II CP 6) کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

معاشی جائزہ

حکومت نے مالی سال 22 میں 6.10 فیصد کے مقابلے میں مالی سال 23 کے لیے جی ڈی پی کی شرح نمو 0.29 فیصد رہنے کا تخمینہ لگایا ہے۔ جی ڈی پی نمو کم رہنے کی بنیادی وجہ الف (اقتصادی سرگرمیوں میں سست روی جو کہ مرکزی بینک کی طرف سے معیشت کی اوور ہیٹنگ پر قابو پانے اور تیزی سے کم ہوتے غیر ملکی زرمبادلہ کے ذخائر کو بچانے کے لیے درآمدی پابندیوں کی وجہ سے ہوئی اور ب) سیلابوں کی وجہ سے اہم زرعی فصلوں اور مویشیوں کی بڑے پیمانے پر تباہی، جس کے نتیجے میں بہت زیادہ افراط زر اور شرح سود میں اضافہ ہوا۔

درآمدات میں 27% کی کافی کمی نے بیرونی کھانوں میں لیکچر کو کم کرنے میں مدد کی، جیسا کہ مالی سال 23 کے لیے کرنٹ اکاؤنٹ خسارہ 2.56 بلین امریکی ڈالر ہا جو پچھلے سال کی اسی مدت میں 17.48 بلین امریکی ڈالر تھا (کافی حد تک 85% کمی ہوئی)۔ مزید برآں، ترسیلات زر، جو کہ سفری پابندیوں کے پس منظر میں ایک کلیدی معاون رہیں، مالی سال 23 میں رفتار کم ہونا شروع ہو گئی، کیونکہ ماہانہ ترسیلات زر کی اوسط مالی سال 22 میں 2.6 بلین امریکی ڈالر جبکہ رواں سال میں 2.2 بلین امریکی ڈالر رہی۔

بیرونی قرضوں کی بھاری ادائیگیوں کی وجہ سے، غیر ملکی زرمبادلہ کے ذخائر جون کے اختتام میں بڑے پیمانے پر کم ہو کر 9.18 بلین امریکی ڈالر ہو گئے جو پچھلے سال کے اختتام پر 15.45 بلین امریکی ڈالر تھے۔ زرمبادلہ کی شرح کو بہت زیادہ دباؤ کا سامنا کرنا پڑا کیونکہ 30 جون 2022 کو پاکستانی روپے کی قدر 204.85 پاکستانی روپے سے تقریباً 28% کم ہو کر 285.99 پاکستانی روپے ہو گئی۔ مئی 2023 میں، پاکستانی روپیہ 298.93 کی ہمہ وقتی سطح پر آ گیا، تاہم، IMF پروگرام کو دوبارہ شروع کرنے پر اس نے کچھ بنیادیں بحال ہو گئیں۔ آگے بڑھتے ہوئے، پاکستانی روپیہ سالانہ بنیادوں پر 5%-6% کی نائل سطح پر لاسکتا ہے کیونکہ دوست ممالک سے مکمل آمد اور ملٹی لیٹرل پاکستانی روپیہ کی سلائڈ کو کنٹرول میں رکھیں گے۔

مالی سال 23 کے لیے افراط زر کی اوسط 29.04% رہی، جس کی بنیادی وجہ پاکستانی روپیہ کی قدر میں حد سے زیادہ کمی ہے جس کے نتیجے میں پیٹرول اور دیگر تمام درآمدات سمیت مقامی قیمتیں بڑھ گئیں، جب کہ سیلاب سے ہونے والی تباہی کی وجہ سے خوراک کی قیمتوں میں بہت زیادہ اضافہ ہوا۔

پاکستانی روپیہ کی قدر میں کمی کی وجہ سے بڑھتے ہوئے افراط زر کے دباؤ کے جواب میں اور بڑھتی ہوئی معاشی سرگرمیوں کو کنٹرول کرنے کے لیے، مرکزی بینک نے جون 2023 سے پالیسی شرح کو 825bps تک بڑھا کر 22% کر دیا (30 جون 2022 کو 13.75%)۔

مالیاتی محاذ پر، گزشتہ سال کے مقابلے میں مالی سال 23 میں ٹیکس ریونیو میں 16 فیصد کا شاندار اضافہ ہوا ہے، جبکہ ایف بی آر کے ہدف میں 6 فیصد کمی رہی۔ مالی سال 22 کے ٹیکس ریونیو بریک اپ کے مطابق، براہ راست ٹیکس ریونیو میں 43 فیصد کا اضافہ ہوا ہے، جبکہ ڈیوٹیز اور سیلز ٹیکس سمیت بالواسطہ ٹیکسوں میں 1 فیصد کا اضافہ ہوا ہے جس کی بنیادی وجہ درآمدات میں کمی ہے۔ مزید برآں، سیلاب سے متعلقہ زیادہ مارک اپ اخراجات اور بحالی کے اخراجات کے نتیجے میں مالیاتی خسارہ مالی سال 23 کے لیے جی ڈی پی کے 7.7 فیصد تک پہنچ گیا ہے جو کہ گزشتہ سال کی اسی مدت کے لیے 7.9 فیصد تھا۔

جولائی 2023 میں، پاکستان نے آئی ایم ایف کے ساتھ اسٹینڈ بائی معاہدہ کیا، جس میں 9 ماہ کے عرصے میں 3 بلین امریکی ڈالر کی مالی امداد، جبکہ 1.2 بلین امریکی ڈالر کی ابتدائی تقسیم شامل ہے۔ مزید برآں، ملک کو سعودی عرب اور متحدہ عرب امارات سمیت اپنے دو طرفہ شراکت داروں سے 3 بلین امریکی ڈالر کی مالی مدد بھی حاصل ہوئی، جبکہ مالی سال 24 میں واجب الادا ادائیگیوں کا 50% ادا ہونے کی توقع ہے۔ آئی ایم ایف کے معاہدے کے ساتھ ساتھ ان آمدورفت کے نتیجے میں جون 2023 میں آئی ایم ایف ایکس کے ذخائر 4.4 بلین امریکی ڈالر سے بڑھ کر 8.2 بلین امریکی ڈالر ہو گئے ہیں اور یہ دو طرفہ اور کثیر جہتی ایجنسیوں سے مزید رقم کو راغب کرنے کی صلاحیت رکھتا ہے جو بالآخر مالی سال 24 میں واجب الادا بیرونی قرضوں کی ادائیگی کے انتظام میں ملک کی مدد کرے گا۔