

First Capital Mutual Fund



**CONDENSED INTERIM
FINANCIAL INFORMATION**

**FOR THE HALF YEAR AND QUARTER
ENDED DECEMBER 31, 2016
(Un-Audited)**

First Capital Mutual Fund





— M I S S I O N —

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

— V I S I O N —

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





FUND'S INFORMATION

Management Company

First Capital Investments Limited

Board of Directors of the Management Company

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

CFO and Company Secretary of the Management Company

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

Audit Committee

Jawad Saleem	Chairman
Syed Nadeem Hussain	Member
Asif Pervez	Member

HR&R Committee

Syed Nadeem Hussain
Imran Hafeez
Jawad Saleem

Trustee

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

Registrar & Transfer Agent

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

Bankers to the Fund

Habib Metropolitan Bank
Limited
NIB Bank Limited

Auditors of the Fund

KPMG Taseer Hadi & Co.
Chartered Accountants

Auditors of the Management Company

Nasir Javaid Maqsood Imran
Chartered Accountants
2nd Floor, Above the Motor
Point
26-A, Queens Road, Lahore

Legal Advisor of the Fund

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

Head office & Registered Office

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

Islamabad office

Office No. 221, 2nd Floor, ISE
Tower, Jinnah Avenue,
Islamabad
Tel: 051-835603134,
2894201-4
Fax: 051-2894206

Karachi Office

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



DIRECTORS' REVIEW

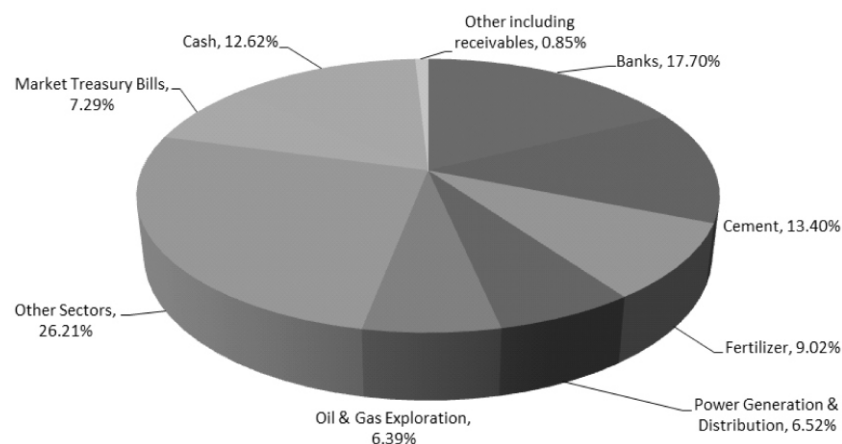
The Board of Directors of First Capital Investments Limited ("FCIL" or "Management Company") is pleased to present the reviewed financial statements of First Capital Mutual Fund ("FCMF" or "the Fund" or "the Scheme") for the half year ended December 31, 2016.

Fund's Performance

During the period under review, the Fund has reported total comprehensive income of Rs. 41.73 million as compared to loss of Rs. 6.72 million in the corresponding period last year. Capital gain on sale of Investments is Rs. 23.02 million as compared to Rs. 3.71 million in the same period last year and dividend income for the period is Rs. 5.00 million. The Fund has also reported unrealized appreciation on re-measurement of investments at fair value through profit or loss of Rs. 17.10 million during half year ended December 31, 2016 as compared to a loss of Rs. 12.58 million in the corresponding period last year. The total expenses of the Fund for the period under review has decreased to Rs. 4.07 million as compared to Rs. 4.61 million in the same period last year.

The Net Asset Value (NAV) per unit of FCMF has increased from Rs. 11.7968 to Rs. 13.5998, thus showing a return of 22.56% as compared to its Benchmark's (KSE-100 index) return of 26.53%. The Fund has underperformed its Benchmark by 3.96% mainly on the back of low-weight in Oil & Gas Exploration sector, Automobile Assembler sector and Banking 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 increased the exposure in Cement and Banking sectors due to their positive fundamental developments. 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, 2016 stood at Rs. 221.78 million as compared to Rs. 194.36 million as at June 30, 2016.

The asset allocation of the Fund as on 31 December 2016 is as under:



Equity Market Review

During the period under review KSE-100 index posted a robust return of 26.53% as compared to -4.18% during the same period last year.

The period under review commenced with positive note on the back of expectations of foreign inflows due to upgradation of MSCI Pakistan from "Frontier market" to "Emerging market" and positive anticipation in energy & infrastructure projects due to China-Pakistan Economic Corridor (CPEC). The Organization of the Petroleum Exporting Countries (OPEC) members meeting closed on an agreement to cut production of 1.2 million barrel per day that would balance the global demand and supply situation. Flush of local liquidity amid ultra-low yields on the fixed income avenues also supported the market. On the flip side the increasing pressure in domestic politics due to sit-in & protest call in the federal capital by Pakistan Tehreek-e-Insaf (PTI) and hearing in the apex court against the PM & family linked to the widely known Panama Leaks lagged the market during the half year ended December 31, 2016.

Income Distribution

The Board of Directors of the Management Company has decided to pay Rs. 0.52 dividend per unit for the period ended December 31, 2016.

