

# First Capital Mutual Fund

## DIRECTORS' REVIEW

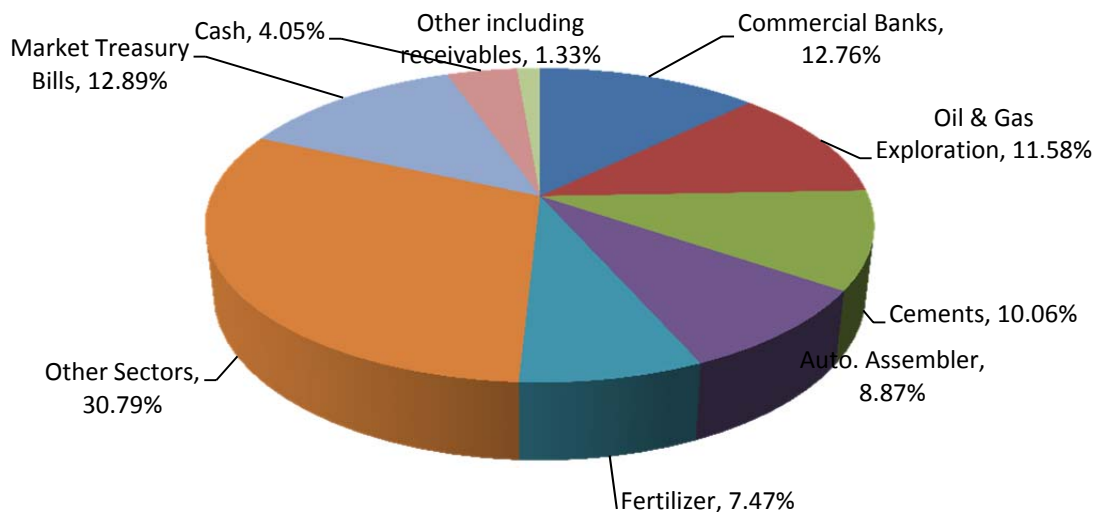
The Board of Directors of First Capital Investments Limited ("FCIL" or "Management Company") is pleased to present the reviewed financial statements of First Capital Mutual Fund ("FCMF" or "the Fund" or "the Scheme") for the half year ended December 31, 2018.

### Fund's Performance

During the period under review, the Fund has reported total comprehensive loss of Rs. 26.39 million as compared to profit of Rs. 37.68 million in the corresponding period last year. Capital loss on sale of Investments is Rs. 0.47 million as compared to gain of Rs. 38.06 million in the same period last year. Dividend income has decreased to Rs. 2.68 million from Rs. 3.19 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. 26.99 million during half year ended December 31, 2018 as compared to profit of Rs. 0.30 million in the same period last year. The total expenses of the Fund for the period under review has decreased to Rs. 2.77 million as compared to Rs. 3.72 million in the same period last year.

The Net Asset Value (NAV) per unit of FCMF has decreased from Rs. 9.2627 to Rs. 7.3609, thus showing a return of -20.53% as compared to its Benchmark's (KSE-100 index) return of -11.56%. The Fund has underperformed its Benchmark by 8.97% mainly on the back of high-weight in Automobile Assembler, Cement, Engineering and Pharmaceutical and Low-weight in Power Generation & Distribution and Commercial Bank 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, 2018 stood at Rs. 134.00 million as compared to Rs. 101.71 million as at June 30, 2018.

The asset allocation of the Fund as on 31 December 2018 is as under:



# First Capital Mutual Fund

## Equity Market Review

During the period under review the return of KSE-100 index has decreased by 11.56% as compared to gain of 13.09% during the same period last year.

The period under review commenced with negative note and posted a negative return of 11.56% during the 1<sup>st</sup> half of FY19. During the period under review the market remained under pressure mainly on the back of lack of clarity on financing of large funding gap in the external account deficit, MSCI reclassification, rate hike expectations, imminent entry into IMF program and Prime Minister's visits to friendly countries. Current Account Deficit (CAD) which is increased by more than 10%, necessitating further policy actions, especially in the face of rising international oil prices also led the market to negative zone. 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 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. Furthermore, raising global oil prices and depreciation of Pak rupee and hike in gas prices also depressed the investors' confidence.

## Transfer of Management Rights

The Board of Directors of the Management Company earlier approved the transfer of management rights of FCMF to 786 Investments Limited, being new management Company. However, The Securities and Exchange Commission of Pakistan ("SECP") has not granted its approval on the matter of transfer of Management rights.

The Board of Directors again directed the Management Company to approach the SECP on the matter of transfer or merger of FCMF with Fund under Management of 786 Investments Limited. In case of refusal of SECP for transfer or merger, the Board opined that there would be no option left but to wind up the First Capital Mutual Fund.

## 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, 2018.

## 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, 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

# First Capital Mutual Fund

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 27, 2019

Place: Lahore



**Imran Hafeez**

Chief Executive Officer/Director

## فرسٹ کیپٹل میوچل فنڈ

### ڈائریکٹرز کی جائزہ رپورٹ

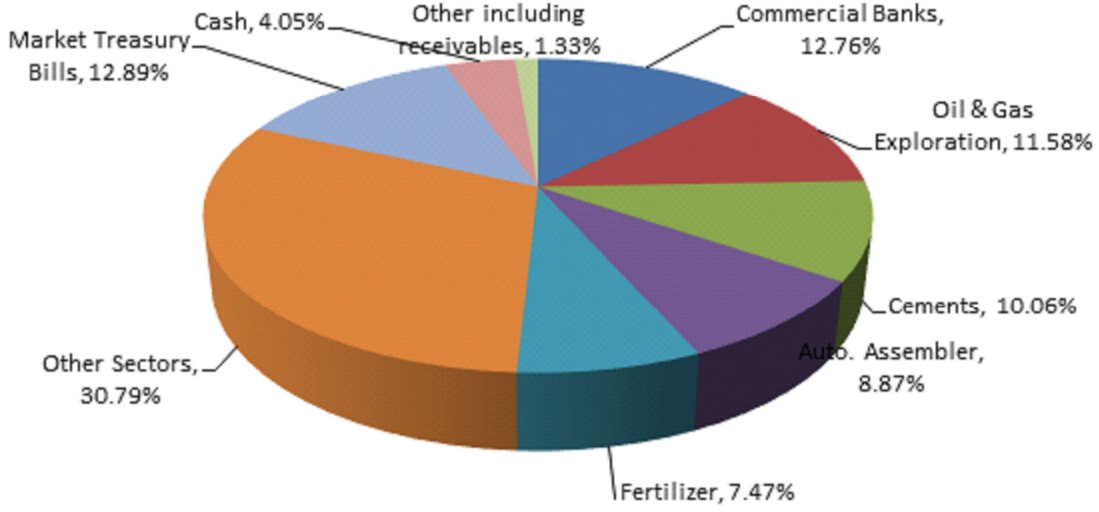
31 دسمبر 2018ء کو اختتام پذیر نصف سال کے لئے فرسٹ کیپٹل انویسٹمنٹ لمیٹڈ ("FCIL" یا "انتظامی کمپنی") کے بورڈ آف ڈائریکٹرز فرسٹ کیپٹل میوچل فنڈ ("FCMF" یا "فنڈ" یا "سکیم") کی نظر ثانی شدہ مالیاتی اسٹیٹمنٹس پیش کرنے مسرت کا اظہار کرتے ہیں۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران، فنڈ نے گذشتہ سال کی اسی مدت میں 37.68 ملین روپے منافع کے مقابلہ میں 26.39 ملین روپے جامع خسارہ رپورٹ کیا۔ گذشتہ سال میں اسی مدت کے دوران 38.06 ملین روپے آمدنی کے مقابلہ میں رواں سال سرمایہ داری کی فروخت کی مد میں سرمایہ داری پر 0.47 ملین روپے رپورٹ ہوا۔ منافع منقسمہ پر آمدنی میں بھی 3.19 ملین روپے سے 2.68 ملین روپے کمی واقع ہوئی۔ گذشتہ سال اسی مدت میں سرمایہ داری کی عقد میعاد سرمایہ داری پر 0.30 ملین روپے نفع کے مقابلہ میں 31 دسمبر 2018ء کو اختتام پذیر نصف سال کے لئے 26.99 ملین روپے خسارہ کے ذریعے قیمت خرید پر غیر حاصل شدہ کمی بھی رپورٹ کی گئی۔ زیر جائزہ مدت کے دوران فنڈ کے کل اخراجات میں 2.77 ملین روپے کمی واقع ہوئی (گذشتہ برس: 3.72 ملین روپے)۔

