

# First Capital Mutual Fund

## Mission

“At First Capital Mutual Fund we would focus on creating the wealth for unit holders, to conduct ourselves with dignity and the highest ethical standards, to contribute as a good corporate citizen to the society and also to provide a good working environment that will surely stimulate talent and reward hard work.”

## Vision

“To be a leader among Mutual Funds of the country through prudent investments in diversified portfolio for sustained best financial results and continuing maximum yield for the shareholders of First Capital Mutual Fund.”

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# First Capital Mutual Fund

## FUND'S INFORMATION

### Management Company

First Capital Investments Limited

### Board of Directors of the Management Company

Mrs. Aamna Taseer	Chairman / Director
Mr. Shahzad Jawahar	CEO /Director
Syed Nadeem Hussain	Director
Mr. Jawad Saleem	Director

### CFO & Company Secretary of the Management Company

Syed Asad Abbas Ali Zaidi	CFO
Mr. Addul Sattar	Company Secretary

### Audit Committee

Syed Nadeem Hussain	Chairman
Mrs. Aamna Taseer	Member
Mr. Jawad Saleem	Member

### Trustee

Central Depository Company of Pakistan Limited (CDC)  
CDC House, 99-B,S.M.C.H.S., Main Shahra -e-Faisal , Karachi

### Bankers to the Fund

NIB Bank Limited  
MCB Bank Limited  
Habib Metropolitan Bank Limited

### Auditors

A.F. Ferguson & Co,  
Chartered Accountants  
23-C, Aziz Avenue, Canal Bank,  
Gulberg V, P.O. Box 39, Lahore 54660

# First Capital Mutual Fund

## **Legal advisor**

Ebrahim Hosain  
156-1, Scotch Corner, Upper Mall, Lahore.

## **Head Office:**

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No.1, Sarwar Shaheed Road,  
Karachi.  
Ph: (021) 111-226-226

# First Capital Mutual Fund

## Directors' Report

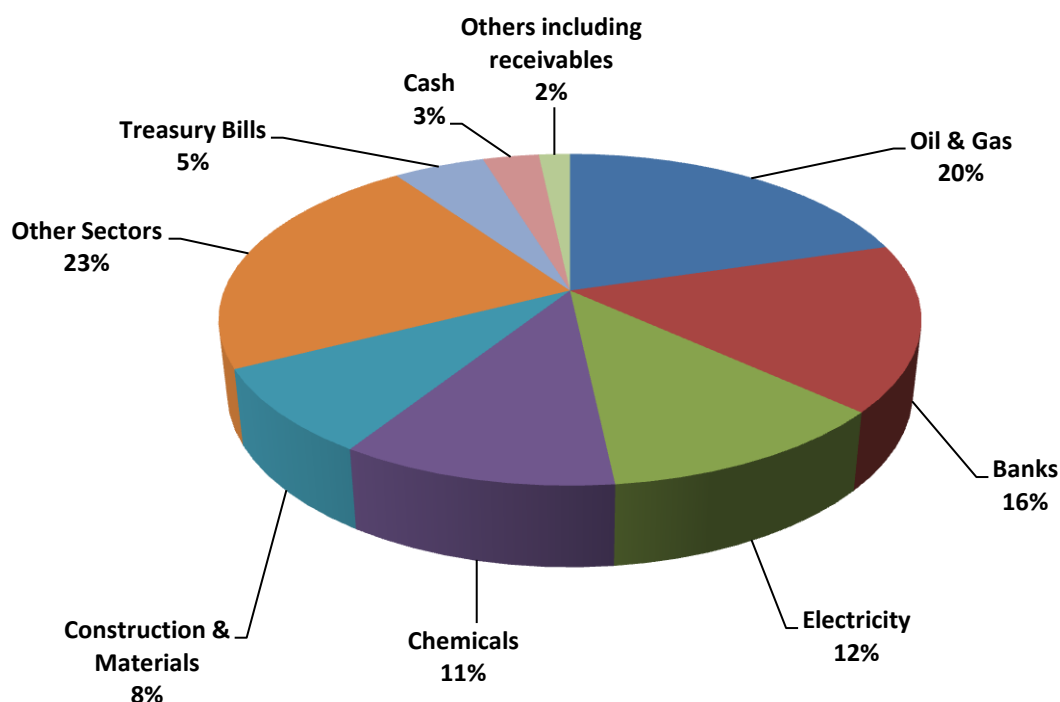
The Board of Directors of First Capital Investments Limited is pleased to present the unaudited financial statements of First Capital Mutual Fund ("FCMF" or "the Fund") for the period from July 30, 2013 to September 30, 2013.

