

# First Capital Mutual Fund

## **CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 31-DEC-17**

# First Capital Mutual Fund

## M I S S I O N

At First Capital Mutual Fund we would focus on creating wealth for unitholders, 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.

## V I S I O N

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

# First Capital Mutual Fund

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## FUND'S INFORMATION

### Management Company

First Capital Investments Limited

### Board of Directors of the Management Company

Syed Nadeem Hussain	Chairman/Director	Independent
Imran Hafeez	CEO/Director	Executive
Jawad Saleem	Director	Independent
Asif Pervaiz	Director	Non-Executive

### CFO and Company Secretary of the Management Company

Chief Financial Officer	Syed Asad Abbas Ali Zaidi
Company Secretary	Abdul Sattar

### Audit Committee

Jawad Saleem	Chairman
Syed Nadeem Hussain	Member
Asif Pervaiz	Member

### HR&R Committee

Syed Nadeem Hussain
Imran Hafeez
Jawad Saleem

### Trustee

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

### Registrar & Transfer Agent

IT MINDS Limited  
-A Subsidiary of CDC  
BPO Services, CDC House 99  
Block-B, SMCHS, Main  
Shahrah-e-Faisal, Karachi-74400  
Tel: 021-111-111-500-1510

### Bankers to the Fund

Habib Metropolitan Bank  
Limited  
MCB Bank Limited

### Auditors of the Fund

KPMG Taseer Hadi & Co.  
Chartered Accountants

### Auditors of the Management Company

Nasir Javaid Maqsood Imran  
Chartered Accountants

### Legal Advisor

Muhammad Akbar Haroon

### Head Office & Registered Office

2nd Floor, Pace Shopping  
Mall, Fortress Stadium,  
Lahore Cantt, Lahore  
Tel: 042-366230005-6-8  
Fax:042-36623121-22

### Islamabad Office

Office No. 221, 2nd Floor, ISE  
Tower, Jinnah Avenue,  
Islamabad  
Tel: 051-8356031-34,  
2894201-4  
Fax: 051-2894206

### Karachi Office

4th Floor, Lakson Square  
Building No. 1, Sarwar  
Shaheen Road, Karachi  
Tel: 021-111-226-226  
Fax: 021-35656710

# First Capital Mutual Fund

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## DIRECTORS' REVIEW

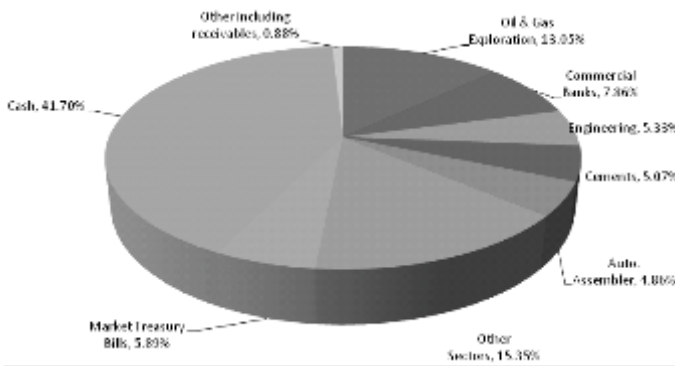
The Board of Directors of First Capital Investments Limited ("FCIL" or "Management Company") is pleased to present the reviewed financial statements of First Capital Mutual Fund ("FCMF" or "the Fund" or "the Scheme") for the half year ended December 31, 2017.

### Fund's Performance

During the period under review, the Fund has reported total comprehensive loss of Rs. 37.68 million as compared to profit of Rs. 41.73 million in the corresponding period last year. Capital loss on sale of Investments is Rs. 38.06 million as compared to gain of Rs. 23.02 million in the same period last year. Dividend income has decreased to Rs. 3.19 million from Rs. 5.00 million during the period under review. The Fund has also reported unrealized diminution on re-measurement of investments at fair value through loss of Rs. 0.30 million during half year ended December 31, 2017 as compared to profit of Rs. 17.10 million in the same period last year. The total expenses of the Fund for the period under review has decreased to Rs. 3.72 million as compared to Rs. 4.07 million in the same period last year.

The Net Asset Value (NAV) per unit of FCMF has decreased from Rs. 12.5359 to Rs. 9.8678, thus showing a return of -18.34% as compared to its Benchmark's (KSE-100 index) return of -13.09%. The Fund has underperformed its Benchmark by 5.25% mainly on the back of low-weight in Oil & Gas Exploration sector, Tobacco sector and Fertilizer sector as compared to benchmark. During the period under review, the Fund changed its exposure in various sectors/ scrips as per their fundamentals to generate better return for their investors. The Fund adjusted its weight in Oil & Gas sector on the back of various factors related to international oil prices and also changed the exposure in Cement and Banking sectors due to their fundamentals. Going forward, the management of the Fund intends to focus on augmenting the wealth of investors through investments geared toward securing maximum returns whilst simultaneously offsetting resultant risks through efficient diversification across sectors with low correlation amongst them. The management of the company is continuously striving toward achieving this objective. The Net Assets of FCMF as at December 31, 2017 stood at Rs. 161.95 million as compared to Rs. 208.15 million as at June 30, 2017.

The asset allocation of the Fund as on 31 December 2017 is as under:



### Equity Market Review

During the period under review the return of KSE-100 index has decreased by 13.09% as compared to gain of 26.53% during the same period last year.

The period under review commenced with negative note due to political uncertainty after disqualification of prime minister. President Trump's allegation that Pakistan offers safe haven to terrorist organizations and penalty imposition on HBL's New York branch also led to further decline in Pakistan stock market. Further, Uncertainty on external account and uninteresting corporate results for the September quarter also deteriorated investor's confidence.

# First Capital Mutual Fund

During the month of November 2017 KSE-100 (the benchmark) recorded a meager increase of 399 points, an increase of 0.99%MoM and concluded on -14.08% during the FY-year. This depressed increase of the market throughout the month is backed by uncertain political & economic situation. Further, the 21-day prolonged sit-in in the Federal Capital by a religious group also shook the investors' confidence in the equity market. During the month of December 2017 KSE-100 remained volatile due to rise in both domestic & regional political noise, dwindled economical condition in the shape of widening of Current Account Deficit (CAD) and a mix of positive and negative news flows in the market.

## **Income Distribution**

The Board of Directors of the Management Company has decided to pay Rs. nil dividend per unit for the period ended December 31, 2017.

## **Declaration by Directors**

As required under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of Asset Management Company state that the financial statements of the Fund for the half year ended December 31, 2017 give a true and fair view of the 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 and Mutual Funds Association of Pakistan. 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 of  
First Capital Investments Limited

**Asif Pervaiz**  
Director  
Date: February 26, 2018  
Place: Lahore

**Imran Hafeez**  
Chief Executive Officer/Director

# First Capital Mutual Fund

## ڈائریکٹرز کا تجزیہ

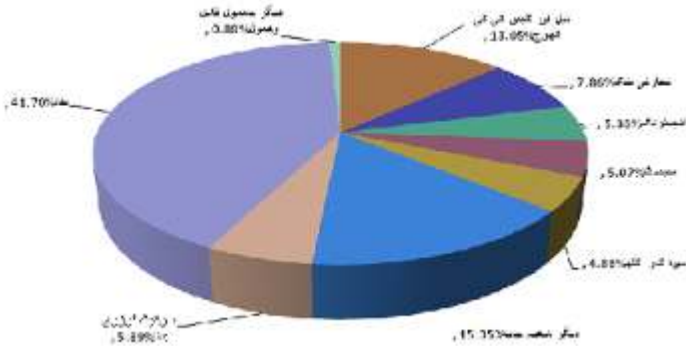
31 دسمبر 2017ء کو اختتام پذیر نصف سال کے لئے فرسٹ کیپٹل انویسٹمنٹس لمیٹڈ ("FCIL" یا "انتظامی کمپنی") کے ڈائریکٹرز فرسٹ کیپٹل میچول فنڈ ("FCMF" یا "فنڈ" یا "سکیم") کی تجزیاتی مالیاتی رپورٹ پیش کرنے میں فرختموں کرتے ہیں۔