FCMF کی فی یونٹ خالص اثاثہ جات قیمت (NAV) 9.2627 روپے سے 7.3609 روپے کم ہوئی۔ اور 11.56- فی صد بیچ مارک ریٹرن (KSE-100 انڈیکس) کے مقابلہ میں 20.53- فی صد ریٹرن ظاہر ہوا۔ آٹوموبائل اسیمبلر، سمنٹ، انجینئرنگ اور فارماسیوٹیکل پر زیادہ دباؤ اور توانائی کی پیداوار اور تقسیم اور بیچ مارک کے مقابلہ میں کمرشل بینک کے شعبہ میں کم وزن کی وجہ فنڈ نے اپنے بیچ مارک سے 8.97 فی صد کم کارکردگی دکھائی۔ زیر جائزہ مدت کے دوران فنڈ نے متعدد شعبوں میں نقطہ نظر کو تبدیل کیا ہے تاکہ وہ اپنے سرمایہ داران کے لئے بہتر آمدنی حاصل کر سکیں۔ فنڈ نے بین الاقوامی سطح پر تیل کی قیمتوں سے متعلق کئی عوامل کی بنیاد پر تیل اور گیس کے شعبہ اور اپنی اساس کی وجہ سے سیمنٹ اور مینکنگ سیکٹر میں بھی اپنے نقطہ نظر کو تبدیل کیا ہے۔ مزید برآں، فنڈ کی انتظامیہ سرمایہ داروں کی رقوم کو سیر حاصل ریٹرنز کے لئے بذریعہ انویسٹمنٹ استعمال کرنے کی خواہش مند ہے تاکہ ان کے درمیان کم مطابقت کے ساتھ تمام شعبوں میں مناسب تنوع کے ذریعے خطرات سے بچا جاسکے۔ کمپنی کی انتظامیہ اس مقصد کے حصول کے لئے مسلسل کوشش کر رہی ہے۔ 31 دسمبر 2018ء تک FCMF کے خالص اثاثہ جات کی مالیت 134.00 ملین روپے رہی جو 30 جون 2018ء میں 101.71 ملین روپے تھی۔

31 دسمبر 2018ء کو فنڈ کی اثاثہ جات کی تفویض حسب ذیل ہے:



## ایکویٹی مارکیٹ کا جائزہ

زیر جائزہ مدت کے دوران KSE-100 انڈیکس ریٹرن گزشتہ سال میں 13.09 فی صد اضافہ کے مقابلہ میں 11.56 فی صد کم ہوا۔

زیر جائزہ مدت منفی نوٹ سے شروع ہوا اور مالی سال 2019ء کے پہلے نصف حصہ کے دوران ریٹرن میں 11.56 فی صد کمی واقع ہوئی۔ زیر جائزہ مدت کے دوران واضح پالیسی کے فقدان، بیرونی اکاؤنٹ خسارہ میں وسیع فنڈنگ خلا، MSCI کی دوبارہ درجہ بندی، شرح میں اضافہ کے امکانات، IMF پروگرام میں ناگزیر شمولیت اور وزیر اعظم کے دوست ممالک کے دوروں کی وجہ سے مارکیٹ دباؤ کا شکار رہی۔ کرنٹ اکاؤنٹ خسارہ (CAD) میں 10 فی صد اضافہ کی وجہ سے مزید پالیسی اقدامات کی ضرورت ہے۔ خصوصاً بین الاقوامی سطح پر تیل کی قیمتوں میں اضافہ کی وجہ سے مارکیٹ منفی زون میں داخل ہو چکی ہے۔ 180 بلین ڈالر اضافی ریونیو حاصل کرنے کی غرض سے PTI گورنمنٹ کی جانب ضمنی بجٹ پیش کیا گیا۔ یہ ریونیو بہتر انتظامی ٹیکس اقدامات اور دوراندیشی افراد اور AOPs کے لئے انکم ٹیکس کی شرح میں تبدیلی، غیر ضروری درآمدی اشیا پر ڈیوٹی میں اضافہ، ملکی سطح پر تیار اشیا پر ٹیکس بڑھانے جیسے نئے ریونیو اقدامات کے ذریعے حاصل کیا جاسکتا ہے۔ مزید برآں، تیل کی عالمی قیمتیں اور پاکستانی روپے کی قدر میں کمی اور گیس کی قیمت میں اضافہ کی وجہ سے سرمایہ داروں کے اعتماد کو ٹھیس پہنچی ہے۔

## انتظامی حقوق کی منتقلی

انتظامی کمپنی کے بورڈ آف ڈائریکٹرز نے FCMF کے انتظامی حقوق، نئی انتظامی کمپنی کی حیثیت سے 786 انویسٹمنٹ لمیٹڈ کو منتقل کرنے کی منظوری دے دی ہے۔ اہم، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے انتظامی حقوق کی منتقلی کے معاملہ پر منظوری کا اعلان نہ کیا ہے۔

بورڈ آف ڈائریکٹرز نے منتقلی یا 786 انویسٹمنٹس لمیٹڈ کے زیر انتظام فنڈ کے ساتھ FCMF کے انضمام کے معاملہ پر انتظامی کمپنی کو SECP سے رجوع کرنے کی ہدایت کی ہے۔ منتقلی یا انضمام پر SECP کے انکار کی صورت میں بورڈ نے رائے دی ہے کہ فرسٹ کیپٹل میوچل فنڈ کو اسٹڈ اپ کرنے کے علاوہ کوئی چارہ نہ ہوگا۔

## آمدنی کی تقسیم

انتظامی کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2018ء کو اختتام پذیر مدت کے لئے صفر فی یونٹ منافع منقسمہ کا فیصلہ کیا ہے۔

## ڈائریکٹرز کا اعلامیہ

نان بینکنگ فنانس کمپنیز اور نوٹی فائیڈ انٹی ٹیز ریگولیشنز 2008ء کے تحت ایسٹ مینجمنٹ کمپنی کے ڈائریکٹرز بیان کرتے ہیں کہ 31 دسمبر 2018ء کو اختتام پذیر نصف سال کے لئے فنڈ کی مالیاتی اسٹیٹمنٹس فنڈ کی درست اور صحیح تصویر پیش کرتی ہیں۔