### Fund's Performance

During the period under review the Net Asset Value (NAV) per unit of FCMF has decreased from Rs.10.11 to Rs. 9.2143, thus showing a decrease of 8.86%, as compared to its Benchmark's (KSE-100 index) return of -6.36%, for the same period. Thus, the Fund has underperformed its Benchmark by 2.50%. This underperformance is mainly attributable to conversion cost that has been incurred on the conversion of the Fund from the close end fund to open end fund. The Fund size of FCMF at the end of the period stood at Rs. 270.821million.

KSE-100 index declined by 6.36% during the period under review. Debate on military actions in Syria by US lead coalition, an unexpected increase in discount rate, tough quantitative targets set by the IMF, fall in PKR/USD parity & increase in minimum deposit rate on savings deposits of banks triggered the negative sentiments in the stock market. Rising interest rates negatively affected the local equity market's liquidity. Moreover, further tightening in monetary policy is expected owing to expected increase in inflation to double digits & the stock market is expected to remain range bound in near future.

The asset allocation of the Fund as on 30 September 2013 is as under:



# First Capital Mutual Fund

## Acknowledgment

The Board would like to take this opportunity to thank and appreciate all the unit-holders for their continued support. The board also wishes to place on record its appreciation for the guidance and support extended by the Securities and Exchange Commission of Pakistan, Mutual Funds Association of Pakistan as well as the Stock Exchange. Finally, the board would like to appreciate the commitment, hard work and co-operation shown by the staff and the Trustee.

**For and on behalf of the Board**

**Aamna Taseer**

Chairman / Director

Date: 30 October 2013

Place: Lahore

**Shahzad Jawahar**

Chief Executive Officer/Director

# First Capital Mutual Fund

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2013

	Note	Rupees
<b>Assets</b>		
Bank balances		8,880,965
Investments	4	276,357,637
Dividend and profit receivable		4,260,220
Deposits, prepayments and other receivable		548,863
Advance tax		119,530
<b>Total assets</b>		<b>290,167,215</b>
<b>Liabilities</b>		
Payable to First Capital Investment Limited - Management Company		2,395,682
Payable to Central Depository Company of Pakistan Limited - Trustee		120,822
Payable to Securities and Exchange Commission of Pakistan		73,671
Payable against redemption of units		789,211
Dividend payable		7,353,013
WWF payable	5	6,087,339
Conversion cost payable		2,251,754
Accrued expenses and other liabilities		274,533
<b>Total liabilities</b>		<b>19,346,024</b>
<b>Net Assets</b>		<b>270,821,191</b>
<b>Unit holders' Fund (as per statement attached)</b>		<b>270,821,191</b>
Contingencies and commitments	6	
<b>Number of units in issue</b>		<b>29,391,520</b>
		Rupees
<b>Net asset value per unit</b>		<b>9.2143</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Executive

Director

# First Capital Mutual Fund

## CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIOD FROM JULY 30, 2013 TO SEPTEMBER 30, 2013

	Note	Rupees
<b>INCOME</b>		
Dividend income		6,287,863
Capital loss on sale of investments		(895,535)
Unrealized loss on revaluation of investments - HFT		(31,107,628)
Income from government securities		265,513
Profit on bank deposits		371,958
Back end load		2,920,754
Total Loss		(22,157,075)
<b>EXPENSES</b>		
Remuneration of First Capital Investments Limited - Management Company		1,459,229
Sales tax on remuneration of Management Company		330,439
Remuneration of Central Depository Company of Pakistan Limited - Trustee		120,822
Annual fee - Securities and Exchange Commission of Pakistan		48,856
Conversion cost		2,173,754
Bank and settlement charges		291,939
Auditors' remuneration		144,781
Taxes and duties		100,000
Annual listing fee		28,313
Printing and Postage charges		40,676
Total expenses		4,738,808
<b>Net loss from operating activities</b>		<b>(26,895,884)</b>
Element of (income) / loss and capital (gain) / losses included in prices of units redeemed		643,158
Provision for Workers' Welfare Fund	5	-
<b>Net loss for the period before taxation</b>		<b>(26,252,726)</b>
Taxation	7	-
<b>Net loss for the period after taxation</b>		<b>(26,252,726)</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Executive