Workers' Welfare Fund

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 8,204,866 up to June 30, 2015.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under WWF Ordinance, 1971. However, provision made till 30 June 2015 has not been reversed as in Note 10 lawsuit is pending in the SHC.

If the same were not made the NAV per unit/return of the Scheme would be higher by Rs.0.5031/4.53%. For details investors are advised to read Note 12 of the latest un-audited Financial Statements of the Scheme.

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, 2016 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

Lahore
February 28, 2017

Asif Pervaiz
Director

Imran Hafeez
Chief Executive Officer/Director



First Capital Mutual Fund

ڈائریکٹرز کا جائزہ

فرسٹ کیپٹل انویسٹمنٹ لمیٹڈ کے ڈائریکٹرز فرسٹ کیپٹل میوچل فنڈ کے نظر ثانی شدہ مالیاتی کیفیت نامے برائے ششماہی 31 دسمبر 2016 پیش کرتے ہوئے نہایت خوش محسوس کرتے ہیں۔

فنڈ کی کارکردگی

زیرغور مالیاتی دورانیہ میں فنڈ نے گزشتہ سال کے متعلقہ دورانیہ میں 6.72 ملین روپے خسارہ کے مقابلے میں 41.73 ملین روپے کی مجموعی آمدن بتائی۔ سرمایہ کار یوں کی فروخت پر نفع 23.02 ملین رہا جبکہ گزشتہ سال کے متعلقہ دورانیہ میں یہ نفع 3.71 ملین روپے تھا اور موجودہ دورانیہ کے لیے ڈیویڈنڈ آمدن 5 ملین روپے ہے۔ فنڈ نے 31 دسمبر 2016 کو ختم ہونے والی ششماہی کے لیے مناسب قدر پر سرمایہ کاریوں کی ترمیمی پیکلش پر غیر حاصل شدہ برصورتی بذریعہ نفع نقصان 17.10 ملین روپے بتائی جبکہ گزشتہ سال کے متعلقہ دورانیہ میں 12.58 ملین روپے کا خسارہ تھا۔ زیرغور دورانیہ کے لیے فنڈ کے مجموعی اخراجات گزشتہ سال کے متعلقہ دورانیہ میں 4.61 ملین روپے سے کم ہو کر 4.07 ملین روپے ہو گئے ہیں۔

فنڈ کی فی یونٹ خالص اثاثہ جاتی قدر NAV 8.11 روپے سے 13.5998 روپے اضافہ ہوا ہے اس طرح KSE-100 انڈیکس کے معیاری 26.5% ریٹرن کے مقابلے میں 22.56% کاربیٹن ظاہر کیا۔ فنڈ نے اپنے معیاری ہدف سے 3.96% کم کارکردگی دکھائی جس کی بڑی وجہ تیل اور گیس کی تلاش والے شعبے، ٹوٹو ہائل آئبلر شعبے اور بینکنگ شعبے میں معیاری ہدف کے مقابلے میں کم قدر کا ہونا ہے۔ زیرغور دورانیہ میں فنڈ نے اپنے سرمایہ کاروں کے لیے بہتر منافع پیدا کرنے کے اصول پر عمل کرتے ہوئے مختلف شعبوں میں اپنی موجودگی تبدیل کی۔ فنڈ نے تیل کی عالمی قیمتوں سے جڑے ہوئے مختلف عوامل کی وجہ سے تیل اور گیس کے شعبے میں اپنا وزن کم کیا اور سیٹ اور بینکنگ کے شعبوں میں اپنی موجودگی بڑھائی کیونکہ ان شعبوں میں بنیادی نوعیت کی مثبت پیش رفتیں ہوئی ہیں۔ مستقبل میں فنڈ کی انتظامیہ زیادہ سے زیادہ منافع دینے والی سرمایہ کاریوں کے ذریعے سرمایہ کاروں کی دولت کو بڑھانے پر توجہ مرکوز کرنے کا ارادہ رکھتی ہے اس کے ساتھ ساتھ مجموعی خطرات سے بچنے کے لیے موثر انداز میں تمام شعبوں میں مناسب تنوع پیدا کیا جائے گا۔ کمپنی کی انتظامیہ اس ہدف کے حصول کے لیے مسلسل کوشاں ہے۔ فنڈ کے خالص اثاثہ جات 31 دسمبر 2016 تک 221.78 ملین روپے ہیں جبکہ 30 جون 2016 تک ان کی مالیت 194.36 ملین روپے تھی۔

31 دسمبر 2016 تک فنڈ کے اثاثہ جات درج ذیل حساب سے مختص کیے گئے ہیں:

مارکیٹ ٹریڈری بلز	7.29%
بینک	17.70%
سیمنٹ	13.40%
کھادیں	9.02%
تیل اور گیس کی تلاش کے لیے کمپنیاں	6.39%
توانائی کی پیداوار اور تقسیم	6.52%
دیگر شعبہ جات	26.21%
نقدی	12.62%
دیگر بشمول واجب الوصول	0.85%

