

First Capital Mutual Fund

Directors' Report

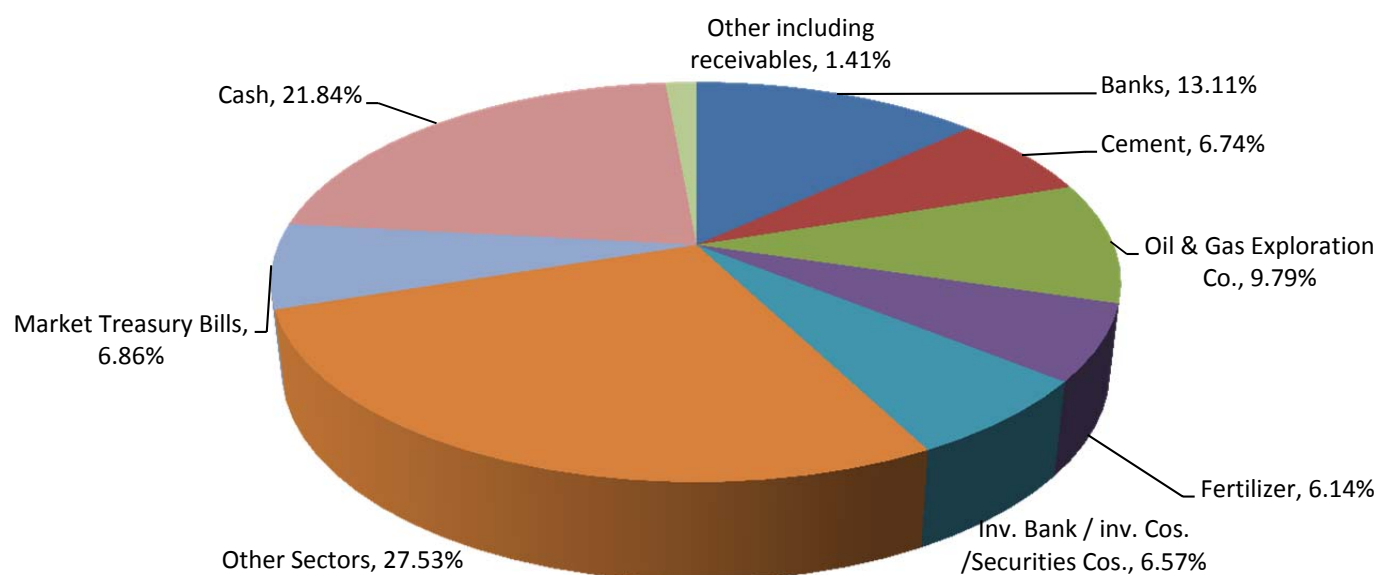
The Board of Directors of First Capital Investments Limited ("FCIL" or "Management Company") is pleased to present the financial statements of First Capital Mutual Fund ("FCMF" or "the Fund" or "the Scheme") for the quarter ended September 30, 2018.

Fund's Performance

During the period under review the Net Asset Value (NAV) per unit of FCMF has decreased from Rs.8.8079 to Rs. 9.2627, accordingly posting a drop of 4.91%, as compared to its Benchmark's (KSE-100 index) return of -2.18%, for the same period. Thus, the Fund has underperformed the benchmark by 2.73%, mainly on the back of underweight in Commercial banking, Fertilizer, Oil & Gas Exploration sector's stocks, which outperformed the Market.

During the first quarter, the fund has posted net loss of Rs. 5.035 million as compared to loss of Rs. 26.822 million in the corresponding period last year. The unrealized diminution on re-measurement of investments for the period under review is recorded at Rs. 4.515 million as compared to loss of Rs. 26.535 million last year. The unrealized diminution on re-measurement of investments is mainly due to instability in equity market. Capital loss on sale of investments has recorded at Rs. 0.383 million as compared to loss of Rs. 0.138 million in the corresponding period last year. The dividend income has decreased to Rs. 0.832 million from Rs. 1.312 million, a reduction of 36.60%. The Fund size of FCMF at the end of the period stood at Rs. 123.864 million as compared to Rs. 101.714 million at the start of the period under review.