### فنڈ کی کارکردگی

زیر جائزہ دورانہ میں، فنڈ نے گزشتہ سال کی اسی مدت کے 41.73 ملین روپے کے نفع کے مقابلہ میں رواں برس کل مجموعی خسارہ 37.68 ملین روپے رپورٹ کیا۔ گزشتہ سال کی اسی مدت کے دوران 23.02 ملین روپے کے منافع کے مقابلہ میں انویسٹمنٹس کی فروخت پر سرمایہ میں اس سال 38.06 ملین روپے نقصان رپورٹ کیا گیا۔ زیر جائزہ دورانہ میں منافع منقسمہ کی مد میں آمدنی 5.00 ملین روپے سے کم ہو کر 3.19 ملین روپے رہ گئی۔ فنڈ نے گزشتہ سال کی اسی مدت میں 17.10 ملین روپے کے منافع کے مقابلہ 31 دسمبر 2017ء کو اختتام پذیر نصف سالہ مدت میں انویسٹمنٹس کے دوبارہ تخمینہ پر غیر موصول شدہ تخفیف کی مد میں 0.30 ملین روپے کا خسارہ رپورٹ کیا گیا۔ گزشتہ سال کی اسی مدت میں 4.07 ملین روپے سے کم ہو کر زیر جائزہ مدت کے دوران 3.72 ملین روپے کے کل اخراجات رہ گئے۔

FCMF کی فی حصص نیٹ ایسٹ ویلیو (NAV) 12.5359 روپے سے 9.8678 کم ہو گئی ہے جو بیچ مارک (KSE-100 انڈیکس) کے 13.09- فیصد ریٹرن کے مقابلہ میں 18.34- فی صد ریٹرن ظاہر کرتا ہے۔ تیل اور گیس کی تلاش کے شعبہ اور ترمبا کو اور کھاد کے شعبہ میں کم حجم کی وجہ سے فنڈ کے بیچ مارک نے KSE-100 انڈیکس کے مقابلہ میں 5.25 فی صد کم کارکردگی دکھائی۔ زیر جائزہ مدت کے دوران، فنڈ نے اپنے سرمایہ داران کے لئے بہتر ریٹرن کے حصول کو یقینی بنانے کی غرض سے متعدد شعبوں میں اپنی بنیادی ترجیحات کو تبدیل کیا۔ فنڈ نے متعدد عموال یعنی بین الاقوامی سطح پر تیل کی قیمتوں میں رد و بدل کی وجہ سے آئل اور گیس سیکٹر میں اپنے حجم کو تبدیل کیا اور ان کی بنیادی ترجیحات کی وجہ سے سینٹ اور بکنگ شعبہ میں اپنی مداخلت میں تبدیلی لایا۔ مزید برآں، فنڈ کی انتظامیہ تمام شعبوں کے مابین قلیل رابطہ کے ساتھ تسلی بخش تبدیلی کے ذریعے لگا تار نتائج مرتب کرتے ہوئے انویسٹمنٹس کے ذریعے سرمایہ داروں کی آمدنی میں اضافہ پر بھرپور توجہ دینے ہوئے ہے۔ 30 جون 2017ء میں 208.15 ملین روپے کے مقابلہ میں 31 دسمبر 2017ء میں FCMF کے خالص اثاثہ جات 161.95 ملین روپے رہے۔

31 دسمبر 2017ء میں فنڈ کے اثاثہ جات کا تعین حسب ذیل ہے:



### ایکویٹی مارکیٹ کا جائزہ

گزشتہ سال کی اسی مدت کے دوران 26.53 فی صد آمدنی کے مقابلہ میں زیر جائزہ مدت کے دوران KSE-100 انڈیکس 13.09 فی صد گر گیا۔



# First Capital Mutual Fund

زیر جائزہ مدت وزیراعظم کی نااہلی کے بعد سیاسی غیر یقینی کی صورت حال کی وجہ سے منفی رجحان سے شروع ہوا۔ دہشت گردی کی تنظیموں کے لئے محفوظ پناہ گاہیں دینے کا صدر ٹرمپ کے پاکستان مخالف بیان اور HBL نیویارک برانچ پر عائد جرمانہ کی وجہ سے پاکستان سٹاک مارکیٹ میں مزید مندی کا رجحان رہا۔ مزید یہ کہ بیرونی عدم استحکام اور متبرکی سے مابھی میں غیر یقینی کاروباری نتائج کی وجہ سے سرمایہ داروں کے اعتماد میں کمی واقع ہوئی۔

نومبر 2017ء میں KSE-100 انڈیکس (سچ مارک) میں 399 پوائنٹس کا اضافہ ہوا۔ 0.99 فی MoM اضافہ کی وجہ سے مالی سال کے دوران 14.08 فی صد نتائج سامنے آئے۔ اس ماہ کے دوران مارکیٹ میں یہ مایوس کن اضافہ سیاسی اور معاشی بے چینی کی وجہ سے ہوا۔ مزید یہ کہ، وفاقی دارالحکومت میں ایک مذہبی گروہ 216 ڈلوں کا طویل دھرنے کی وجہ سے ایکویٹی مارکیٹ میں سرمایہ داروں کا اعتماد کم ہو گیا۔ دسمبر 2017ء میں KSE-100 انڈیکس داخلی اور مقامی سیاسی شورش اور کرنٹ اکاؤنٹ خسارہ میں اضافہ کی وجہ سے معاشی حالات میں خرابی اور منڈی میں مثبت اور منفی خبروں کا تبادلہ کی وجہ سے غیر مستحکم رہا۔

## منافع مقصد

انتظامی کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2017ء کو اختتام پذیر مدت کے لئے 0 روپے فی حصص تقسیم کا فیصلہ کیا ہے۔

## ڈائریکٹرز کا اعلامیہ

نان بینکنگ مالیاتی کمپنیز اور نوٹی فائیز قواعد 2008ء کے تحت اثاثوں کے ایسٹیمٹمنٹ کمپنی کے ڈائریکٹرز بیان کرتے ہیں کہ 31 دسمبر 2017ء کو اختتام پذیر نصف سال کے لئے فنڈ نے اپنا درست اور شفاف جائزہ پیش کیا ہے۔

## اعتراف

بورڈ تمام یونٹ ہولڈرز کی مسلسل حمایت کی قدر کرتا ہے اور ان کا تہ دل سے شکر یہ ادا کرتا ہے۔ بورڈ سیکورٹی ریویژن اینڈ اینٹی کوریپشن کمیشن آف پاکستان اور سٹیبل فنڈز ایسوسی ایشن آف پاکستان کی مسلسل رہنمائی اور مدد کے لئے ان کی خدمات کو خراج تحسین پیش کرتا ہے۔ آخر میں، بورڈ سٹاف اور ڈسٹری بیوٹرز کی جانب سے عزم، محنت اور تعاون کو بھی قدر کی نگاہ سے دیکھتا ہے۔

بورڈ آف فرسٹ کیپٹل انویسٹمنٹس لمیٹڈ کی جانب سے/ کے لئے

عمران حفیظ  
چیف ایگزیکٹو آفیسر/ ڈائریکٹر

آصف پرویز  
ڈائریکٹر  
مؤرخہ: 26 فروری، 2018ء  
مقام: لاہور

# First Capital Mutual Fund

## CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:  
C/O. House, 940, Block 'B',  
S.M.C.H.S. Main Shalimar Estate,  
Karachi - 74400, Pakistan.  
Tel: (92-21) 311-111-530  
Fax: (92-21) 34329020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



## TRUSTEE REPORT TO THE UNIT HOLDERS

### FIRST CAPITAL MUTUAL FUND

#### Report of the Trustee pursuant to Regulation 4(b) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of First Capital Mutual Fund (the Fund) are of the opinion that First Capital Investments Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2009 in accordance with the provisions of the following:

- (i) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (ii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2005, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

However, with respect to the limitations imposed on the investment powers of the Management Company under the constitutive documents, the Fund was not compliant during the period with the requirement of offering document as well as Circular 7 of 2005 dated March 26, 2009 of the Securities and Exchange Commission of Pakistan (the Commission) which requires the equity scheme to remain invested to the extent of at least 70 % of its net assets in listed equity securities during the year based on quarterly average investment calculated on daily basis. Whereas, the Fund has made investment in the listed equity securities ranging from 48% to 58%.