ایکویٹی مارکیٹ کا جائزہ

زیرغور دورانیہ میں KSE-100 انڈیکس نے 26.53% کا اجماع منافع دکھایا جبکہ گزشتہ سال کے متعلقہ دورانیہ میں یہ 4.18% تھا۔ پاکستان کی MSCI ریٹنگ میں فرنیچر مارکیٹ سے امیر جنگ مارکیٹ کا درجہ پانے کی وجہ سے غیر ملکی سرمایہ کی آمدنی اور سی بیک کی وجہ سے توانائی اور انفراسٹرکچر کے پراجیکٹس میں مثبت پیش گوئی کے باعث زیرغور دورانیہ کا آغاز مثبت انداز میں ہوا۔ تیل پیداوار بڑا مدد کرنے والے ممالک کی تنظیم (اوپیک) کے ممبران کا اجلاس اس معاہدے پر ختم ہوا کہ 1.2 ملین یومیہ پیداوار کم کی جائے گی جس سے عالمی رسد اور طلب میں کی صورتحال میں توازن آجائے گا۔ مقررہ آمدن کے شعبوں میں انتہائی کم پیداوار کے ساتھ مقامی سیالیت میں اضافہ بھی مارکیٹ کے لیے مہربا رہا۔ اس کے برعکس وفاقی دارالحکومت میں پاکستان تحریک انصاف کے دھڑوں اور احتجاجی کال اور وزیراعظم اور اس کے خاندان سے جڑے ہوئے مشہور پانامہ لیکس کیس



First Capital Mutual Fund

کی سپریم کورٹ میں ساعت کی وجہ سے مقامی سیاست میں بڑھتے ہوئے دباؤ کی بنا پر 31 دسمبر 2016 کو ختم ہونے والی ششماہی میں مارکیٹ میں مندی رہی۔

آمدن کی تقسیم

کمپنی انتظامیہ کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2016 کو ختم ہونے والے دورانیہ کے لیے 0.52 روپے فی شیئر منافع (ڈیویڈنڈ) کا اعلان کیا ہے۔

فلاح کارکنان فنڈ

اس اسکیم کی مدد میں ورکرز ویلفیئر فنڈ کے لیے 30 جون 2015 تک مختص ذخائر ہی قائم رکھے گئے ہیں۔

فنانس ایکٹ 2015 نے میوچل فنڈ ز اور اجتماعی سرمایہ جاتی اسکیموں کو ”صنعتی کاروبار“ کی تعریف سے خارج کر دیا ہے، وہ صنعتیں جن پر ورکرز ویلفیئر فنڈ آرڈیننس 1971 کا اطلاق ہوتا ہے۔ تاہم 30 جون 2015 تک قائم کیے گئے ذخائر ختم نہیں کیے گئے کیونکہ سندھ ہائی کورٹ میں زیر التوا مقدمے کے نوٹ 10 میں درج ہے۔

اگر یہ نہ کیا جاتا تو خالص اثاثہ جاتی قدر NAV فی یونٹ منافع میں 4.53% یعنی 0.5031 روپے فی یونٹ کا اضافہ ہو جاتا۔ تفصیلات کے لیے سرمایہ کاروں کو ہدایت کی جاتی ہے کہ سکیم کے تازہ ترین غیر آڈٹ شدہ مالیاتی کیفیت ناموں کا نوٹ نمبر 12 پڑھ لیں۔

ڈائریکٹرز کا اعلامیہ

نان بینکنگ فنانس کمپنیز اور Notified Entities Regulations، 2008 کے تحت ایسٹ منیجمنٹ کمپنی کے ڈائریکٹرز تسلیم کرتے ہیں کہ فنڈ کے مالیاتی کیفیت نامے برائے ششماہی 31 دسمبر 2016 فنڈ کی درست اور صحیح تصویر پیش کرتے ہیں۔

اقرارنامہ

اس موقع کی مناسبت سے بورڈ کے ڈائریکٹرز تمام حصہ داران کا شکریہ ادا کرتے ہوئے ان کی مسلسل حمایت کو سراہتے ہیں۔ بورڈ کے ڈائریکٹرز سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور میوچل فنڈ ایبوسی ایٹن آف پاکستان کی رہنمائی اور معاونت کو بھی سراہتے ہیں۔ آخر میں ہم اسٹاف ممبران اور متولی (غرضی) کی لگن، محنت اور باہمی تعاون کو سراہتے ہیں۔

بورڈ کی جانب سے

فرسٹ کیپٹل انویسٹمنٹ لمیٹڈ

عمران حفیظ

چیف ایگزیکٹو آفیسر/ ڈائریکٹر

تاریخ 28 فروری 2017

لاہور

آصف پرویز

ڈائریکٹر



AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **First Capital Mutual Fund ("the Fund")** as at 31 December 2016 and the related condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). **First Capital Investments Limited** ("Management Company") is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other matters

The figures for the quarter ended 31 December 2016 and 31 December 2015 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Lahore

Date: February 28, 2017

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



TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:
CDC House, 99-B, Block 'B',
S.M.C.H.S. Main Shahr-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FIRST CAPITAL MUTUAL FUND

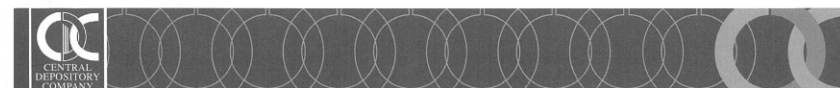
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

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 being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2016 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.