The asset allocation of the Fund as on 30 September 2017 is as under:



During the period under review KSE-100 index decreased by 2.18%, mainly on the back of Current Account Deficit (CAD) which is increased by more than 10%, necessitating further policy actions, especially in the face of rising international oil prices. Further the mini-budget presented by PTI Government, aims to raise an additional PKR180 billion revenues, which will be equally generated from improved administrative tax measures & oversight and

First Capital Mutual Fund

from new revenue measures, which include rationalization of income tax rates of individuals and AoPs, broadening and deepening of duties on imported non-essential goods, and raising taxes on locally manufactured.

During the month of September 2018 KSE-100 (the benchmark) decreased by 1.78%, mainly attributed to the rising global oil price and the weakening Pak rupee and hike in gas prices. Amended budget presented by the government to the parliament that aims to contain the expanding fiscal deficit by rescinding some tax incentives, improving tax administration, reducing development budget and increasing import tariffs also destroyed the investors' confidence

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 quarter ended September 30, 2018 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



Imran Hafeez
Chief Executive Officer/Director

Date: 30 October 2018

Place: Lahore

FIRST CAPITAL MUTUAL FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT SEPTEMBER 30, 2018

		September 30 2018 Un - audited	June 30 2018 Audited
Note		-----Rupees-----	
Assets			
	Bank Balances	4 31,538,406	14,617,436
	Investments	5 110,479,613	105,297,073
	Dividend and profit receivable	6 588,847	236,500
	Advances, deposits, prepayments and other receivables	7 1,344,570	1,222,429
	Total assets	143,951,436	121,373,438
Liabilities			
	Payable to First Capital Investment Limited - <i>Management Company</i>		
	- <i>against remuneration</i>	8 4,126,258	3,917,739
	- <i>other payables</i>	9 217,665	188,017
	Remuneration payable to Central Depository Company of Pakistan Limited - <i>Trustee</i>	65,013	65,013
	Annual fee payable to Securities and Exchange Commission of Pakistan	24,926	158,444
	Payable against redemption of units	-	-
	Accrued expenses and other liabilities	10 1,463,187	1,138,905
	Unclaimed dividend	11 14,190,840	14,191,025
	Total liabilities	20,087,889	19,659,143
	Contingencies and commitments	12	
	Net Assets	123,863,547	101,714,295
	Unit holders' fund (as per statement attached)	123,863,547	101,714,295
		(Number of Units)	
	Number of units in issue	14,062,799	10,981,013
		-----Rupees-----	
	Net asset value per unit (Face value per unit Rs. 10/-)	8.8079	9.2627

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For First Capital Investments Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

FIRST CAPITAL MUTUAL FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

		For the Quarter Ended September 30	
Note		2018	2017
		-----Rupees-----	
INCOME			
Profit on bank deposits		195,283	98,580
Dividend income from 'fair value through profit or loss investments'		831,860	1,312,106
Income from government securities		66,754	178,821
Capital loss on sale of 'fair value through profit or loss' - net		(382,535)	(137,821)
Unrealised diminution on re-measurement of investments - at fair value through profit or loss' - net		(4,515,138)	(26,535,072)
		(3,803,776)	(25,083,386)
EXPENSES			
Remuneration to the Management Company	8.1	524,763	965,030
Punjab Sales tax on remuneration to the Management Company	8.2	83,962	154,405
Remuneration to the Trustee		176,438	176,438
Sindh Sales tax on remuneration to the Trustee		22,937	22,937
Annual fee - Securities and Exchange Commission of Pakistan		24,926	45,837
Securities transaction costs		37,312	52,016
Auditors' remuneration		265,338	265,338
Accounting and operational charges		29,649	54,525
Annual listing fee - Pakistan Stock Exchange Limited		7,560	7,560
Legal and professional charges		45,000	-
Fund ranking fee		-	35,378
Printing, postage and other charges		12,603	47,442
Bank charges		946	2,161
Total expenses		1,231,434	1,829,067
Net loss for the period before taxation		(5,035,210)	(26,912,453)
Taxation	14	-	-
Net loss for the period after taxation		(5,035,210)	(26,912,453)
Earning Per Unit	15		