Director



# First Capital Mutual Fund

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM JULY 30, 2013 TO SEPTEMBER 30, 2013

---

	Rupees
Net loss for the period after taxation	(26,252,726)
Other comprehensive (loss) / income	-
<b>Total comprehensive loss for the period</b>	<b><u>(26,252,726)</u></b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Executive

Director

# First Capital Mutual Fund

## CONDENSED INTERIM DISTRIBUTION STATEMENT

FOR THE PERIOD FROM JULY 30, 2013 TO SEPTEMBER 30, 2013

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	Rupees
Undistributed income at the beginning of the period	3,320,842
Net loss for the period after taxation	(26,252,726)
<b>Accumulated loss carried forward</b>	<b>(22,931,884)</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Executive

Director

# First Capital Mutual Fund

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE PERIOD FROM JULY 30, 2013 TO SEPTEMBER 30, 2013

	Rupees
<b>Net assets at the beginning of the period</b>	<b>312,320,842</b>
Issue of Nil units	-
Redemption of 1,508,480 units	(14,603,767)
	(14,603,767)
	<hr/>
	297,717,075
Element of income / (loss) and capital gain / (losses) included in prices of units redeemed	(643,158)
	<hr/>
Capital loss on sale of investments	(895,535)
Other net loss for the period	(25,357,191)
	(26,252,726)
	<hr/>
<b>Net assets at the end of the period</b>	<b><u><u>270,821,191</u></u></b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Executive

Director

# First Capital Mutual Fund

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE PERIOD FROM JULY 30, 2013 TO SEPTEMBER 30, 2013

	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the period before taxation	(26,252,726)
<b>Adjustments</b>	
Element of income / (loss) and capital gain / (losses) included in prices of units redeemed	(643,158)
Dividend income	(6,287,863)
Profit on bank deposits	(371,958)
Back end load	(2,920,754)
	(36,476,459)
<b>(Increase) / decrease in assets</b>	
Investments	38,602,985
Deposits, prepayments and other receivable	(200,000)
Advance tax	(44,013)
	38,358,972
<b>Increase / (decrease) in liabilities</b>	
Payable to First Capital Investment Limited - Management Company	1,789,668
Payable to Central Depository Company of Pakistan Limited - Trustee	120,822
Payable to Securities and Exchange Commission of Pakistan	(241,408)
Conversion cost payable	2,251,754
Accrued expenses and other liabilities	(449,141)
	3,471,695
Dividend received	2,100,612
Profit received on bank deposits	432,279
	7,887,100
<b>Net cash inflow from operating activities</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Net payments made against redemption of units	(10,893,803)
Dividend paid	(40,714,284)
	(51,608,087)
<b>Net cash outflow on financing activities</b>	
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(43,720,987)</b>
Cash and cash equivalents at the beginning of the period	52,601,952
<b>Cash and cash equivalents at the end of the period</b>	<b>8,880,965</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Executive

Director

# First Capital Mutual Fund

## NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD FROM JULY 30, 2013 TO SEPTEMBER 30, 2013

### 1. Legal status and nature of business

First Capital Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of First Capital Mutual Fund Limited into an Open end scheme under a Trust deed executed between First Capital investment Limited (FCIL) as management company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The trust deed was executed on August 06, 2013 after being approved by the Securities and Exchange Commission of Pakistan (SECP) on July 30, 2013 in accordance with the provision of Non - Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).

As per the Trust Deed, the Fund shall become operative from the "effective date" upon conversion of First Capital Mutual Fund Limited to an open end scheme. Therefore, these condensed interim financial information have been prepared from July 30, 2013 i-e the "effective date" of conversion.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as trustee of the Fund and the Fund is listed on Lahore Stock Exchange.

### 2 Basis of preparation

#### 2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting', the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. In cases where requirements differ, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.

This is the first set of condensed interim financial information of First Capital Mutual Fund (an open-end scheme) ("FCMF") after the conversion, so there is no corresponding figures to be presented.

### 3 Significant of accounting policies

The principal accounting policies applied in the preparation of these condensed interim financial information are set out below.

#### 3.1 Financial assets

##### 3.1.1 Classification

The Fund classifies its financial assets into the following categories: 'loans and receivables', 'at fair value through profit or loss', 'held to maturity' and available for sale'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

# First Capital Mutual Fund

## **a) Loans and receivables**

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

## **b) At fair value through profit or loss**

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'Financial assets at fair value through profit or loss' category.