The above issue was taken up with the Management Company and we were informed that due to prevailing market condition the management have decided to reduce the Fund's exposure in listed equity securities which has resulted the said non-compliance. We being the Trustee of the Fund reported the said issue to the Commission.

  
Afroz Ahmed Diwan  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 28, 2010



# First Capital Mutual Fund

## **Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Information**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of First Capital Mutual Fund("the Fund")as at 31 December 2017 and the related condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts for the six months period then ended (here-in-after referred to as the"condensed interim financial information").FirstCapital Investment Limited ("Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

### **Other matters**

The figures for the quarter ended 31 December 2017 and 31 December 2016 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Lahore  
Date: February 26, 2018

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**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**(Kamran Iqbal Yousafi)**

# First Capital Mutual Fund

## Condensed Interim Statement of Assets and Liabilities (Un-audited) As at 31 December 2017

		(Un-Audited) 31 December 2017	(Audited) 30 June 2017
<b>Assets</b>	<b>Note</b>	----- Rupees -----	
Bank balances	7	83,973,252	3,418,018
Investments	8	115,558,864	221,458,116
Dividend and profit receivable - unsecured, considered good	9	570,529	362,597
Advances, deposits, prepayments and other receivables	10	1,176,479	1,108,193
<b>Total assets</b>		<b>201,279,124</b>	<b>226,346,924</b>
<b>Liabilities</b>			
Payable to First Capital Investment Limited - Management Company			
- against remuneration	11	5,391,082	5,027,607
- other payables		100,919	245,375
Payable to Central Depository Company of Pakistan Limited - Trustee		67,183	65,013
Payable to Securities and Exchange Commission of Pakistan		84,842	207,043
Payable against purchase of investments		19,720,179	-
Accrued and other liabilities		1,009,875	982,302
Unclaimed dividend	12	12,951,249	11,672,005
<b>Total liabilities</b>		<b>39,325,329</b>	<b>18,199,345</b>
<b>Net assets</b>		<b>161,953,795</b>	<b>208,147,579</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>161,953,795</b>	<b>208,147,579</b>
<b>Contingencies and commitments</b>	13		
		(Number of units)	
<b>Number of units in issue</b>		<b>16,412,378</b>	<b>16,604,097</b>
		-----Rupees-----	
Net assets value per unit (face value per unit Rs. 10/-)		<b>9.8678</b>	<b>12.5359</b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# First Capital Mutual Fund

## Condensed Interim Income Statement (Un-audited) For the half year and Quarter Ended 31 December 2017

	Note	Half year ended		Quarter year ended	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Rupees		Rupees	
<b>Income</b>					
Capital (loss) / gain on sale of investments - net		(38,056,062)	23,021,095	(37,918,241)	18,577,493
Dividend income		3,188,467	5,002,827	1,876,361	3,114,905
Income from government securities		357,563	525,546	178,742	262,200
Profit on bank deposits		852,933	294,943	754,353	220,422
Net unrealized (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	8.1	(299,921)	17,102,091	26,235,151	5,517,851
<b>Total (loss) / income</b>		<b>(33,957,020)</b>	<b>45,946,502</b>	<b>(8,873,634)</b>	<b>27,692,871</b>
<b>Expenses</b>					
Remuneration to First Capital Investment Limited - Management Company		(1,786,162)	(2,062,060)	(821,132)	(1,031,805)
Punjab Sales Tax on Management Company's remuneration		(285,786)	(329,930)	(131,381)	(165,089)
Remuneration to Central Depository Company - Trustee		(352,877)	(352,875)	(176,439)	(176,437)
Sindh Sales Tax on remuneration of trustee		(45,875)	(45,874)	(22,938)	(22,937)
Annual fee to Securities and Exchange Commission of Pakistan		(84,843)	(97,948)	(39,006)	(49,011)
Securities transaction costs		(313,068)	(465,580)	(261,052)	(419,434)
Accounting and operational charges		(89,308)	(103,103)	(41,056)	(51,590)
Sindh Sales tax on accounting and operational charges		(11,610)	(8,248)	(5,337)	(4,127)
Auditors' remuneration		(530,676)	(480,856)	(265,338)	(216,199)
Annual listing fee		(15,123)	(15,122)	(7,563)	(7,562)
Legal and professional charges		(5,681)	-	(5,681)	-
Fund's rating fee		(70,757)	(70,757)	(35,379)	(35,379)
Printing and postage charges		(120,245)	(25,206)	(72,803)	(25,206)
Bank and settlement charges		(10,914)	(10,112)	(8,753)	(5,837)
<b>Total operating expenses</b>		<b>(3,722,925)</b>	<b>(4,067,671)</b>	<b>(1,893,858)</b>	<b>(2,210,613)</b>
<b>Net (loss) / income from operating activities</b>		<b>(37,679,945)</b>	<b>41,878,831</b>	<b>(10,767,492)</b>	<b>25,482,258</b>
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in the units redeemed - net		-	(151,870)	-	57,122
<b>Net (loss) / income for the period before taxation</b>		<b>(37,679,945)</b>	<b>41,726,961</b>	<b>(10,767,492)</b>	<b>25,539,380</b>
Taxation	14	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(37,679,945)</b>	<b>41,726,961</b>	<b>(10,767,492)</b>	<b>25,539,380</b>
<b>Earnings per unit</b>	15	-	-	-	-
<b>Allocation of net (loss) / income for the period</b>					
- Net loss for the period		(37,679,945)	-	(10,767,492)	-
- Income already paid on units redeemed		-	-	-	(10,767,492)
		<b>(37,679,945)</b>		<b>(10,767,492)</b>	
<b>Accounting loss / income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		<b>-</b>		<b>-</b>	

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# First Capital Mutual Fund

## Condensed Interim Statement of Comprehensive Income (Un-audited) For the half year and quarter ended 31 December 2017

	Half year ended		Quarter year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
<b>Note</b>	Rupees		Rupees	
Accounting (loss) / income available for distribution	(37,679,945)	41,726,961	(10,767,492)	25,539,380
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b><u>(37,679,945)</u></b>	<b><u>41,726,961</u></b>	<b><u>(10,767,492)</u></b>	<b><u>25,539,380</u></b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# First Capital Mutual Fund