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For First Capital Investments Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

FIRST CAPITAL MUTUAL FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	For the Quarter Ended September 30	
	2018	2017
	-----Rupees-----	
Net loss for the period after taxation	(5,035,210)	(26,912,453)
Other comprehensive (loss) / income for the period	-	-
Total comprehensive loss for the period	<u>(5,035,210)</u>	<u>(26,912,453)</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For First Capital Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

FIRST CAPITAL MUTUAL FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter Ended September 30, 2018			Quarter Ended September 30, 2017		
	Capital Value	Undistributed Income	Net Assets	Capital Value	Undistributed Income	Net Assets
	-----Rupees-----			-----Rupees-----		
Capital Value	92,350,729	-	92,350,729	148,772,307	-	148,772,307
Undistributed income brought forward						
- Realised gain	-	21,894,148	21,894,148	-	84,606,217	84,606,217
- Unrealised loss	-	(12,530,582)	(12,530,582)	-	(25,230,945)	(25,230,945)
Net assets at the beginning of the period [Units outstanding: 10,981,013 (2017: 16,604,097)] [Rs 9.2627 (2017: Rs. 12.5359) per unit]	92,350,729	9,363,566	101,714,295	148,772,307	59,375,272	208,147,579
Issuance of 3,168,728 (2017: 5,825) units	28,000,000	-	28,000,000	70,000	-	70,000
Redemption of 86,942 (2017: 180,355) units	(805,314)	(10,224)	(815,538)	(2,260,918)	90,604	(2,170,314)
Total comprehensive income for the period	-	(5,035,210)	(5,035,210)	-	(26,912,453)	(26,912,453)
Net assets at the end of the period [Units outstanding: 14,062,799 (2017: 16,429,567)] [Rs. 8.8079 (2017: Rs. 10.9032) per unit]	119,545,415	4,318,132	123,863,547	146,581,389	32,553,423	179,134,812
Undistributed income carried forward						
- Realised gain		8,833,270			59,088,495	
- Unrealised loss		(4,515,138)			(26,535,072)	
		4,318,132			32,553,423	

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements

For First Capital Investments Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

FIRST CAPITAL MUTUAL FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	For the Quarter Ended September 30	
	2018	2017
	-----Rupees-----	
<u>Cash flows from operating activities</u>		
Net loss for the period before taxation	(5,035,210)	(26,912,453)
Adjustments		
Unrealised diminution on re-measurement of investments - at fair value through profit or loss - net	4,515,138	26,535,072
	(520,072)	(377,381)
(Increase) / decrease in assets		
Investments - net	(9,697,678)	8,788,790
Dividend and profit receivable	(352,347)	(567,933)
Advances, deposits, prepayments and other receivables	(122,141)	(47,102)
	(10,172,166)	8,173,755
Increase / (decrease) in liabilities		
Remuneration payable to Management Company	208,519	(589,040)
Other payable to Management Company	29,648	(190,850)
Remuneration payable to Trustee	-	-
Annual fee payable to Securities and Exchange Commission of Pakistan	(133,518)	(161,205)
Payable against redemption of units	-	14,078
Accrued expenses and other liabilities	324,282	280,342
Unclaimed dividend	(185)	-
	428,746	(646,675)
Net cash (used in) / generated from operating activities	(10,263,492)	7,149,699
<u>Cash flows from financing activities</u>		
Receipts against issuance of units	28,000,000	70,000
Payments made against redemption of units	(815,538)	(2,260,918)
Net cash generated from / (used in) financing activities	27,184,462	(2,190,918)
Net Increase in cash and cash equivalents during the period	16,920,970	4,958,781
Cash and cash equivalents at the beginning of the period	14,617,436	3,418,018
Cash and cash equivalents at the end of the period	31,538,406	8,376,799

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For First Capital Investments Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

FIRST CAPITAL MUTUAL FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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).