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

Karachi: February 20, 2017





**CONDENSED INTERIM STATEMENT OF
ASSETS & LIABILITIES (Un-Audited)
AS AT DECEMBER 31, 2016**

		31 December 2016	30 June 2016
	Note	-----Rupees-----	
<u>Assets</u>			
Balances with banks	6	33,085,610	4,570,869
Investments	7	213,050,775	211,865,587
Dividend and profit receivable - <i>unsecured, considered good</i>	8	552,095	382,707
Advances, deposits, prepayments and other receivables	9	1,119,817	724,075
Total assets		247,808,297	217,543,238
<u>Liabilities</u>			
Payable to First Capital Investments Limited - <i>Management Company</i>	10	5,302,410	4,080,426
Payable to Central Depository Company of Pakistan Limited - <i>Trustee</i>		67,182	65,410
Payable to Securities and Exchange Commission of Pakistan		97,948	190,561
Accrued and other liabilities		963,424	842,133
Unclaimed dividend	11	11,388,845	9,796,624
Provision for Workers' Welfare Fund Payable	12	8,204,866	8,204,866
Total liabilities		26,024,675	23,180,020
Net assets		221,783,622	194,363,218
Unit holders' fund (as per statement attached)		221,783,622	194,363,218
Contingencies and commitments	13		
		(Number of units)	
Number of units in issue		16,307,843	16,475,941
		-----Rupees-----	
Net assets value per unit (face value per unit Rs. 10/-)		13.5998	11.7968

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

For First Capital Investments Limited
(Management Company)

CHIEF EXECUTIVE

13

DIRECTOR



**CONDENSED STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016**

		Half year ended		Quarter year ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
		-----Rupees-----		-----Rupees-----	
<u>Income</u>	Note				
Capital gain on sale of investments		23,021,095	3,711,201	18,577,493	229,473
Dividend income		5,002,827	6,037,510	3,114,905	2,689,815
Income from government securities		525,546	448,351	262,200	118,738
Profit on bank deposits		294,943	211,114	220,422	159,026
		28,844,411	10,408,176	22,175,020	3,197,052
Net unrealized appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	7.1	17,102,091	(12,579,156)	5,517,851	1,822,316
Total income / (loss)		45,946,502	(2,170,980)	27,692,871	5,019,368
<u>Expenses</u>					
Remuneration to First Capital Investments Limited - Management Company		(2,062,060)	(2,201,374)	(1,031,805)	(934,436)
Punjab Sales Tax on Management Company's remuneration		(329,930)	(408,575)	(165,089)	(149,510)
Federal Excise Duty on remuneration of Management Company		-	(352,220)	-	(173,431)
Remuneration to Central Depository Company - Trustee		(352,875)	(351,913)	(176,437)	(175,957)
Sindh Sales Tax on remuneration of trustee		(45,874)	(49,268)	(22,937)	(24,634)
Annual fee to Securities and Exchange Commission of Pakistan		(97,948)	(104,565)	(49,011)	(44,385)
Securities transaction costs		(465,580)	(241,496)	(419,434)	(99,580)
Accounting and operational charges		(103,103)	-	(51,590)	-
Sindh Sales tax on accounting and operational charges		(8,248)	-	(4,127)	-
Auditors' remuneration		(480,856)	(674,398)	(216,199)	(195,436)
Annual listing fee		(15,122)	(15,082)	(7,562)	(7,542)
Legal and professional charges		-	(77,073)	-	-
Fund's rating fee		(70,757)	(64,149)	(35,379)	(31,472)
Printing and postage charges		(25,206)	(62,057)	(25,206)	(62,057)
Bank and settlement charges		(10,112)	(4,652)	(5,837)	(4,032)
Total operating expenses		(4,067,671)	(4,606,822)	(2,210,613)	(1,902,472)
Net income / (loss) from operating activities		41,878,831	(6,777,802)	25,482,258	3,116,896
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in the units redeemed - net		(151,870)	54,415	57,122	1,564,576
Net income / (loss) for the period before taxation		41,726,961	(6,723,387)	25,539,380	4,681,472
Taxation	15	-	-	-	-
Net income / (loss) for the period after taxation		41,726,961	(6,723,387)	25,539,380	4,681,472
Other comprehensive income for the period		-	-	-	-
Total comprehensive income / (loss) for the period		41,726,961	(6,723,387)	25,539,380	4,681,472
Earnings per unit	16	-	-	-	-

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

For First Capital Investments Limited
(Management Company)

CHIEF EXECUTIVE

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DIRECTOR



CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Half year ended		Quarter year ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	-----Rupees-----		-----Rupees-----	
Undistributed income brought forward represented by:	47,102,744	49,951,668	50,966,782	38,546,809
<u>Distributions to the unit holders of the Fund</u>				
Net income / (loss) for the period after taxation	41,726,961	(6,723,387)	25,539,380	4,681,472
Cash dividend for the year ended 30 June 2016 declared on 30 September 2016 at the rate of Rs. 0.76 per unit	(12,323,543)	-	-	-
Cash dividend for the year ended 30 June 2015 declared on 05 October 2015 at the rate of 0.91 per unit	-	(16,864,231)	-	(16,864,231)
Undistributed income carried forward	76,506,162	26,364,050	76,506,162	26,364,050