## Condensed Interim Cash Flow Statement (Un-audited) For the half year ended 31 December 2017

	Note	Half year ended	
		31 December 2017	31 December 2016
		Rupees	
<b>Cash flows from operating activities</b>			
Net (loss) / income for the period before taxation		(37,679,945)	41,726,961
<b>Adjustments for non-cash items</b>			
Net unrealized diminution / (appreciation) on re-measurement of investments - at fair value through profit or loss	8.1	299,921	(17,102,091)
Capital loss / (gain) on sale of investments - net		38,056,062	(23,021,095)
Dividend income		(3,188,467)	(5,002,827)
Profit on bank deposits		(852,933)	(294,943)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less units redeemed		-	151,870
		34,314,583	(45,269,086)
<b>Net (outflows) / inflows before working capital changes</b>		<b>(3,365,362)</b>	<b>(3,542,125)</b>
<b>Working Capital Changes</b>			
Decrease / (increase) in assets:			
Investments - net		67,543,269	38,937,998
Advances, deposits, prepayments and other receivables		(68,286)	(395,742)
		67,474,983	38,542,256
Increase / (decrease) in liabilities:			
Payable to First Capital Investment Limited - Management Company		219,019	1,221,984
Payable to the Central Depository Company - Trustee		2,170	1,772
Payable to the Securities and Exchange Commission of Pakistan		(122,201)	(92,613)
Payable against Purchase of Investments		19,720,179	-
Unclaimed dividend		1,279,244	1,592,221
Accrued and other liabilities		27,573	121,291
		21,125,984	2,844,655
Dividend received		3,341,564	4,904,864
Profit received on bank deposits		491,904	223,518
<b>Net cash generated from operating activities</b>		<b>89,069,073</b>	<b>42,973,168</b>
<b>Cash flow from financing activities</b>			
Payments received against issuance of units		74,000	1,194,732
Payments made against redemption of units		(2,344,604)	(3,329,616)
Cash distribution		(6,243,235)	(12,323,543)
<b>Net cash (used in) / generated from financing activities</b>		<b>(8,513,839)</b>	<b>(14,458,427)</b>
Net increase in cash and cash equivalents		80,555,234	28,514,741
Cash and cash equivalents at beginning of the period		3,418,018	4,570,869
<b>Cash and cash equivalents at end of the period</b>	7	<b>83,973,252</b>	<b>33,085,610</b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

# First Capital Mutual Fund

## Condensed Interim Statement of Movement in Unit Holder's Fund (Un-audited) For the half year ended 31 December 2017

	Six months period ended					
	2017			2016		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
<b>Note</b>	<b>Rupees</b>					
<b>Net assets at beginning of the period</b>	148,772,307	59,375,272	208,147,579	147,260,473	47,102,745	194,363,218
Issue of 6,240 (2016: 96,293 units)						
- Capital value	77,254	-	77,254			
- Element of loss	(3,254)	-	(3,254)			
<b>Total proceeds on issuance of units</b>	74,000	-	74,000	1,194,732	-	1,194,732
Redemption of 197,959 (2016: 264,391) units:						
- Capital value	(2,439,854)	-	(2,439,854)			
- Element of income	95,250	-	95,250			
<b>Total payment on redemption of units</b> (3,329,616)	(2,344,604)	-	(2,344,604)	(3,329,616)	-	-
Element of loss and capital losses included in prices of units sold less those in units redeemed - net 3.2	-	-	-	-	151,870	151,870
Total comprehensive (loss) / income for the period		(37,679,945)	(37,679,945)	-	41,726,961	41,726,961
Distributions during the period at Rs. 0.38 per unit declared on 03 October 2017 (at the rate of 0.76 per unit declared on 30 September 2016)		(6,243,235)	(6,243,235)	-	(12,323,543)	(12,323,543)
<b>Net assets at end of the period</b>	<b>146,501,703</b>	<b>15,452,092</b>	<b>161,953,795</b>	<b>145,125,589</b>	<b>76,658,033</b>	<b>221,783,622</b>
Undistributed income brought forward represented by:						
Realized gain		84,506,217			32,222,632	-
-Unrealized (loss) / gain		(25,130,945)			14,880,112	
		59,375,272			47,102,744	
Accounting (loss) / income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
<b>Net (loss) / income for the period</b>		(37,679,945)			41,726,961	
Distributions during the period at Rs. 0.38 per unit declared on 03 October 2017 (at the rate of 0.76 per unit declared on 30 September 2016)		(6,243,235)			(12,323,543)	
<b>Undistributed income carried forward</b>		<b>15,452,092</b>			<b>76,506,162</b>	
Undistributed income represented by:						
-Realized gain		21,523,681			75,977,594	
-Unrealized (loss) / gain		(6,071,589)			528,568	
		15,452,092			76,506,162	
<b>Net asset value per unit at beginning of the period</b>			<b>12.5359</b>			<b>11.7968</b>
<b>Net asset value per unit at end of the period</b>			<b>9.8678</b>			<b>13.5998</b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For First Capital Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



# First Capital Mutual Fund

## Notes to the Condensed Interim Financial Information (Un-audited) For the half year ended 31 December 2017

### 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 06 August 2013 after being approved by the Securities and Exchange Commission of Pakistan ("the SECP") on 30 July 2013 in accordance with the provision of Non-Banking Finance Companies and Notified Entities Regulation, 2008 ("the NBFC Regulations").

The Management Company has been licensed by the SECP to act as an asset management company under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 ("the NBFC Rules") through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd and 3rd floor, Pace Mall, Fortress Stadium, Lahore, Pakistan.

The Fund has been formed to augment the wealth of investors through investments geared towards securing maximum returns whilst simultaneously offsetting resultant risks through efficient diversification across sectors with low correlation amongst them. The Fund shall invest its assets in high quality dividend yielding stocks. While the remaining assets shall be invested in cash and / or near cash instruments.

Title of the assets of the Fund is held in the name of CDC as trustee of the Fund and the Fund is listed on PSX.

Pakistan Credit Rating Agency Limited (PACRA) has assigned management quality rating of AM4++ to the Management Company and has assigned "1 Star" to the fund on 15 May 2017 and 26 September 2017 respectively.

### 2 Basis of preparation

#### 2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and directives issued by the SECP. In case where requirements differ, the provisions of or directives issued under the Repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and directives issued by the SECP shall prevail. (Refer 4.2.2)

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2017. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2) (f) of the NBFC regulations.

The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 December 2017 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2017, whereas the comparatives in the condensed interim income statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the half year ended 31 December 2016.

The Directors of the Management Company declare that this condensed interim financial information give a true and fair view of the Fund.

# First Capital Mutual Fund

## 2.2 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund and rounded to the nearest rupees except when otherwise indicated.

## 3 Significant Accounting Policies

**3.1** The accounting policies and methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements for the year ended 30 June 2017 except for the changes in accounting policies as explained below.

**3.2** Up to 30 June 2017, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the accounting period is recognized in income statement and to the extent that it is represented by unrealized appreciation / (diminution) arising during the year on available for sale securities is included in distribution statement.

SECP through its SRO 756(I)2017 dated 03 August 2017 has made certain amendments in the NBFCS Regulations. The SRO changed the definition of accounting income in regulation (63) sub-regulation (I) which excludes the element of income from "accounting income". As per SRO, 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. It also specifies that element of income is a transaction of capital nature and the receipt and payment of element income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets 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.

The said SRO also deleted 'Distribution Statement' and requires additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' and recording of element of income / loss included in price of unit issued or redeemed in Statement of unit holders' fund.

As required by IAS 8: 'Accounting Policies Changes in Accounting Estimates and Errors, a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund prospectively from 01 July 2017 as clarified by SECP vide its email dated 07 February 2018. Accordingly, corresponding figures have not been restated.

Had the element of income been recognized as per the previous accounting policy, the loss of the Fund would have been lower by Rs. 91,996. However, the change in accounting policy does not have any impact on NAV per unit.

## 4 New, Amended and revised standards and interpretations of IFRSs.

### 4.1 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on 01 July 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

### 4.2 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective

**4.2.1** During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from 1 July 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after 1 July

# First Capital Mutual Fund

2018. The Fund is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and other impact on adoption of the Standards. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

**4.2.2** The Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 applicable for financial year beginning on 01 January 2018 requires certain additional disclosures and section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. The amendments are not likely to have any impact on the Fund's financial statements except extended disclosures.