## اعتراف

اس موقع پر بورڈ تمام یونٹ ہولڈرز کی مسلسل حمایت پر ان کا تہہ دل سے شکریہ ادا کرتا ہے۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور میوچل فنڈز ایسوسی ایشن آف پاکستان کی فراہم کردہ رہنمائی اور مدد پر ان کی حوصلہ افزائی کرتا ہے۔ آخر میں، بورڈ عملہ اور اسٹیٹس کی جانب سے جذبہ، سخت محنت اور تعاون کو بھی قدر کی نگاہ سے دیکھتا ہے۔

برائے/مخائب بورڈ آف ڈائریکٹرز

فرسٹ کیپٹل انویسٹمنٹ لمیٹڈ

عمران حفیظ

چیف ایگزیکٹو آفیسر/ ڈائریکٹر

آصف پرویز

ڈائریکٹر

بتاریخ: فروری 27، 2019ء

مقام: لاہور

**Head Office**

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S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**FIRST CAPITAL MUTUAL FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of First Capital Mutual Fund (the Fund) are of the opinion that First Capital Investments Limited (FCIL) being the Management Company (MC) of the Fund has in all materially respect managed the Fund during the six months period ended December 31, 2018 in accordance with the provisions of the following:

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

For the purpose of information, we would like to draw unit holders' attention towards the fact that application for the voluntary retirement of FCIL from the Management rights of the Fund and transfer the same to 786 Investments limited has not been acceded to by SECP. Considering this status, we being the Trustee of the Fund have doubts about the ability of the Fund to continue as a going concern for the reason that FCIL had taken the decision to transfer the management rights on the basis of fund size which was Rs. 154 million on the date of decision i.e. May 12, 2018 whereas the size of the Fund as on December 31, 2018 was further deteriorated to Rs. 134 million.

  
**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: February 28, 2019

**First Capital Mutual Fund**

Review report on draft condensed interim  
financial statements for the six  
months ended 31 December 2018





KPMG Taseer Hadi & Co.  
Chartered Accountants  
351 Shadman-1, Jail Road,  
Lahore 54000 Pakistan  
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of First Capital Mutual Fund

Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **First Capital Mutual fund ("the Fund")** as at 31 December 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of movement in unit holders' fund, and notes to the financial statements for the six-month period then ended (here-in-after referred to as "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements 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 interim financial statements 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matters

The figures for the quarter ended 31 December 2018 and 31 December 2017 in these interim financial statements have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Kamran Iqbal Yousafi.

Lahore

Date: 27 February 2019

KPMG Taseer Hadi & Co.  
Chartered Accountants

First Capital Mutual Fund  
Condensed Interim Statement of Assets and Liabilities (Un-audited)  
As at 31 December 2018

		(Un-audited) 31 December 2018	(Audited) 30 June 2018
	Note	-----Rupees-----	
<b><u>Assets</u></b>			
Bank balances	8	6,214,590	14,617,436
Investments	9	145,056,418	105,297,073
Dividend and profit receivable - <i>unsecured, considered good</i>	10	182,496	236,500
Advances, deposits, prepayments and other receivables	11	1,862,507	1,222,429
<b>Total assets</b>		<b>153,316,011</b>	<b>121,373,438</b>
<b><u>Liabilities</u></b>			
Payable to First Capital Investment Limited - Management Company			
- against remuneration	12	4,319,885	3,917,739
- other payables		94,168	188,017
Payable to Central Depository Company of Pakistan Limited - <i>Trustee</i>		67,185	65,013
Payable to Securities and Exchange Commission of Pakistan		60,915	158,444
Accrued and other liabilities	13	1,026,567	1,138,905
Unclaimed dividend	14	13,745,577	14,191,025
<b>Total liabilities</b>		<b>19,314,297</b>	<b>19,659,143</b>
<b>Net assets</b>		<b>134,001,714</b>	<b>101,714,295</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>134,001,714</b>	<b>101,714,295</b>
<b>Contingencies and commitments</b>	15		
<b>Number of units in issue</b>		<b>18,204,478</b>	<b>10,981,013</b>
<b>Net assets value per unit (face value per unit Rs. 10/-)</b>		<b>7.3609</b>	<b>9.2627</b>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

607/15/11

For First Capital Investments Limited  
(Management Company)

Lahore

Chief Executive

Chief Financial Officer

Director

**First Capital Mutual Fund**  
**Condensed Interim Income Statement (Un-audited)**  
*For the half year and quarter ended 31 December 2018*

	Note	Half year ended		Quarter year ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		-----Rupees-----		-----Rupees-----	
<b><u>Income</u></b>					
Capital loss on sale of investments - net		(474,491)	(38,056,062)	(91,956)	(37,918,241)
Dividend income		2,679,228	3,188,467	1,847,368	1,876,361
Income from government securities		364,240	357,563	297,486	178,742
Profit on bank deposits		796,331	852,933	601,048	754,353
Net unrealized (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	9.1	(26,986,654)	(299,921)	(22,471,516)	26,235,151
<b>Total loss</b>		<b>(23,621,346)</b>	<b>(33,957,020)</b>	<b>(19,817,570)</b>	<b>(8,873,634)</b>
<b><u>Expenses</u></b>					
Remuneration to First Capital Investment Limited - Management Company		(1,282,946)	(1,786,162)	(758,183)	(821,132)
Punjab Sales Tax on Management Company's remuneration		(205,271)	(285,786)	(121,309)	(131,381)
Remuneration to Central Depository Company - Trustee		(352,877)	(352,877)	(176,439)	(176,439)
Sindh Sales Tax on remuneration of trustee		(45,875)	(45,875)	(22,938)	(22,938)
Annual fee to Securities and Exchange Commission of Pakistan		(60,940)	(84,843)	(36,014)	(39,006)
Securities transaction costs		(110,498)	(313,068)	(73,186)	(261,052)
Accounting and operational charges		(64,147)	(89,308)	(37,909)	(41,056)
Sindh Sales tax on accounting and operational charges		(8,339)	(11,610)	(4,928)	(4,127)
Auditors' remuneration		(530,676)	(530,676)	(265,338)	(265,338)
Annual listing fee		(15,123)	(15,123)	(7,563)	(7,563)
Legal and professional charges		(53,282)	(5,681)	(8,282)	(5,681)
Fund's rating fee		(12,696)	(70,757)	(12,696)	(35,379)
Printing and postage charges		(25,206)	(120,245)	(12,603)	(72,803)
Bank and settlement charges		(2,722)	(10,914)	(1,776)	(8,753)
<b>Total operating expenses</b>		<b>(2,770,598)</b>	<b>(3,722,925)</b>	<b>(1,539,164)</b>	<b>(1,892,648)</b>
<b>Net loss from operating activities</b>		<b>(26,391,944)</b>	<b>(37,679,945)</b>	<b>(21,356,734)</b>	<b>(10,766,282)</b>
Taxation	16	-	-	-	-
<b>Net loss for the period after taxation</b>		<b>(26,391,944)</b>	<b>(37,679,945)</b>	<b>(21,356,734)</b>	<b>(10,766,282)</b>
Earnings per unit	17	-	-	-	-

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

14/12/2018

For First Capital Investments Limited  
(Management Company)

Lahore

Chief Executive Officer

Chief Financial Officer

Director

**First Capital Mutual Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
*For the half year and quarter ended 31 December 2018*

	Half year ended		Quarter year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	-----Rupees-----		-----Rupees-----	
Net loss for the period	(26,391,944)	(37,679,945)	(21,356,734)	(10,766,282)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(26,391,944)</b>	<b>(37,679,945)</b>	<b>(21,356,734)</b>	<b>(10,766,282)</b>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