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

For First Capital Investments Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Half year ended		Quarter year ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	-----Rupees-----		-----Rupees-----	
<u>Cash flows from operating activities</u>				
Net income / (loss) for the period before taxation	41,726,961	(6,723,387)	25,539,380	4,681,472
<u>Adjustments for non-cash items:</u>				
Unrealized (appreciation) / diminution on re-measurement of investments - at fair value through profit or loss	(17,102,091)	12,579,156	(5,517,851)	(1,822,316)
Dividend income	(5,002,827)	(6,037,510)	(3,114,905)	(2,689,815)
Profit on bank deposits	(294,943)	(211,114)	(220,422)	(159,026)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less units redeemed	151,870	(54,415)	(57,122)	(1,564,576)
Net Cash inflows / (outflows) before working capital changes	(22,247,991)	6,276,117	(8,910,300)	(6,235,733)
Working Capital Changes:	19,478,970	(447,270)	16,629,080	(1,554,261)
Decrease / ((increase) in assets:				
Investments - net	15,916,903	72,551,123	8,009,114	38,707,403
Advances, deposits, prepayments and other receivables	(395,742)	7,164,715	41,774	(578,489)
Increase / (decrease) in liabilities:	15,521,161	79,715,838	8,050,888	38,128,914
Payable to First Capital Investments Limited - Management Company	1,221,984	(616,534)	1,196,893	1,261,941
Payable to the Central Depository Company - Trustee	1,772	10,479	(65,012)	2,181
Payable to the Securities and Exchange Commission of Pakistan	(92,613)	(182,390)	49,011	44,385
Payable against Purchase of Investments	-	498,559	(2,294,970)	(2,190,040)
Unclaimed dividend	1,592,221	1,555,843	(10,731,322)	1,555,843
Accrued and other liabilities	121,291	151,060	(401,388)	287,713
Dividend received	2,844,655	1,417,017	(12,246,788)	962,023
Dividend received	4,904,864	6,688,674	4,145,234	5,373,144
Profit received on bank deposits	223,518	213,381	155,222	135,502
Net cash generated from operating activities	42,973,168	87,587,640	16,733,636	43,045,322
<u>Cash flow from financing activities</u>				
Payments received against issuance of units	1,194,732	2,568,580	1,194,734	354,140
Payments against redemption of units	(3,329,616)	(65,472,931)	-	(16,864,231)
Cash distribution	(12,323,543)	(16,864,231)	(44,586)	(19,340,136)
Net cash (used in) / generated from financing activities	(14,458,427)	(79,768,582)	1,150,148	(35,850,227)
Net increase in cash and cash equivalents	28,514,741	7,819,058	17,883,784	7,195,095
Cash and cash equivalents at beginning of the period	4,570,869	1,547,638	15,201,826	2,171,601
Cash and cash equivalents at end of the period	33,085,610	9,366,696	33,085,610	9,366,696

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

For First Capital Investments Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

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**CONDENSED INTERIM STATEMENT OF MOVEMENT IN
UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016**

	Half year ended		Quarter year ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	-----Rupees-----		-----Rupees-----	
Net assets at beginning of the period	194,363,218	264,232,211	195,151,216	210,419,158
Issue of 96,293 units (31 December 2015: 221,093) and 96,293 units (31 December 2015: 32,977) for the six months and quarter ended respectively	1,194,732	2,568,580	1,194,734	354,140
Redemption of 264,391 units (31 December 2015: 5,480,938 units) and 3,639 units (31 December 2015: 1,749,860 units) for the six months and quarter ended respectively	(3,329,616)	(65,472,931)	(44,586)	(19,340,136)
	(2,134,884)	(62,904,351)	1,150,148	(18,985,996)
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed:	151,870	(54,415)	(57,122)	(1,564,576)
Net income for the period (excluding net unrealized appreciation in fair value of investments classified as 'at fair value through profit or loss' and capital gain on sale of investments)	1,603,775	2,144,568	1,444,036	2,629,683
Capital gain on sale of investments - net	23,021,095	3,711,201	18,577,493	229,473
Net unrealized appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	17,102,091	(12,579,156)	5,517,851	1,822,316
Total comprehensive income / (loss) for the period	41,726,961	(6,723,387)	25,539,380	4,681,472
Distributions during the period at Rs. 0.76 per unit declared on 30 September 2016 and at the rate of 0.91 per unit declared on 05 October 2015)	(12,323,543)	(16,864,231)	-	(16,864,231)
Net assets at end of the period	221,783,622	177,685,827	221,783,622	177,685,827
Net asset value per unit at beginning of the period	11.7968	11.9697	12.0351	11.3500
Net asset value per unit at end of the period	13.5998	10.5670	13.5998	10.5670

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

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

CHIEF EXECUTIVE

DIRECTOR



**NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016**

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 investments Limited ("FCIL") as Management Company and Central Depository Company of Pakistan Limited (the "CDC") as Trustee. The trust deed was executed on 06 August 2013 after being approved by the Securities and Exchange Commission of Pakistan (the "SECP") on 30 July 2013 in accordance with the provision of Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).

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

The Fund has been formed to augment the wealth of investors through investments geared towards securing maximum returns whilst simultaneously offsetting resultant risks through efficient diversification across sectors with low correlation amongst them. The Fund shall invest its 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 CDC as trustee of the Fund and the Fund was previously listed on Lahore Stock Exchange 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 "3 Star" to the fund on 30 November 2016 and 07 December 2016 respectively.

2 Basis of preparation

2.1 Statement of compliance

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

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2016.