## 5 Estimates and Judgments

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimating uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2017. Actual results may differ from these estimates.

Judgments made by the management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

- Classification of investments
- Valuation of investments
- Impairment of financial assets
- Provisions and contingencies
- Taxation
- Element of income / (loss)
- Sindh Sales tax on Federal Excise Duty on Management Company's remuneration
- Federal Excise Duty on Management Company's remuneration
- Provision for Workers' Welfare Fund

## 6 Financial risk management

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2017.

7	Balances with banks	Note	(Un-audited)	(Audited)
			31 December 2017	30 June 2017
			Rupees	
	Cash at bank			
	- saving accounts	7.1	83,968,252	3,413,018
	- current account		5,000	5,000
			<u>83,973,252</u>	<u>3,418,018</u>

7.1 The rate of return on these saving accounts is 3.75% to 5.00% (30 June 2017: 3.75% to 4.25%) per annum.

8	Investments	Note	(Un-audited)	(Audited)
			31 December 2017	30 June 2017
			Rupees	
	<u>At fair value through profit or loss</u>			
	Listed equity securities	8.1	103,701,256	209,446,308
	Unlisted equity securities	8.1	-	21,600
	Government securities - Market Treasury Bills	8.1	11,857,608	11,990,208
			<u>115,558,864</u>	<u>221,458,116</u>

# First Capital Mutual Fund

## 8.1 Listed equity securities

Shares of listed companies - Fully paid ordinary shares with a face value of Rs. 10 each unless stated otherwise

Name of investee company	Number of shares				Balance as at 31 December 2017				(% ) Percentage in relation to		
	As at 01 July 2017	Purchases during the period	Bonus /Rights during the period	Sale during the period	As at 31 December 2017	Carrying value as at 31 December 2017	Market value as at 31 December 2017	Appreciation / (diminution)	Net assets of the Fund (with market value of investments)	Market value of total investments	Paid up capital of investee company (with face value of investments)
<b>Inv. Banks / Inv. Cos. / Securities Cos.</b>											
<b>First Capital Equities Limited</b>	127,895	-	-	-	127,895	1,151,055	1,317,319	166,264	0.8134	1,1400	0.0905
	<b>127,895</b>				<b>127,895</b>	<b>1,151,055</b>	<b>1,317,319</b>	<b>166,264</b>	<b>0.8134</b>	<b>1,1400</b>	<b>0.0905</b>
<b>Banks</b>											
Allied Bank Limited		3,500	-	-	3,500	289,500	297,430	7,930	0.1837	0.2574	0.0003
The Bank Of Punjab	350,180	-	-	350,180	2,880	64,800	61,229	(3,571)	0.0378	0.0530	0.0002
Faysal Bank Limited	100,880	-	-	98,000	25,000	4,236,973	4,12,690	(61,723)	2,5793	3,9148	0.0017
Mahab Bank Limited	60,000	30,000	-	30,000	28,400	57,60,344	6,02,9,686	2,49,344	3,7232	5,2180	0.0024
National Bank Of Pakistan	39,000	28,400	-	5,000	-	-	-	-	-	-	-
Summit Bank Limited	550,000	28,000	-	550,000	-	-	-	-	-	-	-
United Bank Limited	46,000	28,000	-	46,000	28,000	5,078,400	5,263,160	184,760	3,2498	4,5545	0.0023
	<b>1,146,060</b>	<b>94,900</b>	-	<b>1,153,180</b>	<b>87,780</b>	<b>15,452,217</b>	<b>15,828,957</b>	<b>376,740</b>	<b>9,7738</b>	<b>13,6977</b>	<b>0.0069</b>
<b>Insurance</b>											
Shaheen Insurance Company Limited	356,818	-	-	356,818	-	21,541	19,907	(1,634)	0.0123	0.0172	0.0006
The United Insurance Company Of Pakistan Limited	1,286	-	-	1,286	1,286	21,541	19,907	(1,634)	0.0123	0.0172	0.0006
	<b>358,104</b>			<b>358,118</b>							
<b>Textile Composite</b>											
Gul Ahmed Textile Mills Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
Nishat (Chumran) Limited	29,000	-	-	10,000	30,000	4,397,500	4,485,000	87,500	2,769	3,881	0.009
Nishat Mills Limited	88,000	30,000	-	88,000	30,000	4,397,500	4,485,000	87,500	2,769	3,881	0.009
<b>Sugar &amp; Allied Industries</b>											
Imperial Sugar Limited	5,000	10,000	-	10,000	-	-	-	-	-	-	-
Noon Sugar Mills Limited	5,000	10,000	-	15,000	-	-	-	-	-	-	-
<b>Cement</b>											
D.G. Khan Cement Company Limited	24,000	25,000	-	24,000	25,000	3,083,750	3,343,000	249,250	2,0642	2,8929	0.0057
Dandot Cement Company Limited	22,500	-	-	11,000	11,500	163,875	110,745	(53,130)	0.0684	0.0958	0.0121
Fajri Cement Company Limited	65,000	40,000	-	65,000	40,000	1,036,000	1,000,400	(35,600)	0.6177	0.8657	0.0029
Gharibwal Cement Limited	30,000	-	-	30,000	-	-	-	-	-	-	-
Lucky Cement Limited	12,000	7,500	-	12,000	7,500	3,582,500	3,880,575	288,075	2,3961	3,3581	0.0023
Pepsi Leaf Cement Factory Limited	27,000	10,000	2,250	18,000	12,250	951,470	930,390	(113,960)	0.9177	0.7235	0.0021
Porter Cement Limited	27,000	16,500	-	27,000	16,500	989,240	1,041,480	42,240	0.4431	0.9013	0.0073
Power Cement Limited	150,000	99,000	2,250	337,000	112,750	9,836,835	10,214,590	377,755	6,3072	8,8393	0.0324