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 Shopping Mall, Fortress Stadium, Lahore, Pakistan. The Fund is an Open end equity scheme and offers units for public subscription on a continuous basis. The units are transferable and can be redeemed by submitting them into the Fund.

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 net 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 Central Depository Company of Pakistan Limited (CDC) as trustee of the Fund and the Fund was previously listed on Lahore Stock Exchange (LSE) of Pakistan. However due to integration of Karachi, Lahore and Islamabad Stock Exchanges into Pakistan Stock Exchange (PSX) with effect from 11 January 2016 the Fund is now 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 September 28, 2018 and May 24, 2018 respectively. PACRA has also placed the ratings of First Capital Investments Limited on "Rating Watch" due to reasons as fully explained here under. This rating will be reviewed by PACRA once this matter will be settled.

The Board of Directors of First Capital Investments Limited (FCIL) being Asset Management Company has passed a resolution on May 12, 2018 wherein they have approved to retire from the management rights of the Fund and transfer of these rights to 786 Investments Limited being Asset Management Company. In this regard, FCIL is currently in the process of complying with corporate and legal formalities and obtaining necessary regulatory approval(s) including approval of the Securities and Exchange Commission of Pakistan.

2 Statement Of Compliance

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its press release dated 20 July 2017 allowed Companies whose financial year closes on or before 30 June 2017 to prepare the financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended June 30, 2017.

The disclosures made in these condensed interim financial statements have, however been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at September 30, 2018.

3 Summary Of Significant Accounting Policies

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2017.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2017.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

	Note	September 30 2018 Un-audited -----Rupees-----	June 30 2018 Audited
4 Bank Balance			
Cash at Bank			
- In saving accounts	4.1	31,528,406	14,612,436
- In current account		10,000	5,000
		<u>31,538,406</u>	<u>14,617,436</u>

4.1 The rate of return on these saving accounts is 3.75% to 5.50% (June 30, 2018: 3.75% to 4.00%) per annum.

		September 30 2018 Un-audited -----Rupees-----	June 30 2018 Audited
5 Investments			
At fair value through profit or loss			
Listed equity securities	5.1	100,594,593	105,297,073
Government securities - Market treasury bills	5.2	9,885,020	-
		<u>110,479,613</u>	<u>105,297,073</u>