12/01/2019

**For First Capital Investments Limited**  
**(Management Company)**

Lahore

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

First Capital Mutual Fund  
Condensed Interim Cash Flow Statement (Un-audited)  
For the half year ended 31 December 2018

	Half year ended	
	31 December 2018	31 December 2017
	-----Rupees-----	
<b><u>Cash flows from operating activities</u></b>		
Net loss for the period before taxation	(26,391,944)	(37,679,945)
<b><u>Adjustments for non-cash items</u></b>		
Net unrealized diminution on re-measurement of investments - at fair value through profit or loss	26,986,654	299,921
Capital loss on sale of investments - net	474,491	38,056,062
Dividend income	(2,679,228)	(3,188,467)
Profit on bank deposits	(796,331)	(852,933)
	23,985,586	34,314,583
	(2,406,358)	(3,365,362)
<i>(Increase) / decrease in assets:</i>		
Investments - net	(67,220,490)	67,543,269
Advances, deposits, prepayments and other receivables	(640,078)	(68,286)
	(67,860,568)	67,474,983
<i>(Decrease) / increase in liabilities:</i>		
Payable to First Capital Investment Limited - Management Company	308,297	219,019
Payable to the Central Depository Company - Trustee	2,172	2,170
Payable to the Securities and Exchange Commission of Pakistan	(97,529)	(122,201)
Payable against Purchase of Investments	-	19,720,179
Unclaimed dividend	(445,448)	1,279,244
Accrued and other liabilities	(112,338)	27,573
	(344,846)	21,125,984
Dividend received	2,790,775	3,341,564
Profit received on bank deposits	738,788	491,904
<b>Net cash (used in) / generated from operating activities</b>	<b>(67,082,209)</b>	<b>89,069,073</b>
<b><u>Cash flow from financing activities</u></b>		
Payments received against issuance of units	123,000,000	74,000
Payments made against redemption of units	(64,320,637)	(2,344,604)
Cash payout against distribution of final cash dividend	-	(6,243,235)
<b>Net cash generated from / (used in) financing activities</b>	<b>58,679,363</b>	<b>(8,513,839)</b>
Net (decrease) / increase in cash and cash equivalents during the period	(8,402,846)	80,555,234
Cash and cash equivalents at beginning of the period	14,617,436	3,418,018
<b>Cash and cash equivalents at end of the period</b>	<b>6,214,590</b>	<b>83,973,252</b>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

10/11/18

For First Capital Investments Limited  
(Management Company)

Lahore

Chief Executive Officer

Chief Financial 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 2018*

	Six months period ended					
	2018			2017		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
<i>Note</i> ----- Rupees -----						
Net assets at beginning of the period	92,350,725	9,363,570	101,714,295	148,772,307	59,375,272	208,147,579
<i>Issuance of 14,749,946 (2017: 6,240) units</i>						
- Capital value	136,624,329	-	136,624,329	77,254	-	77,254
- Element of loss	(13,624,329)	-	(13,624,329)	(3,254)	-	(3,254)
<b>Total proceeds on issuance of units</b>	<b>123,000,000</b>	<b>-</b>	<b>123,000,000</b>	<b>74,000</b>	<b>-</b>	<b>74,000</b>
<i>Redemption of 7,526,481 (2017: 197,959) units</i>						
- Capital value	(69,715,540)	-	(69,715,540)	(2,439,854)	-	(2,439,854)
- Element of income	5,394,903	-	5,394,903	95,250	-	95,250
<b>Total payment on redemption of units</b>	<b>(64,320,637)</b>	<b>-</b>	<b>(64,320,637)</b>	<b>(2,344,604)</b>	<b>-</b>	<b>(2,344,604)</b>
Total comprehensive loss for the period	-	(26,391,944)	(26,391,944)	-	(37,679,945)	(37,679,945)
Distributions during the period Rs. nil (2017: at the rate of 0.38 per unit declared on 03 October 2017)	-	-	-	-	(6,243,235)	(6,243,235)
<b>Net assets at end of the period</b>	<b>151,030,088</b>	<b>(17,028,374)</b>	<b>134,001,714</b>	<b>146,501,703</b>	<b>15,452,092</b>	<b>161,953,795</b>
<i>Undistributed income brought forward represented by:</i>						
-Realized gain		21,894,148			84,506,217	
-Unrealized loss		(12,530,582)			(25,130,945)	
		<u>9,363,566</u>			<u>59,375,272</u>	
<i>Accounting (loss) / income available for distribution:</i>						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
<b>Net loss for the period</b>		<b>(26,391,944)</b>			<b>(37,679,945)</b>	
Distributions during the period Rs. nil (2017: at the rate of 0.38 per unit declared on 03 October 2017)					(6,243,235)	
<b>Undistributed (loss) / income carried forward</b>		<b>(17,028,378)</b>			<b>15,452,092</b>	
<i>Undistributed (loss) / income represented by:</i>						
-Realized gain		9,958,276			21,523,681	
-Unrealized loss		(26,986,654)			(6,071,589)	
		<u>(17,028,378)</u>			<u>15,452,092</u>	
----- Rupees -----						
Net asset value per unit at beginning of the period			<u>9.2627</u>			<u>12.5359</u>
Net asset value per unit at end of the period			<u>7.3609</u>			<u>9.8678</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

*NS/MS/94*

For First Capital Investments Limited  
(Management Company)

Lahore

Chief Executive Officer

Chief Financial Officer

Director

**First Capital Mutual Fund**  
**Notes to the Condensed Interim Financial Information (Un-audited)**  
*For the half year ended 31 December 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 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, Pacc 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 27 September 2018 and 31 October 2018 respectively. PACRA has also placed the ratings of First Capital Investments Limited on "Rating Watch" due to reasons as fully explained in note 2 of these condensed interim financial statements. This rating will be reviewed by PACRA within first quarter of 2019 by keeping in view the updates mentioned in note 2 below.

**2 Transfer of Management rights**

The Board of Directors of First Capital Investments Limited (FCIL) being Asset Management Company passed a resolution on 12 May 2018 wherein they 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 was 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 ("SECP"). However, during the period SECP has not acceded to this request of transfer of management rights vide its letter SCD/AMCW/FCIL/205/2018 dated 04 December 2018. Accordingly, this transaction is closed and FCIL will continue to be the Asset Management Company.

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### 3 Basis of preparation

#### 3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 34 issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-banking finance companies (Established and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed

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

These condensed interim financial statements do 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 2018. 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.

These condensed interim financial statements are being submitted to the unit holders as required under Regulation 38 (2) (f) of the NBFC regulations.

The comparative numbers in the statement of assets and liabilities presented in these condensed interim financial statements for the period ended 31 December 2018 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2018, whereas the comparative numbers in the condensed interim income statement, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund are stated from unaudited condensed interim financial statements for the six months period ended 31 December 2017.

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

*10/11/2018*



SECP vide its S.R.O. 229(I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 (Financial Instruments) for the reporting period ended on 31 December 2018. IFRS 9 will now be applicable for reporting periods / year ending on or after 30 June 2019.

### **3.2 Functional and presentation currency**

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

## **4 Significant Accounting Policies**

**4.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2018 except for the adoption of new standard effective as off 01 July 2018.

### **4.2 Change in significant accounting policies**

The Fund has adopted IFRS 15 'Revenue from Contracts with Customers' from 01 July 2018 which is effective from the annual periods beginning on or after 01 July 2018. However, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have an impact on the amounts of income recognized in these condensed interim financial statements.

## **5 Estimates and judgements**

The preparation of these condensed interim financial statements 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 these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual financial statements for the year ended 30 June 2018.