Refinery

# First Capital Mutual Fund

Name of investee company	Number of shares					Balance as at 31 December, 2017			(% ) Percentage in relation to		
	As at 01 July 2017	Purchases during the period	Bonus / Rights during the period	Sale during the period	As at 31 December 2017	Carrying value as at 31 December 2017	Market value as at 31 December 2017	Appreciation / (diminution)	Net assets of the Fund (with market value of investments)	Market value of total investments	Paid up capital of investee company (with face value of investments)
						Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Attock Refinery Limited</b>	3,000	-	-	3,000	-	-	-	-	-	-	-
Byco Petroleum Pakistan Limited	200,000	-	-	200,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	28,000	-	-	28,000	-	-	-	-	-	-	-
	<b>228,000</b>	<b>-</b>	<b>-</b>	<b>228,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	56,300	-	-	56,300	-	-	-	-	-	-	-
Kot Addu Power Company Limited	35,000	-	-	35,000	-	-	-	-	-	-	-
K-Electric Limited	200,000	-	-	200,000	-	-	-	-	-	-	-
Th-Star Power Limited	25,000	-	-	25,000	-	-	-	-	-	-	-
	<b>316,300</b>	<b>-</b>	<b>-</b>	<b>316,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Hascal Petroleum Limited	6,042	2,000	1,118	-	9,160	2,682,886	2,262,886	(420,010)	1,3972	1,9682	0,0063
Pakistan State Oil Company Limited	15,500	12,500	3,100	14,000	17,100	5,150,649	5,012,181	(138,468)	3,0948	4,3373	0,0052
Sui Southern Gas Pipelines Limited	20,000	-	-	-	20,000	2,978,400	1,886,200	(1,086,200)	1,1684	1,6374	0,0032
Sui Northern Gas Company Limited	20,000	-	-	-	20,000	728,200	699,800	(18,400)	0,3765	0,5277	0,0023
	<b>61,542</b>	<b>14,500</b>	<b>4,218</b>	<b>14,000</b>	<b>66,260</b>	<b>11,540,145</b>	<b>9,771,067</b>	<b>(1,769,078)</b>	<b>6,9369</b>	<b>8,4606</b>	<b>0,0170</b>
<b>Oil &amp; Gas Exploration Companies</b>											
Mud Petroleum Company Limited	77	3,000	-	-	3,077	4,446,122	4,464,327	18,205	2,7565	3,8632	0,0028
Oil & Gas Development Company Limited	30,000	39,000	-	12,000	57,000	8,275,497	9,279,030	553,533	5,7294	8,0297	0,0013
Pakistan Oilfields Limited	8,000	3,200	-	4,000	7,200	3,723,400	4,278,672	555,272	2,6419	3,7026	0,0030
Pakistan Petroleum Limited	44,500	17,500	-	22,000	40,000	6,797,600	8,238,400	1,438,800	5,0856	7,1274	0,0020
	<b>82,577</b>	<b>62,700</b>	<b>-</b>	<b>38,000</b>	<b>107,277</b>	<b>23,692,619</b>	<b>26,258,429</b>	<b>2,565,810</b>	<b>16,2134</b>	<b>22,7229</b>	<b>0,0081</b>
<b>Industrial Engineering</b>											
Aisha Steel Mills Limited	240,000	-	-	90,000	150,000	3,051,000	2,661,000	(390,000)	1,6431	2,3027	0,0180
Amrli Steels Limited	10,000	20,100	-	5,000	25,100	2,536,320	2,328,766	(210,554)	1,4361	2,0126	0,0085
Dost Steels Limited	137,500	-	-	-	137,500	1,515,250	1,393,250	(132,000)	0,8541	1,1970	0,0085
International Steels Limited	40,000	-	-	22,000	18,000	2,302,020	1,914,660	(387,360)	1,1822	1,6569	0,0041
Mughal Iron And Steel Industries Ltd	65,000	17,000	-	40,000	42,000	3,016,700	2,440,200	(576,500)	1,3067	1,1117	0,0167
	<b>492,500</b>	<b>37,100</b>	<b>-</b>	<b>137,000</b>	<b>372,600</b>	<b>12,423,290</b>	<b>10,724,976</b>	<b>(1,698,314)</b>	<b>6,8222</b>	<b>9,2809</b>	<b>0,0473</b>
<b>Automobile Assembler</b>											
Al-Ghazi Tractors Limited (I)	2,300	2,000	-	2,300	2,000	1,210,000	1,228,100	19,100	0,7589	1,0636	0,0069
Honda Atlas Cars (Pakistan) Limited	3,000	5,000	-	4,500	3,500	1,812,500	1,793,435	(19,065)	1,1074	1,5520	0,0025
Indus Motor Company Limited	2,000	1,500	-	-	1,500	2,507,500	2,520,255	12,755	1,5562	2,1809	0,0019
Millat Tractors Limited	2,000	2,000	-	2,000	2,000	2,192,000	2,343,260	151,260	1,4469	2,0278	0,0045
Pak Suzuki Motor Company Limited	-	3,800	-	-	3,800	1,861,800	1,891,526	29,726	1,1679	1,6369	0,0046
	<b>7,300</b>	<b>14,300</b>	<b>-</b>	<b>8,800</b>	<b>12,800</b>	<b>9,583,800</b>	<b>9,771,576</b>	<b>193,776</b>	<b>6,0373</b>	<b>8,4612</b>	<b>0,0204</b>
<b>Automobile Parts &amp; Accessories</b>											
The General Tyre & Rubber Company Of Pakistan Limited	10,000	10,000	-	10,000	10,000	1,800,000	1,885,000	85,000	1,1627	1,6295	0,0167
	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>1,800,000</b>	<b>1,885,000</b>	<b>85,000</b>	<b>1,1627</b>	<b>1,6295</b>	<b>0,0167</b>
<b>Cables &amp; Electrical Goods</b>											
Power Cables Limited	15,000	-	-	15,000	-	-	-	-	-	-	-
Singer Pakistan Limited	42,000	-	-	42,000	-	-	-	-	-	-	-
TPL Trakkler Limited	150,000	-	-	150,000	-	-	-	-	-	-	-
	<b>207,000</b>	<b>-</b>	<b>-</b>	<b>207,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# First Capital Mutual Fund

Name of investee company	Number of shares				Balance as at 31 December 2017			(% ) Percentage in relation to		
	As at 01 July 2017	Purchases during the period	Bonus / Rights during the period	Sale during the period	As at 31 December 2017	Carrying value as at 31 December 2017	Market value as at 31 December 2017	Appreciation / (diminution) December	Net assets of the Fund (with face value of investments)	Paid up capital of investee company (with face value of investments)
							Rs.			
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	30,000	-	-	30,000	-	-	-	-	-	-
Pakistan National Shipping Corporation	12,400	-	-	12,400	-	-	-	-	-	-
	<b>42,400</b>	-	-	<b>42,400</b>	-	-	-	-	-	-
<b>Technology &amp; Communications</b>										
Netsol Technologies Limited	15,000	-	-	15,000	-	-	-	-	-	-
TRG Pakistan Limited - Class 'A'	115,000	-	-	115,000	-	-	-	-	-	-
Worldcall Telecom Limited	200,000	-	-	200,000	-	-	-	-	-	-
	<b>330,000</b>	-	-	<b>330,000</b>	-	-	-	-	-	-
<b>Fertilizer</b>										
Engro Fertilizers Limited	42,000	25,000	-	42,000	25,000	1,662,750	1,693,000	30,250	1,0454	0,0019
Engro Corporation Limited	26,500	25,900	-	32,400	20,000	5,534,960	5,495,000	(39,960)	3,3929	4,7552
Fatima Fertilizer Company Limited	-	5,000	-	-	5,000	150,001	154,400	4,399	0,0953	0,1336
Fauji Fertilizer Bin Qasim Limited	23,000	-	-	23,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	46,700	22,000	-	46,700	22,000	1,697,300	1,740,420	43,120	1,0746	1,5061
	<b>138,200</b>	<b>77,900</b>	-	<b>144,100</b>	<b>72,000</b>	<b>9,045,041</b>	<b>9,092,820</b>	<b>37,779</b>	<b>5,6092</b>	<b>7,8600</b>
<b>Pharmaceuticals</b>										
Glaxosmithkline Pakistan Limited	15,000	-	-	15,000	-	-	-	-	-	-
Glaxosmithkline Consumer Healthcare Pakistan Limited	1,000	-	-	1,000	-	-	-	-	-	-
Highnoon Laboratories Limited	34	-	-	34	21,293	14,511	(6,782)	0,0090	0,0126	0,0091
The Searle Company Limited	6,442	4,000	1,288	6,000	5,730	1,964,668	1,804,148	(160,720)	1,1140	1,5612
	<b>22,476</b>	<b>4,000</b>	<b>1,288</b>	<b>22,000</b>	<b>5,764</b>	<b>1,986,161</b>	<b>1,818,658</b>	<b>(167,502)</b>	<b>1,1230</b>	<b>1,5738</b>
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited	50,000	-	-	50,000	-	-	-	-	-	-
Ghani Gases Limited	50,000	-	-	50,000	-	-	-	-	-	-
ICI Pakistan Limited	3,000	-	-	3,000	-	-	-	-	-	-
	<b>103,000</b>	-	-	<b>103,000</b>	-	-	-	-	-	-
<b>Paper &amp; Board</b>										
Packages Limited	15,000	-	-	12,450	2,550	1,773,729	1,300,087	(473,663)	0,8027	1,1250
	<b>15,000</b>	-	-	<b>12,450</b>	<b>2,550</b>	<b>1,773,729</b>	<b>1,300,087</b>	<b>(473,663)</b>	<b>0,8027</b>	<b>1,1250</b>
<b>Foods &amp; Personal Care Products</b>										
Treet Corporation Limited	34,000	-	3,400	34,000	3,400	175,811	125,970	(49,841)	0,0778	0,1090
	<b>34,000</b>	-	<b>3,400</b>	<b>34,000</b>	<b>3,400</b>	<b>175,811</b>	<b>125,970</b>	<b>(49,841)</b>	<b>0,0778</b>	<b>0,1090</b>
<b>Miscellaneous</b>										
TPL Properties Limited	100,000	-	-	8,500	91,500	1,120,875	1,087,020	(33,855)	0,6712	0,9407
	<b>100,000</b>	-	-	<b>8,500</b>	<b>91,500</b>	<b>1,120,875</b>	<b>1,087,020</b>	<b>(33,855)</b>	<b>0,6712</b>	<b>0,9407</b>
<b>Sub total as at 31 December 2017 (A)</b>	<b>4,263,854</b>	<b>454,400</b>	<b>11,156</b>	<b>3,595,548</b>	<b>1,103,862</b>	<b>404,000,619</b>	<b>103,701,256</b>	<b>(299,358)</b>	<b>64,0314</b>	