## **c) Held to maturity**

These are securities acquired by the fund with the intention and ability to hold them up to maturity.

## **d) Available for sale**

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss or (c) held to maturity investments.

### **3.1.2 Regular way contracts**

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Fund commits to purchase or sell the asset.

### **3.1.3 Initial recognition and measurement**

Financial assets are initially recognized 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 recognized at fair value and transaction costs are expensed in the income statement.

### **3.1.4 Subsequent measurement**

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

#### **a) Basis of valuation of equity securities**

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange.

# First Capital Mutual Fund

## **b) Basis of valuation of government securities**

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

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'.

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to the 'statement of comprehensive income' until these are derecognized or impaired. At this time, the cumulative gain or loss previously recognized directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

Subsequent to initial recognition financial assets classified as 'Loans and receivables' are carried at amortized cost using the effective interest method.

Gain or loss is also recognized in the 'income statement' when financial assets carried at amortized cost are derecognized or impaired, and through the amortization process.

### **3.1.5 Impairment**

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the income statement - is reclassified from unit holders' fund to the income statement. Impairment losses recognized on equity instruments are not reversed through the income statement.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by SECP.

### **3.1.6 Derecognition**

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

### **3.1.7 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

# First Capital Mutual Fund

## 3.2 Cash and cash equivalents

Cash and cash equivalents include demand deposits with banks and other short term highly liquid investments with maturities of three months or less.

## 3.3 Derivatives

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

## 3.4 Financial liabilities

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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

## 3.5 Provisions

Provisions are recognized 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

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed among the unit holders.

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

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



# First Capital Mutual Fund

## 3.7 Redemption of units

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 back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

## 3.8 Element of income / (loss) and capital gains / (losses) included in prices of units redeemed

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

Upon redemption of units, the "element of income/(loss) and capital gains/(losses) in prices of units issued less those in units redeemed" account is debited /credited with the amount representing net income/ (loss) and capital gains/(losses) accounted for in the net asset value and included in the redemption price.

The net "element of income/ (loss) and capital gains/ (losses) in prices of units redeemed" during an accounting period is transferred to the income statement.

## 3.9 Net asset value per unit

The Net Asset Value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

## 3.10 Revenue recognition

- Capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

- Dividend income is recognized when the right to receive the Dividend is established.

-Income on government securities and bank deposits is recognized on an accrual basis.

	Note	September 30, 2013 Rupees
<b>4 Investments</b>		
<b>At fair value through profit or loss - Held for trading</b>		
Listed equity securities	4.1	261,854,281
Derivative financial instruments - Un realized gain on letter of rights		41,321
Government securities	4.2	14,462,035
		<b>276,357,637</b>