## **6 New, Amended and revised standards and interpretations of IFRSs.**

### **6.1 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 2018. However, these does not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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**6.2 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective**

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2019:

<u>Standard or Interpretation</u>	Effective date (accounting periods beginning on or after)
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
Amendment to IFRS 9 - Financial Instrument	01 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019
IFRS 16-Leases	01 January 2019
IFRIC 23- Uncertainty over Income Tax Treatments	01 January 2019

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Fund's financial statements.

**7 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 2018.

		(Un-audited) 31 December 2018	(Audited) 30 June 2018
	<i>Note</i>	-----Rupees-----	
<b>8 Balances with banks</b>			
<i>Cash at bank</i>			
- saving accounts	8.1	6,204,589	14,612,436
- current account		10,001	5,000
		<u>6,214,590</u>	<u>14,617,436</u>

8.1 The rate of return on these saving accounts is 3.75% to 6.50% (30 June 2018: 3.75% to 4.00%) per annum.

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9 Investments

At fair value through profit or loss

Listed equity securities  
Government securities - Market Treasury Bills

Note	(Un-audited)	(Audited)
	31 December 2018	30 June 2018
	Rupees	
9.1	125,300,818	105,297,073
9.1	19,755,600	-
	<u>145,056,418</u>	<u>105,297,073</u>

9.1 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 2018				(% ) Percentage in relation to		
	As at 01 July 2018	Purchases during the period	Bonus / Rights during the period	Sale during the period	As at 31 December 2018	Carrying value as at 31 December 2018	Market value as at 31 December 2018	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)
	Rupees										
<b>Inv. Banks / Inv. Cos. / Securities Cos.</b>											
Escorts Investment Bank Limited	50,000	15,500	-	50,000	15,500	343,325	215,295	(128,030)	0.1607	0.1484	0.0351
First Capital Equities Limited	1,011,895	-	-	-	1,011,895	8,499,918	5,474,352	(3,025,566)	4.0353	3.7739	0.7160
	<u>1,061,895</u>	<u>15,500</u>	<u>-</u>	<u>50,000</u>	<u>1,027,395</u>	<u>8,843,243</u>	<u>5,689,647</u>	<u>(3,153,596)</u>	<u>4.2460</u>	<u>3.9223</u>	<u>0.7511</u>
<b>Banks</b>											
Bank Alfalah Limited	15,000	-	1,500	-	16,500	784,350	669,735	(114,615)	0.4998	0.4617	0.0009
Faysal Bank Limited	7,812	15,000	-	-	22,812	556,913	549,085	(7,828)	0.4098	0.3785	0.0015
Habib Bank Limited	31,500	10,500	-	-	42,000	6,733,490	5,058,900	(1,674,590)	3.7753	3.4875	0.0029
JS Bank Limited	-	25,000	-	-	25,000	170,003	184,250	14,247	0.1375	0.1270	0.0019
MCB Bank Limited	35,900	-	-	-	35,900	7,099,943	6,949,163	(150,780)	5.1859	4.7907	0.0030
National Bank of Pakistan	-	15,000	-	-	15,000	693,750	630,450	(63,300)	0.4705	0.4346	0.0007
United Bank Limited	38,000	7,000	-	-	45,000	7,435,540	5,518,800	(1,916,740)	4.1185	3.8046	0.0037
	<u>128,212</u>	<u>72,500</u>	<u>1,500</u>	<u>-</u>	<u>202,212</u>	<u>23,473,989</u>	<u>19,560,383</u>	<u>(3,913,606)</u>	<u>14.5973</u>	<u>13.4846</u>	<u>0.0146</u>
<b>Insurance</b>											
The United Insurance Company of Pakistan Limited	1,453	-	-	-	1,453	18,657	17,233	(1,424)	0.0129	0.0119	0.0006
	<u>1,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,453</u>	<u>18,657</u>	<u>17,233</u>	<u>(1,424)</u>	<u>0.0129</u>	<u>0.0119</u>	<u>0.0006</u>
<b>Textile Composite</b>											
Kohinoor Textile Mills Limited	-	35,000	-	-	35,000	1,859,850	1,577,800	(282,050)	1.1774	1.0877	0.012
Nishat Mills Limited	30,000	3,000	-	-	33,000	4,680,600	4,175,490	(505,110)	3.1160	2.8785	0.009
	<u>30,000</u>	<u>38,000</u>	<u>-</u>	<u>-</u>	<u>68,000</u>	<u>6,540,450</u>	<u>5,753,290</u>	<u>(787,160)</u>	<u>4.293</u>	<u>3.966</u>	<u>0.021</u>
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited	-	30,000	-	-	30,000	779,675	771,900	(7,775)	0.5760	0.5321	0.018
	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>779,675</u>	<u>771,900</u>	<u>(7,775)</u>	<u>0.5760</u>	<u>0.5321</u>	<u>0.0180</u>
<b>Cement</b>											
Cherat Cement Company Limited	15,000	-	-	-	15,000	1,458,450	1,044,750	(413,700)	0.7797	0.7202	0.0085
D.G Khan Cement Company Limited	13,000	25,000	-	-	38,000	4,060,870	3,045,700	(1,015,170)	2.2729	2.0997	0.0087
Fauji Cement Company Limited	40,000	30,000	-	-	70,000	1,597,000	1,465,100	(131,900)	1.0933	1.0100	0.0051
Kohat Cement Company Limited	10,000	-	3,000	-	13,000	1,230,700	1,104,220	(126,480)	0.8240	0.7612	0.0065
Lucky Cement Limited	5,500	7,500	-	-	13,000	6,281,854	5,650,710	(631,144)	4.2169	3.8955	0.0040
Maple Leaf Cement Factory Limited	31,250	9,000	-	-	40,250	1,929,875	1,636,163	(293,713)	1.2210	1.1279	0.0061
Pioneer Cement Limited	16,500	-	-	-	16,500	773,190	691,515	(81,675)	0.5160	0.4767	0.0073
Power Cement Limited	-	100,000	-	-	100,000	763,525	783,000	19,475	0.5843	0.5398	0.0094
	<u>131,250</u>	<u>171,500</u>	<u>3,000</u>	<u>-</u>	<u>305,750</u>	<u>18,095,464</u>	<u>15,421,158</u>	<u>(2,674,307)</u>	<u>11.5081</u>	<u>10.6310</u>	<u>0.0556</u>