5.1 Listed equity securities - at fair value through profit or loss

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					As at September 30, 2018 (Rupees)			(%) Percentage in relation to		
	As at July 01, 2018	Purchases during the period	Bonus / Rights during the period	Sales during the period	As at September 30, 2018	Carrying value	Market value	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)
Inv. Bank/Inv. Companies/Securities Co.											
Escorts Investment Bank Limited	50,000	-	-	-	50,000	-	-	-	-	-	-
First Capital Equities Limited	1,011,895	-	-	-	1,011,895	8,499,918	9,461,218	961,300	7.64	8.56	71.5952
	1,061,895	-	-	-	1,011,895	8,499,918	9,461,218	961,300	7.64	8.56	71.5952
Banks											
Bank Alfalah Limited	15,000	-	-	-	15,000	784,350	819,060	34,710	0.66	0.74	0.0845
Faysal Bank Limited	7,812	-	-	-	7,812	203,112	209,752	6,640	0.17	0.19	0.0515
Habib Bank Limited	31,500	-	-	-	31,500	5,242,860	4,768,155	(474,705)	3.85	4.32	0.2147
MCB Bank Limited	35,900	-	-	-	35,900	7,099,943	7,223,439	123,496	5.83	6.54	0.3029
United Bank Limited	38,000	-	-	-	38,000	6,421,240	5,852,000	(569,240)	4.72	5.30	0.3104
	128,212	-	-	-	128,212	19,751,505	18,872,406	(879,099)	15.23	17.09	0.9640
Insurance											
The United Insurance Company of Pakistan Lin	1,453	-	-	-	1,453	18,657	17,291	(1,366)	0.01	0.02	0.0642
	1,453	-	-	-	1,453	18,657	17,291	(1,366)	0.01	0.02	0.0642
Textile Composite											
Nishat Mills Limited	30,000	-	-	-	30,000	4,227,600	4,217,700	(9,900)	3.41	3.82	0.8532
	30,000	-	-	-	30,000	4,227,600	4,217,700	(9,900)	3.41	3.82	0.8532
Cement											
Cherat Cement Company Limited	15,000	-	-	-	15,000	1,458,450	1,208,250	(250,200)	0.98	1.09	0.8492
D G Khan Cement Company Limited	13,000	-	-	-	13,000	1,488,370	1,331,330	(157,040)	1.07	1.21	0.2967
Fauji Cement Company Limited	40,000	-	-	-	40,000	914,000	894,400	(19,600)	0.72	0.81	0.2899
Kohat Cement Company Limited	10,000	-	-	-	10,000	1,230,700	1,251,400	20,700	1.01	1.13	0.6472
Lucky Cement Limited	5,500	-	-	-	5,500	2,793,615	2,821,170	27,555	2.28	2.55	0.1701
Maple Leaf Cement Factory Limited	31,250	-	-	-	31,250	1,585,625	1,471,875	(113,750)	1.19	1.33	0.4737
Pioneer Cement Limited	16,500	-	-	-	16,500	773,190	717,090	(56,100)	0.58	0.65	0.7264
	131,250	-	-	-	131,250	10,243,950	9,695,515	(548,435)	7.83	8.77	2.0174
Refinery											
Attock Refinery Limited	2,500	-	-	-	2,500	538,275	473,031	(65,244)	0.38	0.43	0.2345
National Refinery Limited	-	3,500	-	-	3,500	1,436,035	1,225,000	(211,035)	0.99	1.11	0.4377
	2,500	3,500	-	-	6,000	1,974,310	1,698,031	(276,279)	1.37	1.54	0.6722
Power Generation & Distribution											
The Hub Power Company Limited	14,000	-	-	-	14,000	1,290,240	1,224,580	(65,660)	0.99	1.11	0.1210
	14,000	-	-	-	14,000	1,290,240	1,224,580	(65,660)	0.99	1.11	0.1210