# First Capital Mutual Fund

## 4.1 Investments at fair value through profit or loss - Held for trading - Listed Equity securities

Name of Investee company	Number of shares					Balance as at September 30, 2013		% of investee company paid up capital	% of Net assets
	As at July 30, 2013	Purchases during the period	Bonus issue during the period	Sales during the period	As at September 30, 2013	Carrying value	Market Value		
<b>Automobile &amp; Parts</b>									
HONDA ATLAS CARS (PAKISTAN) LIMITED	-	21,000	-	-	21,000	1,007,399	861,000	0.01%	0.32%
INDUS MOTOR COMPANY LIMITED	20,000	-	-	-	20,000	7,054,000	6,510,000	0.03%	2.40%
PAK SUZUKI MOTOR COMPANY LIMITED	5,500	-	-	-	5,500	844,415	770,000	0.01%	0.28%
	<b>25,500</b>	<b>21,000</b>	<b>-</b>	<b>-</b>	<b>46,500</b>	<b>8,905,814</b>	<b>8,141,000</b>	<b>0.05%</b>	<b>3.01%</b>
<b>Construction And Materials</b>									
ATTOCK CEMENT PAKISTAN LIMITED	25,000	-	3,750	5,000	23,750	3,695,500	3,126,688	0.02%	1.15%
AKZO NOBEL PAKISTAN LIMITED	29,346	-	-	5,000	24,346	1,607,564	1,923,091	0.05%	0.71%
D.G. KHAN CEMENT COMPANY LIMITED	49,900	-	-	-	49,900	4,575,331	3,436,613	0.01%	1.27%
FAUJI CEMENT COMPANY LIMITED	200,000	-	-	-	200,000	3,366,000	2,170,000	0.02%	0.80%
KOHAT CEMENT COMPANY LIMITED	75,000	-	-	-	75,000	9,316,500	6,942,750	0.06%	2.56%
LAFARGE PAKISTAN CEMENT LIMITED	200,000	-	-	-	200,000	2,148,000	1,420,000	0.02%	0.52%
LUCKY CEMENT LIMITED	20,000	-	-	-	20,000	4,760,400	4,625,800	0.01%	1.71%
MAPLE LEAF CEMENT FACTORY LIMITED	41,000	-	-	-	41,000	1,271,410	876,580	0.01%	0.32%
	<b>640,246</b>	<b>-</b>	<b>3,750</b>	<b>10,000</b>	<b>633,996</b>	<b>30,740,705</b>	<b>24,521,521</b>	<b>0.20%</b>	<b>9.05%</b>
<b>Chemicals</b>									
CLARIANT PAKISTAN LIMITED	15,000	-	-	10,000	5,000	1,547,200	1,158,950	0.01%	0.43%
ENGRO CORPORATION LIMITED	20,000	20,000	-	-	40,000	6,240,085	5,431,200	0.01%	2.01%
FATIMA FERTILIZER COMPANY LIMITED	50,000	-	-	-	50,000	1,288,500	1,300,000	0.00%	0.48%
FAUJI FERTILIZER BIN QASIM LIMITED	30,000	-	-	-	30,000	1,259,100	1,128,000	0.00%	0.42%
FAUJI FERTILIZER COMPANY LIMITED	200,000	-	-	-	200,000	21,998,000	20,274,000	0.02%	7.49%
ICI PAKISTAN LIMITED	10,088	-	-	-	10,088	1,708,705	1,796,572	0.01%	0.66%
LOTTE CHEMICAL PAKISTAN LIMITED	50,000	-	-	-	50,000	384,000	335,500	0.00%	0.12%
	<b>375,088</b>	<b>20,000</b>	<b>-</b>	<b>10,000</b>	<b>385,088</b>	<b>34,425,590</b>	<b>31,424,222</b>	<b>0.05%</b>	<b>11.60%</b>
<b>Industrial Metals &amp; Mining</b>									
AISHA STEEL MILLS LIMITED - PREFERENCE SHARES	9,500	-	-	-	9,500	76,475	90,155	0.01%	0.03%
CRESCENT STEEL & ALLIED PRODUCTS LIMITED	-	15,000	1,500	-	16,500	997,495	805,860	0.03%	0.30%
	<b>9,500</b>	<b>15,000</b>	<b>1,500</b>	<b>-</b>	<b>26,000</b>	<b>1,073,970</b>	<b>896,015</b>	<b>0.04%</b>	<b>0.33%</b>
<b>Electricity</b>									
THE HUB POWER COMPANY LIMITED	260,500	-	-	-	260,500	17,698,370	16,601,665	0.02%	6.13%
KOT ADDU POWER COMPANY LIMITED	100,000	-	-	-	100,000	5,966,000	6,378,000	0.01%	2.36%
NISHAT CHUNIAN POWER LIMITED	100,002	-	-	-	100,002	3,563,071	3,596,072	0.03%	1.33%
NISHAT POWER LIMITED	100,000	-	-	-	100,000	3,450,000	3,080,000	0.03%	1.14%
PAKGEN POWER LIMITED	200,000	-	-	-	200,000	4,926,000	4,036,000	0.05%	1.49%
	<b>760,502</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>760,502</b>	<b>35,603,441</b>	<b>33,691,737</b>	<b>0.14%</b>	<b>12.44%</b>
<b>Non Life Insurance</b>									
ADAMJEE INSURANCE COMPANY LIMITED	-	25,000	-	-	25,000	2,072,500	1,853,000	0.02%	0.68%
SHAHEEN INSURANCE COMPANY LIMITED	2,005,818	-	-	-	2,005,818	14,702,646	12,135,199	6.69%	4.48%
	<b>2,005,818</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>2,030,818</b>	<b>16,775,146</b>	<b>13,988,199</b>	<b>0.07</b>	<b>5.17%</b>
<b>Financial Services</b>									
FIRST CAPITAL EQUITIES LIMITED	128,395	-	-	-	128,395	6,143,701	6,143,701	0.12%	2.27%
	<b>128,395</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,395</b>	<b>6,143,701</b>	<b>6,143,701</b>	<b>0.12%</b>	<b>2.27%</b>