The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 December 2016 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2016, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement



of movement in unit holders' funds are stated from unaudited condensed interim financial information for the half year ended 31 December 2015.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: "Interim Financial Reporting". This condensed interim financial information is unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of clause 5.19.13(b) of the Pakistan Stock Exchange Regulations.

The Directors of the asset management company declare that this condensed interim financial information give a true and fair view of the Fund.

2.2 Functional and presentation currency

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

3 Significant Accounting Policies

The accounting policies and methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements for the year ended 30 June 2016.

4 Estimates and Judgments

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimating uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2016. Actual results may differ from these estimates.

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

- *Classification of investments*
- *Valuation of investments*
- *Impairment of financial assets*
- *Provisions and contingencies*
- *Taxation*



- *Element of income / (loss)*
- *Sindh Sales tax on Federal Excise Duty on Management Company's remuneration*
- *Federal Excise Duty on Management Company's remuneration*
- *Provision for Workers' Welfare Fund*

5 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 2016.

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
	Note	-----Rupees-----	
6 Balance with banks			
Cash at bank			
- <i>Saving accounts</i>	6.1	31,488,389	4,565,869
- <i>Current account</i>		5,000	5,000
		<u>31,493,389</u>	<u>4,570,869</u>

6.1 The rate of return on these saving accounts is 3.75% to 5.00% (30 June 2016: 4.00% to 5.00%) per annum.



7 Investments

At fair value through profit or loss

Listed equity securities
Unlisted equity securities
Government securities - *Market Treasury Bills*

7.1 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 2016				Percentage in relation to	
	As at 1 July 2016	Purchases during the period	Bonus during the period	Sales during the period	As at 31 December 2016	Carrying value	Market value	Appreciation / (diminution)	Net assets of the Fund (with market value of investments)	Paid up capital of investee company (with face value of investments)
Automobile Parts & Accessories										
The General Tyre & Rubber Company of Pakistan Limited										
	5,400	-	-	5,400	-	-	1,527,300	(32,700)	0.00%	0.00%
	5,400	30,000	-	5,400	30,000	1,550,000	1,527,300	(32,700)	0.69%	0.72%
									0.69%	0.72%
Automobile Assembler										
Attock Tractors Limited (i)										
	3,400	2,000	-	5,400	-	-	584,120	(5,860)	0.00%	0.00%
	1,000	1,000	-	1,000	1,000	590,000	-	-	0.26%	0.27%
	6,000	-	-	6,000	-	-	-	-	0.00%	0.00%
Grandhira Nissan Pakistan										
	2,900	-	-	2,900	-	-	-	-	0.00%	0.00%
	1,800	1,500	-	1,800	1,500	2,350,000	2,421,795	71,795	1.09%	1.14%
Indus Motor Company Limited										
	1,216	-	-	1,216	-	-	-	-	0.00%	0.00%
Milat Tractors Limited										
	2,800	10,000	-	2,800	10,000	427,500	389,600	(37,900)	0.18%	0.03%
Dewan Farooque Motors Limited										
	19,200	14,500	-	21,200	12,500	3,397,500	3,395,515	28,015	1.53%	1.59%
									1.53%	1.59%
Banks										
Allied Bank Limited										
	13,295	-	-	13,295	-	-	-	-	0.00%	0.00%
Askani Bank Limited										
	84,500	-	-	84,500	-	-	-	-	0.00%	0.00%
Bank Al Habib Limited										
	85,800	-	-	85,800	30,300	1,306,536	1,787,397	480,861	0.81%	0.02%
MCB Bank Limited										
	33,500	5,500	-	3,500	35,500	7,674,328	8,442,610	568,282	3.81%	3.95%
United Bank Limited										
	49,600	5,000	-	14,600	40,000	7,239,181	9,556,000	2,316,819	4.31%	4.49%
Mezzan Bank Limited										
	1,000	-	-	1,000	400,100	6,941,205	7,063,177	121,972	0.00%	0.00%
First Bank Limited										
	47,000	513,000	-	18,000	55,000	1,003,888	1,215,324	211,336	0.55%	0.57%
Habib Bank Limited										
	72,300	40,000	-	56,500	40,000	9,023,139	10,340,000	1,316,861	4.83%	5.13%
Habib Metropolitan Bank Limited										
	50,500	37,000	-	47,500	-	-	-	-	0.00%	0.00%
National Bank of Pakistan										
	48,750	-	-	48,750	-	-	-	-	0.00%	0.00%
Standard Chartered Bank (Pakistan) Limited										
	16,000	-	-	16,000	-	-	-	-	0.00%	0.00%
US Bank Limited										
	-	200,000	-	-	200,000	1,969,643	2,162,000	192,357	0.97%	1.01%
Summit Bank Limited										
	558,425	350,000	-	597,145	1,351,720	35,163,420	43,976,508	5,400,088	19.65%	20.65%
									19.65%	20.65%
Cables & Electrical Goods										
Pak Elektron Limited										
	40,000	20,000	-	30,000	30,000	2,008,001	2,138,400	130,399	0.96%	1.00%
TPL Tracker Limited										
	47,000	250,000	-	47,000	250,000	4,286,390	4,407,500	121,110	1.99%	2.07%
	87,000	270,000	-	77,000	280,000	6,294,391	6,545,900	251,509	2.95%	3.07%