# First Capital Mutual Fund

## Government securities - Market treasury bills

Purchase date	Tenor	Balance as at 31 December 2017					Rs. 5 each			(% ) Percentage in relation to		
		As at 01 July 2017	Purchases during the period	Bonus / Rights during the period	Disposed /matured during the period	As at 31 December 2017	Carrying value December 2017	Market value December 2017	Appreciation / (diminution)	Net assets (with market value of investments)	Marked value of total investments	Paid up capital of investee company (With face value of investments)
Market treasury bills												
21-Dec-17	3 months	-	12,000,000	-	-	12,000,000	11,858,171	11,857,608	(563)	7,3216	10,2611	-
28-Sep-17	3 months	-	12,000,000	-	(12,000,000)	-	-	-	-	-	-	-
06-Jul-17	3 months	-	12,000,000	-	(12,000,000)	-	-	-	-	-	-	-
12-Apr-17	3 months	12,000,000	-	-	(12,000,000)	-	-	-	-	-	-	-
<b>Sub total as at 31 December 2017 (B)</b>		<b>12,000,000</b>	<b>36,000,000</b>	<b>-</b>	<b>(36,000,000)</b>	<b>12,000,000</b>	<b>11,858,171</b>	<b>11,857,608</b>	<b>(563)</b>	<b>7,3216</b>	<b>10,2611</b>	<b>-</b>
<b>Grand total as at 31 December 2017 (A+B)</b>		<b>16,263,854</b>	<b>36,454,400</b>	<b>11,156</b>	<b>(32,404,452)</b>	<b>13,103,862</b>	<b>115,858,790</b>	<b>115,558,864</b>	<b>(299,921)</b>			

(i) The face value of each share held of Al Ghazi Tractors Limited is Rs. 5 each.

(ii) The Finance Act 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on the value of bonus shares determined on the basis of day end price on the first day of book closure. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the fund along with other asset management companies and Mutual Fund Association of Pakistan, had filed a petition in the Honorable Sindh High Court ("the Court") to declare the amendments brought into the Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes ("CIS") as null and void and not applicable on mutual funds based on the premise of exemption given to mutual funds under clause 47B of Part IV and clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001. The Court has granted stay order in favor of CIS till the final outcome of the case. Accordingly, the investee companies have withheld the shares equivalent to 5% bonus shares announcement and not deposited in CDC account of department of Income Tax. However, the Fund has included the bonus shares withheld by the Investee Companies in its investment portfolio, amounting to Rs. 0.556 million (June 30, 2017: Rs. 0.698 million) on the basis of aforementioned Court order. Had the Fund not included bonus shares withheld by investee companies in its investment portfolio, net asset value at the reporting date would have been lower by Rs. 0.034 per unit (June 30, 2017: Rs. 0.042 per unit).

(iii) These market treasury bills carry purchase yield of 6.00% (30 June 2017: 5.96%) per annum and will mature by 15 March 2018 (30 June 2017: 06 July 2017)

# First Capital Mutual Fund

		(Un-audited) 31 December 2017	(Audited) 30 June 2017
	Note	Rupees	
<b>9 Dividend and profit receivable - unsecured, considered good</b>			
Dividend receivable		193,195	346,292
Profit accrued on bank deposits		377,333	16,305
		<u>570,528</u>	<u>362,597</u>
<b>10 Advances, deposits, prepayments and other receivables</b>			
Security deposit with the CDC		237,500	237,500
Advance Tax deducted		677,044	646,374
Prepaid Annual Fee of the CDC		50,572	12,956
Other receivable from the Management Company		211,363	211,363
		<u>1,176,479</u>	<u>1,108,193</u>
<b>11 Payable to FCIL</b>			
Remuneration of Management Company		1,446,236	1,162,973
Punjab Sales tax on Remuneration of Management Company		231,398	151,186
Federal Excise Duty ("FED") on Remuneration of Management Company	11.1	3,713,448	3,713,448
		<u>5,391,082</u>	<u>5,027,607</u>

**11.1** The status of Federal Excise Duty (FED) is same as disclosed in annual financial statements for the year ended 30 June 2017, Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 3.713 million ( June 2017: Rs. 3.713 million). Had the said provision of FED not been recorded in the books of account of the Fund, the net asset value per unit of the Fund would have been higher by Rs. 0.2262 per unit (June 2017: 0.2236 per unit).

## 12 Unclaimed dividend

This mainly includes an amount of Rs. 8.81 million ( 30 June 2017: 8.81 million ) not paid to Salman Taseer (Late) due to pending adjudication for issuance of succession certificate before the Honorable Lahore High Court.

## 13 Contingencies And Commitments

There were no contingencies or commitments outstanding as at 31 December 2017.



# First Capital Mutual Fund

## 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 realized or unrealized, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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 management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, 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. Accordingly, no provision in respect of taxation has been made in these condensed interim financial statements.

## 15 Earnings per unit

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

## 16 Provision for Worker's Welfare Fund

The status of provision for Workers' Welfare Fund ("WWF") is same as disclosed in annual financial statements for the year ended 30 June 2017

## 17 Total Expense Ratio

Total expense ratio (all the expenses, including government, incurred during the year divided by average net assets value for the year) is 4.17% per annum. Total expense ratio (excluding government levies) is 2.75% per annum.

## 18 Transactions with connected persons / related parties

Connected persons include FCIL-being the Management Company, the CDC-being the Trustee of the Fund, any person or company beneficially owning ten percent or more of the capital of the Management Company or net assets of the Fund and the Directors and key management personnel of the Management Company.

Transactions with related parties / connected persons are in the normal course of business and on arm's length basis.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations 2008 and Trust Deed.