# First Capital Mutual Fund

Name of Investee company	Number of shares					Balance as at September 30, 2013		% of investee company paid up capital	% of Net assets
	As at July 30, 2013	Purchases during the period	Bonus issue during the period	Sales during the period	As at September 30, 2013	Carrying value	Market Value		
<b>Industrial Engineering</b>									
AL-GHAZI TRACTORS LIMITED	5,400	-	-	-	5,400	1,103,382	1,088,154	0.01%	0.40%
MILLAT TRACTORS LIMITED	20,060	-	2,006	-	22,066	10,518,461	10,449,354	0.05%	3.86%
	<b>25,460</b>	<b>-</b>	<b>2,006</b>	<b>-</b>	<b>27,466</b>	<b>11,621,843</b>	<b>11,537,508</b>	<b>0.060%</b>	<b>4.26%</b>
<b>Food Producers</b>									
ENGRO FOODS LIMITED	25,000	-	-	-	25,000	3,678,250	2,542,250	0.00%	0.94%
	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>3,678,250</b>	<b>2,542,250</b>	<b>0.00%</b>	<b>0.94%</b>
<b>Personal Goods</b>									
GADOON TEXTILE MILLS LIMITED	4,590	-	-	-	4,590	696,441	697,680	0.02%	0.26%
IBRAHIM FIBRES LIMITED	500	-	-	-	500	26,475	23,285	0.00%	0.01%
NISHAT (CHUNIAN) LIMITED	100,000	-	-	-	100,000	6,469,000	5,628,000	0.05%	2.08%
NISHAT MILLS LIMITED	-	51,000	-	-	51,000	4,913,575	4,726,170	0.01%	1.75%
	<b>105,090</b>	<b>51,000</b>	<b>-</b>	<b>-</b>	<b>156,090</b>	<b>12,105,490</b>	<b>11,075,135</b>	<b>0.08%</b>	<b>4.09%</b>
<b>Fixed Line Telecommunication</b>									
PAKISTAN TELECOMMUNICATION COMPANY LTD.	514,000	-	-	114,000	400,000	10,900,000	10,464,000	0.01%	3.86%
	<b>514,000</b>	<b>-</b>	<b>-</b>	<b>114,000</b>	<b>400,000</b>	<b>10,900,000</b>	<b>10,464,000</b>	<b>0.01%</b>	<b>3.86%</b>
<b>Banks</b>									
ALLIED BANK LIMITED	99,450	-	-	-	99,450	7,826,715	7,674,557	0.01%	2.83%
ASKARI BANK LIMITED	26,270	-	-	-	26,270	392,211	335,993	0.00%	0.12%
BANK ALFALAH LIMITED	475,000	-	-	175,000	300,000	6,393,000	6,282,000	0.02%	2.32%
BANK AL HABIB LIMITED	102,000	-	-	-	102,000	3,262,980	3,699,540	0.01%	1.37%
THE BANK OF PUNJAB	99,859	-	-	-	99,859	1,337,112	1,098,449	0.01%	0.41%
FAYSAL BANK LIMITED	59,999	40,000	-	-	99,999	1,121,389	1,038,990	0.01%	0.38%
HABIB BANK LIMITED	25,000	42,500	-	-	67,500	11,178,905	10,291,050	0.01%	3.80%
MCB BANK LIMITED	-	10,000	-	-	10,000	2,896,798	2,630,500	0.00%	0.97%
NATIONAL BANK OF PAKISTAN	345,250	-	-	195,000	150,250	8,295,303	7,405,823	0.01%	2.73%
UNITED BANK LIMITED	50,400	-	-	-	50,400	6,072,696	6,684,552	0.00%	2.47%
	<b>1,283,228</b>	<b>92,500</b>	<b>-</b>	<b>370,000</b>	<b>1,005,728</b>	<b>48,777,108</b>	<b>47,141,453</b>	<b>0.08%</b>	<b>17.41%</b>
<b>Oil &amp; Gas</b>									
NATIONAL REFINERY LIMITED	7,500	-	-	-	7,500	2,012,175	1,550,250	0.01%	0.57%
OIL & GAS DEVELOPMENT COMPANY LIMITED	-	10,000	-	-	10,000	2,652,005	2,350,200	0.00%	0.87%
PAKISTAN OILFIELDS LIMITED	40,000	-	-	-	40,000	20,911,600	17,149,200	0.02%	6.33%
PAKISTAN PETROLEUM LIMITED	90,000	10,000	20,000	20,000	100,000	20,885,369	19,060,000	0.01%	7.04%
PAKISTAN STATE OIL COMPANY LIMITED	42,400	30,500	-	-	72,900	24,466,202	19,107,090	0.03%	7.06%
	<b>179,900</b>	<b>50,500</b>	<b>20,000</b>	<b>20,000</b>	<b>230,400</b>	<b>70,927,351</b>	<b>59,216,740</b>	<b>0.07%</b>	<b>21.87%</b>
<b>Pharma &amp; Bio Tech</b>									
GLAXOSMITHKLINE PAKISTAN LIMITED	10,000	-	-	-	10,000	1,316,600	1,070,800	0.00%	0.40%
	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>1,316,600</b>	<b>1,070,800</b>	<b>0.00%</b>	<b>0.40%</b>
	<b>6,087,727</b>	<b>275,000</b>	<b>27,256</b>	<b>524,000</b>	<b>5,865,983</b>	<b>292,995,009</b>	<b>261,854,281</b>		<b>96.69%</b>