10/11/2018

Name of Investee company	Number of shares				Balance as at 31 December 2018				(% ) Percentage in relation to		
	As at 01 July 2018	Purchases during the period	Bonus / Rights during the period	Sale during the period	As at 31 December 2018	Carrying value as at 31 December 2018	Market value as at 31 December 2018	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)
	Rupees										
<b>Refinery</b>											
Attock Refinery Limited	2,500	-	625	-	3,125	538,275	461,000	(77,275)	0.3440	0.3178	0.0029
National Refinery Limited	-	3,500	-	-	3,500	1,436,035	999,945	(436,090)	0.7462	0.6893	0.0044
	<b>2,500</b>	<b>3,500</b>	<b>625</b>	<b>-</b>	<b>6,625</b>	<b>1,974,310</b>	<b>1,460,945</b>	<b>(513,365)</b>	<b>1.09</b>	<b>1.01</b>	<b>0.01</b>
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	14,000	-	-	-	14,000	1,290,240	1,201,060	(89,180)	0.8963	0.8280	0.0012
Tri-Star Power Limited	-	100,000	-	-	100,000	526,560	419,000	(107,560)	0.3127	0.2889	0.6667
	<b>14,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>114,000</b>	<b>1,816,800</b>	<b>1,620,060</b>	<b>(196,740)</b>	<b>1.21</b>	<b>1.12</b>	<b>-0.67</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Hascol Petroleum Limited	10,160	5,000	2,540	5,000	12,700	1,021,495	1,884,680	(1,136,815)	1.4065	1.2993	0.0070
Pakistan State Oil Company Limited	8,100	11,500	1,620	-	21,220	5,450,426	4,783,625	(666,801)	3.5698	3.2978	0.0054
Sui Northern Gas Pipelines Limited	20,000	10,000	-	-	30,000	2,914,375	2,312,100	(602,275)	1.7254	1.5939	0.0047
Sui Southern Gas Company Limited	20,000	10,000	-	-	30,000	919,200	693,000	(226,200)	0.5172	0.4777	0.0034
	<b>58,260</b>	<b>36,500</b>	<b>4,160</b>	<b>5,000</b>	<b>93,920</b>	<b>12,305,496</b>	<b>9,673,405</b>	<b>(2,632,091)</b>	<b>7.2189</b>	<b>6.6687</b>	<b>0.0205</b>
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited	3,077	2,000	308	-	5,385	7,448,016	6,653,870	(794,146)	4.9655	4.5871	0.0044
Oil & Gas Development Company Limited	20,000	5,000	-	-	25,000	3,807,400	3,200,000	(607,400)	2.3880	2.2060	0.0006
Pakistan Oilfields Limited	3,000	3,400	600	-	7,000	3,689,560	2,973,740	(715,820)	2.2192	2.0501	0.0025
Pakistan Petroleum Limited	20,000	12,000	3,000	-	35,000	6,376,400	5,238,100	(1,138,300)	3.9090	3.6111	0.0015
	<b>46,077</b>	<b>22,400</b>	<b>3,908</b>	<b>-</b>	<b>72,385</b>	<b>21,321,376</b>	<b>18,065,710</b>	<b>(3,255,666)</b>	<b>13.4817</b>	<b>12.4543</b>	<b>0.0090</b>
<b>Industrial Engineering</b>											
Aisha Steel Mills Limited	150,000	-	-	-	150,000	2,365,500	1,575,000	(790,500)	1.1754	1.0858	0.0196
Amreli Steels Limited	17,100	-	-	-	17,100	1,206,405	818,748	(387,657)	0.6110	0.5644	0.0058
Dost Steels Limited	137,500	-	-	-	137,500	1,087,625	764,500	(323,125)	0.5705	0.5270	0.0436
International Steels Limited	18,000	7,000	-	-	25,000	2,371,000	1,644,250	(726,750)	1.2270	1.1335	0.0057
Mughal Iron And Steel Industries Ltd	30,000	-	-	-	30,000	1,842,600	1,213,500	(629,100)	0.9056	0.8366	0.0119
	<b>352,600</b>	<b>7,000</b>	<b>-</b>	<b>-</b>	<b>389,600</b>	<b>8,873,130</b>	<b>6,015,998</b>	<b>(2,857,132)</b>	<b>4.4895</b>	<b>4.1473</b>	<b>0.0866</b>
<b>Automobile Assembler</b>											
Al-Ghazi Tractors Limited	-	1,500	-	-	1,500	799,500	819,000	19,500	0.6112	0.5646	0.0026
Ghandhara Industries Limited	-	4,000	2,000	-	6,000	1,899,470	1,648,500	(250,970)	1.2302	1.1365	0.0141
Ghandhara Nissan Limited	-	2,000	-	-	2,000	208,520	190,060	(18,460)	0.1418	0.1310	0.0035
Honda Atlas Cars (Pakistan) Limited	3,500	9,000	-	-	12,500	3,073,579	2,206,750	(866,829)	1.6468	1.5213	0.0088
Indus Motor Company Limited	1,500	1,500	-	-	3,000	3,997,190	3,659,040	(338,150)	2.7306	2.5225	0.0038
Millat Tractors Limited	3,000	1,000	-	-	4,000	4,554,120	3,327,960	(1,226,160)	2.4835	2.2943	0.0090
Pak Suzuki Motor Company Limited	8,000	6,000	-	4,000	10,000	2,956,140	1,741,400	(1,214,740)	1.2995	1.2005	0.0122
	<b>16,000</b>	<b>25,000</b>	<b>2,000</b>	<b>4,000</b>	<b>39,000</b>	<b>17,488,519</b>	<b>13,592,710</b>	<b>(3,895,809)</b>	<b>10.1436</b>	<b>9.3707</b>	<b>0.0540</b>
<b>Automobile Parts &amp; Accessories</b>											
The General Tyre & Rubber Company of Pakistan Limited	15,200	-	10,640	-	25,840	2,526,240	2,088,647	(437,593)	1.5587	1.4399	0.0254
	<b>15,200</b>	<b>-</b>	<b>10,640</b>	<b>-</b>	<b>25,840</b>	<b>2,526,240</b>	<b>2,088,647</b>	<b>(437,593)</b>	<b>1.5587</b>	<b>1.4399</b>	<b>0.0254</b>
<b>Cables &amp; Electrical Goods</b>											
Pak Elektron Limited	-	10,000	-	-	10,000	324,000	249,000	(75,000)	0.1858	0.1717	0.0020
	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>324,000</b>	<b>249,000</b>	<b>(75,000)</b>	<b>0.1858</b>	<b>0.1717</b>	<b>0.0020</b>
<b>Technology &amp; Communications</b>											
Netsol Technologies Limited	-	21,000	-	-	21,000	2,707,623	1,458,030	(1,249,593)	1.0881	1.0051	0.0234
	<b>-</b>	<b>21,000</b>	<b>-</b>	<b>-</b>	<b>21,000</b>	<b>2,707,623</b>	<b>1,458,030</b>	<b>(1,249,593)</b>	<b>1.0881</b>	<b>1.0051</b>	<b>0.0234</b>