# First Capital Mutual Fund

18.1 Details of transactions with the connected persons / related parties during the period are as follows:

	Half year ended		Quarter year ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Rupees		Rupees	
<b>FCIL - Management Company</b>				
Remuneration of the Management Company	<u>1,786,162</u>	<u>2,062,060</u>	<u>821,132</u>	<u>1,031,805</u>
Punjab Sales Tax on Remuneration of the Management Company	<u>285,786</u>	<u>329,930</u>	<u>131,381</u>	<u>165,089</u>
Accounting and operational charges	<u>89,308</u>	<u>103,103</u>	<u>41,056</u>	<u>51,590</u>
Dividend Paid	<u>3,694,380</u>	<u>8,199,113</u>	<u>3,694,380</u>	<u>-</u>
Redemption of Nil units (31 December 2016: 158,391) units and nil units (31 December 2016: 158,391) units for the six months and quarter ended respectively	<u>-</u>	<u>2,014,594</u>	<u>-</u>	<u>2,014,594</u>
<b>CDC - Trustee</b>				
Remuneration of the Trustee	<u>352,877</u>	<u>352,875</u>	<u>176,439</u>	<u>176,437</u>
Sindh Sales Tax on Remuneration of the Trustee	<u>45,875</u>	<u>45,874</u>	<u>22,938</u>	<u>22,937</u>
Settlement Charges inclusive of Sindh Sales Tax	<u>12,494</u>	<u>16,169</u>	<u>(7,097)</u>	<u>13,624</u>
Annual listing fee	<u>15,123</u>	<u>15,122</u>	<u>7,563</u>	<u>7,562</u>
CDS Fee	<u>76,275</u>	<u>76,725</u>	<u>76,275</u>	<u>76,275</u>
Amortization of CDS Fee	<u>38,660</u>	<u>38,556</u>	<u>38,660</u>	<u>19,225</u>
<b>First Capital Equities Limited</b>				
Brokerage expense	<u>34,250</u>	<u>51,533</u>	<u>28,250</u>	<u>55,352</u>
Dividend Paid	<u>681</u>	<u>1,363</u>	<u>1,363</u>	<u>1,632</u>
<b>First Capital Securities Corporation Limited</b>				
Redemption of 100,000 units (31 December 2016: Nil) units and 100,000 units (31 December 2016: Nil)	<u>1,208,610</u>	<u>-</u>	<u>1,208,610</u>	<u>-</u>
Dividend Paid	<u>78,243</u>	<u>254,840</u>	<u>78,243</u>	<u>254,840</u>
<b>Salman Taseer (Late)</b>				
Dividend declared	<u>696,597</u>	<u>1,593,113</u>	<u>696,597</u>	<u>1,593,113</u>
<b>Key Management Personnel of Management Company</b>				
Dividend Paid	<u>785</u>	<u>458</u>	<u>785</u>	<u>458</u>

# First Capital Mutual Fund

18.2 Balance outstanding as at the period end are as follows:	(Un-audited) 31 December 2017	(Audited) 30 June 2017
<b>FCIL - Management Company</b>	----- Rupees -----	
Remuneration payable to the Management Company	<u>1,446,236</u>	<u>1,162,973</u>
Punjab Sales Tax payable on remuneration to the Management Company	<u>231,398</u>	<u>151,186</u>
Federal Excise Duty payable on Remuneration to the Management Company	<u>3,713,448</u>	<u>3,713,448</u>
Other payables	<u>100,919</u>	<u>245,375</u>
Receivables	<u>211,363</u>	<u>211,363</u>
 <b>CDC - Trustee</b>		
Remuneration payable inclusive of taxes thereon	<u>59,453</u>	<u>57,534</u>
Sindh Sales tax on remuneration to the Trustee	<u>7,730</u>	<u>7,479</u>
Security deposit	<u>237,500</u>	<u>237,500</u>
Settlement charges payable inclusive of taxes thereon	<u>5,650</u>	<u>3,390</u>
Prepaid Fee	<u>50,572</u>	<u>12,956</u>
 <b>Salman Taseer (Late)</b>		
Dividend Payable	<u>8,809,913</u>	<u>8,809,913</u>
 <b>18.3 Units Outstanding as at the period end are as follows:</b>		
<b>FCIL - Management Company</b>		
Units held: 11,110,915 (30 June 2017: 11,110,915 ) units	<u>109,640,290</u>	<u>139,285,353</u>
 <b>First Capital Securities Corporation Limited</b>		
Units held: 235,316 (30 June 2017: 335,316) units	<u>2,322,047</u>	<u>4,203,483</u>
 <b>First Capital Equities Limited</b>		
Units held: 1,793 (30 June 2017: 1,793) units	<u>17,694</u>	<u>22,477</u>
 <b>Salman Taseer (Late)</b>		
Units held: 2,096,201 (30 June 2017: 2,096,201) units	<u>20,673,315</u>	<u>26,277,771</u>
 <b>Key Management Personnel of the Management Company</b>		
Units held: 2,363 (30 June 2017: 2,363) units	<u>23,315</u>	<u>29,619</u>

# First Capital Mutual Fund

## 19 Financial instruments - fair values and risk management

Fair value is an amount for which asset can be exchanged, or liability settled, between knowledgeable willing parties in arms' length transaction. Consequently, difference may arise between the carrying values and fair value estimates.

Fair value of underlying financial assets are determined based on requirement of regulation 66 of NBFC Regulations, 2008 and directives if any issued by the SECP. The fair value of financial assets traded in active market i.e. listed securities are based on quoted market price at stock exchange as determined in accordance with its regulations.

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

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Valuation techniques using significant unobservable inputs

		31 December 2017 (Un-audited)							
		Carrying amount			Fair value				
		Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		Rupees							
<b>Financial assets - measured at fair value</b>									
	Investments								
	- Listed equity securities	103,701,256	-	-	103,701,256	103,701,256	-	-	103,701,256
	- Government securities - Market Treasury Bills	11,857,608	-	-	11,857,608	-	11,857,608	-	11,857,608
<b>Financial assets - not measured at fair value</b>									
	Bank balances	-	83,973,252	-	83,973,252	-	-	-	-
	Dividend and profit receivable	-	570,529	-	570,529	-	-	-	-
	Advances, Deposits and other receivables	-	914,544	-	914,544	-	-	-	-
		115,588,864	85,458,325	-	201,017,189	103,701,256	11,857,608	-	115,588,864
<b>Financial liabilities - not measured at fair value</b>									
	Remuneration payable to FCI	-	-	1,446,236	1,446,236	-	-	-	-
	Remuneration payable to the CDC	-	-	59,453	59,453	-	-	-	-
	Annual fee payable to the SECP	-	-	84,842	84,842	-	-	-	-
	Accrued and other liabilities	-	-	840,125	840,125	-	-	-	-
	Unclaimed dividend	-	-	12,951,249	12,951,249	-	-	-	-
		-	-	15,381,905	15,381,905	-	-	-	-

# First Capital Mutual Fund

		30 June 2017 (Audited)				
		Carrying amount		Fair value		
	Note	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Total
		Rupees				
					Level 1	Level 2
					Level 3	Total
<b>Financial assets - measured at fair value</b>						
Investments						
- Listed equity securities		209,446,308	-	-	209,446,308	-
- Unlisted equity securities		21,600	-	-	-	21,600
- Government securities - Market Treasury Bills		11,990,208	-	-	-	11,990,208
<b>Financial assets - not measured at fair value</b>						
Bank balances						
-	7	-	3,418,018	-	-	-
-	9	-	362,597	-	-	-
-	10	-	1,108,193	-	-	-
-		221,458,116	4,888,808	-	209,446,308	11,990,208
<b>Financial liabilities - not measured at fair value</b>						
Remuneration payable to FCI						
-	11	-	-	1,162,973	-	-
Remuneration payable to the CDC						
-	12	-	-	57,584	-	-
Annual fee payable to the SECP						
-		-	-	207,043	-	-
Accrued and other liabilities						
-		-	-	773,340	-	-
-	12	-	-	11,672,005	-	-
-		-	-	13,872,895	-	-
		221,458,116	4,888,808	-	226,346,924	221,436,516

# First Capital Mutual Fund

## 20 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Management Company on February 26, 2018

## 21 General

Figures have been rounded off to the nearest rupee.

For First Capital Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director