5.1 Listed equity securities - at fair value through profit or loss

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					As at September 30, 2018 (Rupees)			(%) Percentage in relation to		
	As at July 01, 2018	Purchases during the period	Bonus / Rights during the period	Sales during the period	As at September 30, 2018	Carrying value	Market value	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)
Oil & Gas Marketing Companies											
Hascoi Petroleum Limited	10,160	-	-	-	10,160	3,187,802	2,767,482	(420,319)	2.23	2.50	0.7016
Pakistan State Oil Company Limited	8,100	-	-	-	8,100	2,578,311	2,582,604	4,293	2.09	2.34	0.2484
Sui Northern Gas Pipelines Limited	20,000	-	-	-	20,000	2,004,400	1,782,400	(222,000)	1.44	1.61	0.3153
Sui Southern Gas Company Limited	20,000	-	-	-	20,000	656,400	554,000	(102,400)	0.45	0.50	0.2270
	58,260	-	-	-	58,260	8,426,913	7,686,486	(740,426)	6.21	6.95	1.4923
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	3,077	-	-	-	3,077	4,634,516	4,794,981	160,465	3.87	4.34	0.2791
Oil & Gas Development Company Limited	20,000	-	-	-	20,000	3,112,400	3,059,800	(52,600)	2.47	2.77	0.0465
Pakistan Oilfields Limited	3,000	-	-	-	3,000	2,015,370	1,977,048	(38,322)	1.60	1.79	0.1057
Pakistan Petroleum Limited	20,000	-	-	-	20,000	4,298,000	4,268,000	(30,000)	3.45	3.86	0.1014
	46,077	-	-	-	46,077	14,060,286	14,099,829	39,543	11.39	12.76	0.5327
Industrial Engineering											
Aisha Steel Mills Limited	150,000	-	-	-	150,000	2,365,500	1,926,000	(439,500)	1.55	1.74	1.8026
Amreli Steels Limited	17,100	-	-	-	17,100	1,206,405	1,110,645	(95,760)	0.90	1.01	0.5757
Dost Steels Limited	137,500	-	-	-	137,500	1,087,625	896,500	(191,125)	0.72	0.81	4.3549
International Steels Limited	18,000	-	-	-	18,000	1,830,600	1,637,460	(193,140)	1.32	1.48	0.4138
Mughal Iron And Steel Industries Ltd	30,000	-	-	-	30,000	1,842,600	1,467,900	(374,700)	1.19	1.33	1.1924
	352,600	-	-	-	352,600	8,332,730	7,038,505	(1,294,225)	5.68	6.37	8.3394
Automobile Assembler											
Gandhara Industries Limited	-	2,000	-	-	2,000	1,354,750	1,356,020	1,270	1.09	1.23	0.9390
Honda Atlas Cars (Pakistan) Limited	3,500	-	-	-	3,500	1,107,365	891,485	(215,880)	0.72	0.81	0.2451
Indus Motor Company Limited	1,500	-	-	-	1,500	2,132,190	2,097,975	(34,215)	1.69	1.90	0.1908
Millat Tractors Limited	3,000	-	-	-	3,000	3,564,180	3,042,450	(521,730)	2.46	2.75	0.6772
Pak Suzuki Motor Company Limited	8,000	-	-	4,000	4,000	1,573,520	1,239,280	(334,240)	1.00	1.12	0.4860
	16,000	2,000	-	4,000	14,000	9,732,005	8,627,210	(1,104,795)	6.96	7.81	2.5381
Automobile Parts & Accessories											
The General Tyre & Rubber Company of Pakist	15,200	-	-	-	15,200	2,526,240	2,476,384	(49,856)	2.00	2.24	2.5418
	15,200	-	-	-	15,200	2,526,240	2,476,384	(49,856)	2.00	2.24	2.5418
Fertilizer											
Engro Fertilizers Limited	25,000	-	-	-	25,000	1,872,750	1,887,250	14,500	1.52	1.71	0.1872
Engro Corporation Limited	17,000	-	-	-	17,000	5,335,620	5,297,710	(37,910)	4.28	4.80	0.3246
Fatima Fertilizer Company Limited	5,000	-	-	-	5,000	162,000	187,050	25,050	0.15	0.17	0.0238
Fauji Fertilizer Company Limited	15,000	-	-	-	15,000	1,483,350	1,464,600	(18,750)	1.18	1.33	0.1179

5.1 Listed equity securities - at fair value through profit or loss

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					As at September 30, 2018 (Rupees)			(%) Percentage in relation to		
	As at July 01, 2018	Purchases during the period	Bonus / Rights during the period	Sales during the period	As at September 30, 2018	Carrying value	Market value	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)
Pharmaceuticals	62,000	-	-	-	62,000	8,853,720	8,836,610	(17,110)	7.13	8.01	0.6535
Agp Limited	25,625	-	-	12,500	13,125	1,165,369	1,132,425	(32,944)	0.91	1.03	#DIV/0!
Highnoon Laboratories Limited	38	-	-	-	38	15,599	13,490	(2,109)	0.01	0.01	0.0133
The Searle Company Limited	8,230	4,000	-	-	12,230	4,101,685	3,863,824	(237,861)	3.12	3.50	0.6621
	33,893	4,000	-	12,500	25,393	5,282,653	5,009,739	(272,914)	4.04	4.54	#DIV/0!
Paper & Board											
Packages Limited	2,550	-	-	-	2,550	1,248,786	1,140,411	(108,375)	0.92	1.03	0.2853
	2,550	-	-	-	2,550	1,248,786	1,140,411	(108,375)	0.92	1.03	0.2853
Foods & Personal Care Products											
Treet Corporation Limited	3,400	-	-	-	3,400	116,246	94,928	(21,318)	0.08	0.09	0.9508
	3,400	-	-	-	3,400	116,246	94,928	(21,318)	0.08	0.09	0.9508
Miscellaneous											
Pace (Pakistan) Limited	149,500.00	-	-	149,500.00	-	-	-	-	-	-	-
Siddiqsons Tin Plate Limited	-	25,000	-	-	25,000	517,470	397,750	(119,720)	0.32	0.36	1.0904
	149,500	25,000	-	149,500	25,000	517,470	397,750	(119,720)	0.32	0.36	1.0904
Total as at September 30, 2018	2,108,790	34,500	-	216,000	1,927,290	105,103,229	100,594,593	(4,508,635)	81.21	91.05	
Total as at June 30, 2018						117,827,655	105,297,073	(12,530,582)			