14/07/2019

Name of Investee company	Number of shares				Balance as at 31 December 2018				(%) Percentage in relation to		
	As at 01 July 2018	Purchases during the period	Bonus / Rights during the period	Sale during the period	As at 31 December 2018	Carrying value as at 31 December 2018	Market value as at 31 December 2018	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)
Rupees											
<b>Fertilizer</b>											
Engro Fertilizers Limited	25,000	-	-	-	25,000	1,872,750	1,726,250	(146,500)	1.2882	1.1901	0.0019
Engro Corporation Limited	17,000	11,000	-	-	28,000	8,583,303	8,150,240	(433,063)	6.0822	5.6187	0.0053
Fatima Fertilizer Company Limited	5,000	-	-	-	5,000	162,000	182,350	20,350	0.1361	0.1257	0.0002
Fauji Fertilizer Company Limited	15,000	-	-	-	15,000	1,483,350	1,392,750	(90,600)	1.0394	0.9601	0.0016
	<b>62,000</b>	<b>11,000</b>	<b>-</b>	<b>-</b>	<b>73,000</b>	<b>12,101,403</b>	<b>11,451,590</b>	<b>(649,813)</b>	<b>8.5459</b>	<b>7.8946</b>	<b>0.0090</b>
<b>Pharmaceuticals</b>											
AGP Limited	25,625	20,000	-	12,500	33,125	2,634,369	2,896,119	261,750	2.1613	1.9965	0.0118
Highnoon Laboratories Limited	38	-	-	-	38	15,599	13,211	(2,389)	0.0099	0.0091	0.0001
The Searle Company Limited	8,230	10,000	2,284	-	20,514	5,533,900	5,038,033	(495,927)	3.7597	3.4732	0.0097
	<b>33,893</b>	<b>30,000</b>	<b>2,284</b>	<b>12,500</b>	<b>53,677</b>	<b>8,183,928</b>	<b>7,947,363</b>	<b>(236,566)</b>	<b>5.9309</b>	<b>5.4788</b>	<b>0.0216</b>
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited	-	20,000	-	-	20,000	700,460	742,800	42,340	0.5543	0.5121	0.0022
Nimir Industrial Chemicals Limited	-	20,000	-	-	20,000	1,246,500	1,259,800	13,300	0.9401	0.8685	0.0181
	<b>-</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>1,946,960</b>	<b>2,002,600</b>	<b>55,640</b>	<b>1.4944</b>	<b>1.3806</b>	<b>0.0203</b>
<b>Paper &amp; Board</b>											
Packages Limited	2,550	-	-	-	2,550	1,248,786	986,391	(262,395)	0.7361	0.6800	0.0029
	<b>2,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,550</b>	<b>1,248,786</b>	<b>986,391</b>	<b>(262,395)</b>	<b>0.7361</b>	<b>0.6800</b>	<b>0.0029</b>
<b>Glass &amp; Ceramics</b>											
Shabbir Tiles & Ceramics Limited	-	10,000	-	-	10,000	192,795	144,900	(47,895)	0.1081	0.0999	0.0031
	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>192,795</b>	<b>144,900</b>	<b>(47,895)</b>	<b>0.1081</b>	<b>0.0999</b>	<b>0.0031</b>
<b>Foods &amp; Personal Care Products</b>											
Treet Corporation Limited	3,400	-	-	-	3,400	116,246	78,858	(37,388)	0.0588	0.0544	0.0021
	<b>3,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,400</b>	<b>116,246</b>	<b>78,858</b>	<b>(37,388)</b>	<b>0.0588</b>	<b>0.0544</b>	<b>0.0021</b>
<b>Synthetic &amp; Rayon</b>											
Tri-Star Polyester Limited	-	50,000	-	-	50,000	854,420	810,000	(44,420)	0.6045	0.5584	0.0879
	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>854,420</b>	<b>810,000</b>	<b>(44,420)</b>	<b>0.6045</b>	<b>0.5584</b>	<b>0.0879</b>
<b>Miscellaneous</b>											
Pace (Pakistan) Limited	149,500	-	-	149,500	-	-	-	-	-	-	-
Siddiqusons Tin Plate Limited	-	25,000	-	-	25,000	517,470	441,000	(76,470)	0.3291	0.3040	0.0109
	<b>149,500</b>	<b>25,000</b>	<b>-</b>	<b>149,500</b>	<b>25,000</b>	<b>517,470</b>	<b>441,000</b>	<b>(76,470)</b>	<b>0.3291</b>	<b>0.3040</b>	<b>0.0109</b>
<b>Sub total as at 31 December 2018 (A)</b>	<b>2,108,790</b>	<b>718,900</b>	<b>28,117</b>	<b>221,000</b>	<b>2,634,807</b>	<b>152,250,980</b>	<b>125,300,818</b>	<b>(26,950,164)</b>	<b>93.5074</b>		

14/11/2018

**Government securities - Market treasury bills**

Purchase date	Tenor	Number of shares			Balance as at 31 December 2018				(% ) Percentage in relation to		
		As at 01 July 2018	Purchases during the year	Disposed / matured during the period	As at 31 December 2018	Carrying value as at 31 December 2018	Market value as at 31 December 2018	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>Market treasury bills</b>											
30-Aug-18	3 Months	-	10,000,000	(10,000,000)	-	-	-	-	-	-	-
22-Nov-18	3 Months	-	20,000,000	-	20,000,000	19,772,090	19,755,600	(36,490)	14.74	13.62	-
<b>Sub total as at 31 December 2018 (B)</b>		-	<b>30,000,000</b>	<b>(10,000,000)</b>	<b>20,000,000</b>	<b>19,772,090</b>	<b>19,755,600</b>	<b>(36,490)</b>	<b>14.74</b>	<b>13.62</b>	-
<b>Grand total as at 31 December 2018 (A+B)</b>		<b>2,108,790</b>	<b>30,718,900</b>	<b>28,117</b>	<b>(9,779,000)</b>	<b>22,634,807</b>	<b>172,043,070</b>	<b>145,056,418</b>	<b>(26,986,654)</b>		

(i) The face value of each share held of 'Al Ghazi Tractors Limited' and 'Shabbir Tiles and Ceramics 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 bonus shares withheld by the investee companies in its investment portfolio amounting to Rs. 0.478 million (30 June 2018: Rs. 0.5952 million). Had the Fund not included bonus shares withheld by the investee companies in its investment portfolio, net asset value at the reporting date would have been lower by Rs 0.0263 per unit (30 June 2018: Rs. 0.0353 per unit).

(iii) These market treasury bills carry purchase yield of 8.80% (30 June 2018: nil) per annum and will mature by 14 February 2018 (30 June 2018: nil)

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		(Un-audited) 31 December 2018	(Audited) 30 June 2018
	<i>Note</i>	-----Rupees-----	
<b>10</b>	<b>Dividend and profit receivable - unsecured, considered good</b>		
	Dividend receivable	89,184	200,731
	Profit accrued on bank deposits	93,312	35,769
		<u>182,496</u>	<u>236,500</u>
<b>11</b>	<b>Advances, deposits, prepayments and other receivables</b>		
	Security deposit with the CDC	237,500	237,500
	Advance tax deducted	1,235,199	760,610
	Prepayments	178,445	12,956
	Other receivable from the Management Company	211,363	211,363
		<u>1,862,507</u>	<u>1,222,429</u>
<b>12</b>	<b>Payable to FCIL</b>		
	Remuneration of Management Company	522,791	176,112
	Punjab Sales tax on Remuneration of Management Company	83,646	28,179
	Federal Excise Duty ("FED") on Remuneration of Management Company	12.1 3,713,448	3,713,448
		<u>4,319,885</u>	<u>3,917,739</u>

12.1 The status of Federal Excise Duty (FED) is same as disclosed in annual financial statements for the year ended 30 June 2018, 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 2018: 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. 0.2040 per unit (June 2018: 0.3382 per unit).

		(Un-audited) 31 December 2018	(Audited) 30 June 2018
		-----Rupees-----	
<b>13</b>	<b>Accrued and other liabilities</b>		
	Auditors' remuneration payable	656,076	774,900
	Annual listing fee payable	105,122	90,000
	Withholding and capital gain tax payable	106,001	200,192
	Legal & Professional Charges Payable	45,000	-
	Printing Charges Payable	50,001	24,795
	CDS Charges Payable	1,272	-
	Other payable	63,095	49,018
		<u>1,026,567</u>	<u>1,138,905</u>

**14 Unclaimed dividend**

This mainly includes an amount of Rs. 8.81 million ( 30 June 2018: 8.81 million ) not paid to Mr. Salman Taseer (Late) due to pending adjudication for issuance of succession certificate before the Honorable Lahore High Court.

**15 Contingencies And Commitments**

There were no contingencies or commitments outstanding as at 31 December 2018.

**16 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 the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. 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 period ended 31 December 2018, the fund has incurred net loss therefore no provision of tax has been made in the financial statements for the period ended 31 December 2018.

**17 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.

**18 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 4.31% per annum (2017: 4.17% per annum). Total expense ratio (excluding government levies) is 3.74% per annum (2017: 2.75% per annum).