# First Capital Mutual Fund

## 4.2 At fair value through profit or loss - Held for trading - Government securities

Issue Date	Tenor	Face value				Balance as at September 30, 2013		Market value as percentage of net assets	Market value as percentage of Investments
		As at July 30, 2013	Purchases during the period	Matured during the period	As at September 30, 2013	Carrying value	Market value		
Rupees									
May 16, 2013	03 months	18,000,000	-	18,000,000	-	-	-	-	-
May 30, 2013	03 months	14,625,000	-	14,625,000	-	-	-	-	-
August 22, 2013	03 months	-	14,625,000	-	14,625,000	14,470,256	14,462,035	5.34%	5.23%
		<b>32,625,000</b>	<b>14,625,000</b>	<b>32,625,000</b>	<b>14,625,000</b>	<b>14,470,256</b>	<b>14,462,035</b>	<b>5.34%</b>	<b>5.23%</b>

## 5 Workers' Welfare Fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the ground that MUFAP is not an aggrieved party.

Subsequently, clarifications were issued by the Ministry of Labor and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Other mutual funds to whom notices were issued by the FBR also took up the matter with FBR for their withdrawal.

Further, a fresh Constitutional Petition has been filed with the Honorable High Court of Sindh by a CIS / mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds / voluntary pension funds being pass-through vehicles / entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The proceedings of the Honorable Court in this matter have concluded and the Honorable Court has reserved its decision.

The Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The management company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the management company has accounted for WWF in financial statements.

## 6 Contingencies and commitments

There are no contingencies and commitment as at September 30, 2013.

## 7 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 if not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the management company intends to distribute at least 90 percent of the Fund's accounting income for the current period as reduced by capital gains (whether realized or

# First Capital Mutual Fund

unrealized) to its unit holders.

## 8 Transaction with connected persons

Connected persons include First Capital Investments Limited (FCIL) being the management company, Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund and First Capital Equities Limited.

Transactions with connected persons are in the normal course of business and on arm's length basis. Details of transactions and balances with connected persons are as follows:

		Rupees
<b>8.1</b>	<b>Transactions during the period</b>	
	Remuneration to First Capital Investments Limited - management company	1,789,668
	Trustee fee to Central Depository Company of Pakistan Limited - Trustee	120,822
	CDS charges	291,939
	Brokerage expense - First Capital Equities Limited	6,900
		<b>September 30, 2013</b>
		Rupees
<b>8.2</b>	<b>Balances outstanding at the period end</b>	
	Remuneration payable to First Capital Investments Limited - management company	2,395,682
	Receivables from First Capital Investments Limited - management company	211,363
	Payable to Central Depository Company of Pakistan Limited - Trustee	120,822
	Deposits with CDC	337,500

# First Capital Mutual Fund

## 9 Date of authorization for issue

This condensed interim financial information has been authorized for issue on \_\_\_\_\_ by the Board of Directors of the management company.

## 10 General

Figures have been rounded off to the nearest rupee.

For First Capital Investments Limited  
(Management Company)

Chief Executive

Director