5.1.1 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 bonus shares withheld by the investee companies in its investment portfolio amounting to Rs. 0.568 million (June 30, 2018: Rs. 0.5952 million).

5.1 Listed equity securities - at fair value through profit or loss

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					As at September 30, 2018 (Rupees)			(%) Percentage in relation to		
	As at July 01, 2018	Purchases during the period	Bonus / Rights during the period	Sales during the period	As at September 30, 2018	Carrying value	Market value	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)

5.2 Government securities - Market treasury bills

Tenor	Purchased Date	Face Value				As at September 30, 2018			Percentage in relation to		
		As at July 01, 2018	Purchases during the period	Disposed / Matured during the period	As at September 30, 2018	Carrying Value	Market value	Appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets	Effective rate of return
						Rupees			Percentage		
3 months	August 30, 2018	-	10,000,000	-	10,000,000	9,891,523	9,885,020	(6,503)	8.95	7.98	-
Total as at September 30, 2018		-	10,000,000	-	10,000,000	9,891,523	9,885,020	(6,503)	8.95	7.98	
Total as at June 30, 2018						-	-	-			

5.2.1 These treasury bills carry purchase yield of 7.75% (June 30, 2018: Nil) per annum will be mature on November 22, 2018 (June 30, 2018: Nil).

		September 30 2018 Un-audited	June 30 2018 Audited
	Note	-----Rupees-----	
6 Dividend and profit receivable			
Dividend receivable		524,177	200,731
Profit accrued on bank deposits		64,670	35,769
		<u>588,847</u>	<u>236,500</u>

7 Advances, deposits, prepayments and other receivables			
Advance Tax deducted		825,701	760,610
Other receivable from Management Company		211,363	211,363
Prepaid CDS Annual Fee		70,006	12,956
Security Deposits with CDC		237,500	237,500
		<u>1,344,570</u>	<u>1,222,429</u>

8 Remuneration payable to First Capital Investment Limited - Management Company			
Remuneration of Management Company	8.1	355,871	176,112
Punjab Sales tax on Remuneration of Management Company	8.2	56,939	28,179
Federal Excise Duty on Remuneration of Management Company	8.3	3,713,448	3,713,448
		<u>4,126,258</u>	<u>3,917,739</u>

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated November 25, 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets incase of equity schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. During the quarter ended September 30, 2018, the Management Company has charged its remuneration at the rate of 2% (June 30, 2018: 2%) per annum of the average net assets for the year. The fee is payable to the Management Company monthly in arrears.

8.2 The Provincial Government of Punjab levied Punjab Sales Tax at the rate of 16% on the remuneration of the Management Company through the Punjab Sales Tax on Services Act, 2012 effective from July 01, 2012.

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

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 3.713 million (June 30, 2018: Rs. 3.713 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at September 30, 2018 would have been higher by Rs. 0.2641 (June 30, 2018: Rs 0.3382) per unit

9 Accounting and Operational Charges

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide SRO 1160(I) / 2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less.