**19 Transactions with connected persons / related parties**

Connected persons / related parties include FCIL - being the Management Company, Central Depository Company ("CDC") being the Trustee of the Fund, all Group Companies, any person or company beneficially owning ten percent or more of the capital of the Management Company or net assets of the Fund and unit holders holding 10 percent or more units of the Fund and Directors and Key Management Personnel of the Management Company as at 31 December 2018.

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

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

Note	Percentage of Unit Holding	Half year ended		Quarter year ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Rupees		Rupees	
<b>FCIL - Management Company</b>					
	72.77%				
Remuneration of the Management Company	18.1.1	1,282,946	1,786,162	758,183	821,132
Punjab Sales Tax on Remuneration of the Management Company		205,271	285,786	121,309	131,381
Remuneration paid		1,086,071	1,708,473	685,366	785,416
Accounting and operational charges		64,147	89,308	37,909	41,056
Dividend Paid		-	3,694,380	-	3,694,380
Issuance of 8,140,223 (2017: nil) units		70,000,000	-	50,000,000	-
Redemption of 1,803,999 (2017: nil) units		14,000,000	-	13,300,000	-
<b>CDC - Trustee</b>					
Remuneration of the Trustee	18.1.1	352,877	352,877	176,439	176,439
Sindh Sales Tax on Remuneration of the Trustee		45,875	45,875	22,938	22,938
Remuneration paid		396,582	396,582	197,206	197,206
Settlement Charges inclusive of Sindh Sales Tax		45,451	51,154	23,519	31,563
CDS Fee		76,902	76,275	76,902	76,275
Amortization of CDS Fee		38,451	38,660	38,451	38,660
<b>First Capital Equities Limited - Common Group</b>					
	0.01%				
Brokerage expense		16,413	34,250	13,588	28,250
Dividend Paid		-	681	-	1,363
<b>First Capital Securities Corporation Limited - Holding Company of Management Company</b>					
	5.14%				
Issuance of 1,534,584 (2017: nil) units		13,000,000	-	5,000,000	-
Redemption of 634,397 (2017: nil) units		5,509,548	1,208,610	5,509,548	-
Dividend Paid		-	78,243	-	78,243
<b>Salman Taseer (Late) - Holder of more than 10% of Units</b>					
	11.51%				
Dividend declared		-	696,597	-	696,597
<b>Evergreen Water Valley Pvt. Limited - Common Group</b>					
	-				
Issuance of 5,075,176 (2017: nil) units		40,000,000	-	40,000,000	-
Redemption of 5,075,176 (2017: nil) units		44,695,552	-	44,695,552	-
<b>Key management personnel of the Management Company</b>					
	0.01%				
Dividend Paid		-	785	-	785

18.1.1 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.

		(Un-audited)	(Audited)
		December 31 2018	June 30 2018
		Rupees	
<b>19.2 Balance outstanding as at the period end are as follows:</b>			
<b>FCIL - Management Company</b>			
Remuneration payable to the Management Company		522,791	176,112
Punjab Sales Tax payable on remuneration to the Management Company		83,646	28,179
Federal Excise Duty payable on Remuneration to the Management Company		3,713,448	3,713,448
Other payables		19,742	-
Receivables		211,363	211,363
Units Held: 13,246,921 (30 June 2018: 9,105,242) Units		97,509,261	64,011,722
<b>CDC - Trustee</b>			
Remuneration payable inclusive of taxes thereon		67,185	65,013
Security deposit		237,500	237,500
Settlement charges payable inclusive of taxes thereon		1,272	3,390
Prepaid Fee		50,781	12,956
<b>Salman Taseer (Late) - Holder of more than 10% of Units</b>			
Dividend Payable		8,809,913	8,809,913
Units Held: 2,095,028 (30 June 2018: 2,096,201) Units		15,421,292	26,277,771
<b>First Capital Equities Limited - Common Group</b>			
Units held: 1,793 (30 June 2018: nil) Units		13,198	-
<b>First Capital Securities Corporation Limited - Holding Company of Management Company</b>			
Units Held: 935,466 (30 June 2018: 3,5316) Units		6,885,872	327,122
<b>Key management personnel of the Management Company</b>			
Units held: 2,480 (30 June 2018: 2,363) units		18,255	7,549

10/11/2018

20 **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 arm's length transaction. Consequently, difference may arise between the carrying values and fair value estimates.

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

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 2018 (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
Note		Rupees							
<b><u>Financial assets - measured at fair value</u></b>									
Investments									
- Listed equity securities	9.1	125,300,818	-	-	125,300,818	125,300,818	-	-	125,300,818
- Government securities - Market Treasury Bills	9.1	19,755,600	-	-	19,755,600	-	19,755,600	-	19,755,600
<b><u>Financial assets - not measured at fair value</u></b>									
Bank balances	8	-	6,214,590	-	6,214,590	-	-	-	-
Dividend and profit receivable	10	-	182,496	-	182,496	-	-	-	-
Advances, Deposits and other receivables	11	-	1,862,507	-	1,862,507	-	-	-	-
		<b>145,056,418</b>	<b>8,259,593</b>	<b>-</b>	<b>153,316,011</b>	<b>125,300,818</b>	<b>19,755,600</b>	<b>-</b>	<b>145,056,418</b>
<b><u>Financial liabilities - not measured at fair value</u></b>									
Remuneration payable to FCIL	12	-	-	522,791	522,791	-	-	-	-
Remuneration payable to the CDC		-	-	67,185	67,185	-	-	-	-
Annual fee payable to the SECP		-	-	60,915	60,915	-	-	-	-
Accrued and other liabilities		-	-	1,026,567	1,026,567	-	-	-	-
Unclaimed dividend	14	-	-	13,745,577	13,745,577	-	-	-	-
		<b>-</b>	<b>-</b>	<b>15,423,035</b>	<b>15,423,035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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		30 June 2018 (Audited)							
		Carrying amount			Fair value				
	Note	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		Rupees							
<b><i>Financial assets - measured at fair value</i></b>									
Investments									
- Listed equity securities	9.1	105,297,073	-	-	105,297,073	105,297,073	-	-	105,297,073
<b><i>Financial assets - not measured at fair value</i></b>									
Bank balances	8	-	14,617,436	-	14,617,436	-	-	-	-
Dividend and profit receivable	10	-	236,500	-	236,500	-	-	-	-
Advances, Deposits and other receivables	11	-	1,222,429	-	1,222,429	-	-	-	-
	20.1	105,297,073	16,076,365	-	121,373,438	105,297,073	-	-	105,297,073
<b><i>Financial liabilities - not measured at fair value</i></b>									
Remuneration payable to FCIL	12	-	-	176,112	176,112	-	-	-	-
Remuneration payable to the CDC		-	-	65,013	65,013	-	-	-	-
Annual fee payable to the SECP		-	-	158,444	158,444	-	-	-	-
Accrued and other liabilities		-	-	1,138,905	1,138,905	-	-	-	-
Unclaimed dividend	14	-	-	14,191,025	14,191,025	-	-	-	-
	20.1	-	-	15,729,499	15,729,499	-	-	-	-

20.1 The Fund has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

10/06/2018

21 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Management Company on February 27, 2019.

22 General

Figures have been rounded off to the nearest rupee.

*Wahid*

For First Capital Investments Limited  
(Management Company)

Lahore

*Munir Hafeez*

Chief Executive

*Uzair Jardi*

Chief Financial Officer

*Uzair*

Director