Name of investee company	Number of shares				Balance as at 31 December 2016				Percentage in relation to	
	As at 1 July 2016	Purchases during the period	Bonus during the period	Sales during the period	As at 31 December 2016	Carrying value	Market value	Appreciation / (diminution)	Net assets of the Fund (with market value of investments)	Paid up capital of investee company (with face value of investments)
Cement										
D.G. Khan Cement Company Limited	24,200	8,000	-	15,000	17,200	3,426,976	3,813,756	386,780	1.72%	1.79%
Lucky Cement Limited	13,500	-	-	3,500	10,000	6,485,100	8,662,600	2,177,500	3.91%	4.07%
Maple Leaf Cement Factory Limited	23,500	36,000	-	26,500	30,000	3,358,338	4,282,700	904,362	1.92%	2.00%
Pioneer Cement Limited	7,450	38,400	-	35,700	1,450	346,130	487,577	141,447	0.22%	0.23%
Attock Cement Pakistan Limited	19,000	29,500	-	40,000	60,000	1,774,295	2,104,808	330,513	1.72%	1.72%
Fedco Cement Company Limited	70,500	-	-	7,000	9,400	2,219,340	2,704,808	485,468	0.00%	0.00%
Fedco Cement Limited	4,600	10,800	-	6,000	9,400	2,413,530	2,741,416	327,886	1.24%	1.29%
Pakcem Limited	84,916	-	-	84,916	-	-	-	-	0.00%	0.00%
Bestway Cement Limited	-	8,482	-	8,482	-	-	-	-	0.00%	0.00%
Dewan Cement Limited	-	30,000	-	15,000	15,000	486,625	585,600	98,975	0.26%	0.27%
Darood Cement Company Limited	-	128,500	-	-	128,500	1,856,225	1,953,200	96,975	0.88%	0.92%
Pakistan Cement Company Limited	-	450,000	-	30,000	450,000	5,495,500	5,994,000	498,500	2.70%	2.81%
Thatta Cement Company Limited	-	25,000	-	25,000	-	-	-	-	0.00%	0.00%
	256,166	797,692	-	322,08	731,750	27,862,031	32,860,857	5,118,826	14.87%	15.48%
Chemicals										
AKZO Nobel Pakistan Limited	5,700	-	-	5,700	-	-	-	-	0.00%	0.00%
ICL Pakistan Limited	1,688	-	-	1,688	-	-	-	-	0.00%	0.00%
Lote Chemical Pakistan Limited	-	100,000	-	-	100,000	868,500	832,000	(36,500)	0.38%	0.39%
Ghani Gases Limited	-	170,000	-	70,000	100,000	2,395,500	2,623,000	228,000	1.18%	1.21%
Nimr Industrial Chemicals Limited	-	10,000	-	10,000	-	-	-	-	0.00%	0.00%
	10,488	280,000	-	90,488	200,000	3,263,500	3,455,000	191,500	1.55%	1.62%
									1.55%	1.62%
Fertilizer										
Dawood Hercules Corporation Limited	25,000	-	-	-	25,000	3,721,750	3,608,250	(113,500)	1.63%	1.69%
Engro Fertilizers Limited	58,000	5,000	-	30,000	33,000	2,126,060	2,243,340	117,280	1.01%	1.05%
Engro Corporation Limited	27,600	-	-	-	27,600	9,189,972	8,724,094	(465,878)	3.93%	4.09%
Palma Fertilizer Company Limited	47,500	12,500	-	49,000	60,000	2,049,660	2,213,400	163,750	1.00%	1.04%
Faraj Fertilizer Company Limited	27,200	9,000	-	36,700	36,700	4,189,344	3,850,379	(338,965)	1.73%	1.80%
Fauji Fertilizer Company Limited	216,800	26,500	-	30,000	213,300	22,820,066	22,208,963	(713,123)	10.01%	10.42%
									10.01%	10.42%
Power Generation & Distribution										
The Hub Power Company Limited	75,300	-	-	4,000	71,300	8,560,278	8,804,124	243,846	3.97%	4.13%
Kot Addu Power Company Limited	308,500	51,500	-	60,000	35,000	3,123,750	2,758,000	(365,750)	1.24%	1.29%
K-Electric Limited (i)	49,000	-	-	-	300,000	2,451,378	2,811,000	359,622	1.27%	1.32%
Lahor Power Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Hydro Electric Corporation Limited	38,500	-	-	38,500	-	-	-	-	0.00%	0.00%
Nisab Power Limited	25,000	-	-	25,000	-	-	-	-	0.00%	0.00%
Pakistan Power Limited	-	100,000	-	-	100,000	1,307,026	1,110,000	(197,026)	0.00%	0.00%
Tri-Star Power Limited	-	100,000	-	-	100,000	639,000	559,000	(80,000)	0.25%	0.26%
Japan Power Generation Limited	558,802	251,500	-	204,002	605,300	16,081,432	16,042,124	(39,308)	7.23%	7.53%
									7.23%	7.53%
Technology & Communications										
Naiso Technologies Limited	-	30,000	-	17,000	13,000	736,500	705,640	(30,860)	0.32%	0.33%
Pakistan Telecommunication Company Limited	88,500	-	-	88,500	-	-	-	-	0.00%	0.00%
World Call Telecom Limited	-	200,000	-	200,000	-	-	-	-	0.00%	0.00%
Media Times Limited	-	20,000	-	20,000	-	-	-	-	0.00%	0.00%
Systems Limited	-	5,000	-	-	5,000	422,500	423,000	500	0.19%	0.20%
THG Pakistan Limited 'Class A'	88,500	360,000	-	325,500	143,000	5,394,750	5,532,500	137,750	2.49%	2.60%
									2.49%	2.60%