	September 30 2018 Un-audited	June 30 2018 Audited
	-----Rupees-----	
10 Accrued expenses and other liabilities		
Auditors' remuneration	1,040,238	774,900
Listing fees payable	97,561	90,000
Legal and professional charges	45,000	-
Withholding & Capital Gain Tax payable	189,515	200,192
Transaction costs payable	565	-
Printing charges payable	37,372	24,795
Other payables	52,936	49,018
	<u>1,463,187</u>	<u>1,138,905</u>

11 Unclaimed dividend

This mainly includes an amount of Rs. 9.51 million (June 30, 2018: Rs. 9.51 million) not paid to Salman Taseer (Late) due to pending adjudication for issuance of succession certificate before the Honorable Lahore High Court.

12 Contingencies And Commitments

There were no contingencies and commitments outstanding as at September 30, 2018 and June 30, 2018.

13 Total Expense Ratio

Total Expense Ratio (i.e. all the expenses, including government levies, incurred during the period divided by average net assets for the period is 4.68% (June 30, 2018: 4.15%) per annum, whereas Total Expense ratio (excluding government levies is 3.88% (June 30, 2018: 3.56%) per annum.

14 Taxation

The Fund's income is exempt from Income Tax as per clause (99) of part I of the second Schedule to the Income Tax Ordinance, 2001 subject to condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. During the year ended 30 June 2018, the fund has incurred net loss therefore no distribution has been made. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year ended June 30, 2019, 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 weighted average number of outstanding units for calculating EPU is not practicable.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons include the Management Company, 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 Directors and Key Management Personnel of the Management Company as at September 30, 2018.

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 and Trust Deed respectively

16.1 Transactions for the period:

	Un-audited For the Quarter Ended September 30	
	2018	2017
	-----Rupees-----	
Note		
First Capital Investments Limited - Management Company		
Remuneration of the Management Company	524,763	965,030
Punjab Sales Tax on Remuneration of the Management Company	83,962	154,405
Issuance of 2,268,577 (2017: Nil) units	20,000,000	
Redemption of 74,033 (2017: Nil) units	700,000	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	176,438	176,438
Sindh Sales Tax on Remuneration of the Trustee	22,937	22,937
Settlement Charges inclusive of Sindh Sales Tax	21,932	19,591

Transactions for the period (continued)...

Note	For the Quarter Ended September 30	
	2018	2017
	-----Rupees-----	

First Capital Securities Corporation Limited - Group Company

Issuance of 900,151 (2017: Nil) units

Redemption of Nil (2017: 100,000) units

8,000,000

-

1,208,610

First Capital Equities Limited - Group Company

Brokerage expense

2,500

6,000

Sindh Sales Tax on brokerage

325

780

16.2 Outstanding balances as at period / year end:

	September 30 2018	June 30 2018
	Un-audited	Audited
	-----Rupees-----	

First Capital Investments Limited - Management Company

Remuneration payable inclusive of taxes thereon

4,126,258

3,917,739

Other Payables

217,665

188,017

Other Receivables

211,363

211,363

Units held: 9,105,242 (June 30, 2018: 6,910,698) units

80,198,064

64,011,722

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable inclusive of taxes thereon

65,013

65,013

Security deposit

237,500

237,500

Settlement charges payable inclusive of taxes thereon

565

3,390

Prepaid Fee

70,006

12,956

First Capital Equities Limited - Group Company

Units held: 1,793 (June 30, 2018: 1,793) units

15,794

22,477

First Capital Securities Corporation Limited - Group Company

Units held: 935,466 (June 30, 2018: 35,316) units

8,239,494

327,122

Salman Taseet (Late) - Holder of more than 10%

Units held: 2,096,201 (June 30, 2018: 2,096,201) units

18,463,132

26,277,771

Key Management Personnel of the Management Company

Units held: 2,363 (June 30, 2018: 2,363) units

20,811

7,549

17 General

17.1 Figures have been rounded off to the nearest Rupee.

17.2 Units have been rounded off to the nearest decimal place.

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

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2018.

For First Capital Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director