Name of investee company	Number of shares				Balance as at 31 December 2016				Percentage in relation to		
	As at 1 July 2016	Purchases during the period	Bonus during the period	Sales during the period	As at 31 December 2016	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)
Food & Personal Care Products											
Al Shahrer Corporation Limited	8,000	-	-	8,000	-	-	-	-	0.00%	0.00%	0.00%
Engro Foods Limited (i)	11,500	-	-	5,000	6,500	1,061,645	1,247,610	186,965	0.56%	0.59%	0.02%
National Foods Limited (i)	3,400	-	-	3,400	-	-	-	-	0.00%	0.00%	0.00%
Trest Corporation Limited	10,000	-	-	10,000	-	-	-	-	0.00%	0.00%	0.00%
	22,900	10,000	-	26,400	6,500	1,061,645	1,247,610	186,965	0.56%	0.59%	0.02%
Paper & Board											
Cherat Packaging Limited	6,600	800	-	1,400	6,000	3,989,344	5,100,300	1,111,956	2.30%	2.39%	0.57%
	2,100	-	-	2,100	-	-	-	-	0.00%	0.00%	0.57%
	8,700	800	-	3,500	6,000	3,989,344	5,100,300	1,111,956	2.30%	2.39%	0.57%
Industrial Engineering											
Arrel Steel Limited	16,500	6,500	-	23,000	-	-	-	-	0.00%	0.00%	0.00%
National Steel Limited	5,000	19,000	-	24,000	-	-	-	-	0.00%	0.00%	0.00%
KSB Pumpa Company Limited	20,500	15,000	-	20,500	15,000	1,383,000	1,322,400	(60,600)	0.60%	0.62%	0.11%
Mughal Iron And Steel Industries Limited	9,200	10,000	-	19,200	-	-	-	-	0.00%	0.00%	0.00%
Crescent Steel & Allied Products Limited	200,000	-	-	-	200,000	2,830,898	3,146,000	315,102	1.42%	1.48%	0.00%
Asha Steel Mills Limited	51,200	230,500	-	86,700	215,000	4,213,888	4,468,400	254,502	2.01%	2.10%	0.11%
Insurance											
Adampore Insurance Company Limited	10,574	-	-	10,574	-	-	-	-	0.00%	0.00%	0.00%
Habib Insurance Company Limited (i)	72,500	-	-	72,500	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Reinsurance Company Limited	29,000	-	-	29,000	-	-	-	-	0.00%	0.00%	0.00%
Shahreen Insurance Company Limited	110,318	246,500	-	356,818	2,609,541	3,118,589	509,048	1,41%	1.46%	0.69%	
The United Insurance Company of Pakistan Limited	36,680	-	-	35,521	1,159	16,979	25,823	8,844	0.01%	0.01%	0.00%
	259,072	246,500	-	147,995	357,977	2,626,520	3,144,412	517,892	1.42%	1.48%	0.69%
Refinery											
Attock Refinery Limited	4,800	7,000	-	11,800	-	-	-	-	0.00%	0.00%	0.00%
Byco Petroleum Pakistan Limited	59,000	141,000	-	200,000	-	-	-	-	2.09%	2.18%	0.05%
National Refinery Limited	3,800	-	-	3,800	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Refinery Limited	67,600	158,000	-	15,600	210,000	5,069,155	5,076,300	7,145	0.20%	0.20%	0.01%
									2.29%	2.38%	0.05%
Investment Banks / Investment Companies											
First Capital Equities Limited	128,395	-	-	500	127,895	3,549,086	2,174,215	(1,374,871)	0.89%	1.02%	0.15%
Jhangir Sodraji & Company Limited	128,395	10,000	-	10,000	-	-	-	-	0.00%	0.00%	0.00%
									0.88%	1.02%	0.15%
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	627	500	-	1,000	127	121,642	174,614	52,972	0.08%	0.08%	0.02%
Oil & Gas Development Company Limited	62,800	25,000	-	27,800	60,000	8,665,707	9,821,000	1,355,293	4.47%	4.66%	0.02%
Pakistan Oilfields Limited	9,700	3,800	-	13,500	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	45,200	15,000	-	30,200	30,000	4,833,000	5,645,400	812,400	2.55%	2.65%	0.03%
	118,327	44,300	-	72,500	90,127	13,520,349	15,741,014	2,220,665	7.10%	7.39%	0.07%
Oil & Gas Marketing Companies											
Attock Refinery Limited	2,200	-	-	2,200	-	-	-	-	0.00%	0.00%	0.00%
Haseco Petroleum Limited	9,483	5,200	-	14,200	483	158,956	166,397	7,441	0.08%	0.08%	0.01%
Pakistan State Oil Company Limited	18,700	8,000	-	20,000	6,700	2,580,920	2,909,207	328,289	1.31%	1.37%	0.11%
Shell Pakistan Limited	7,500	5,000	-	12,500	-	-	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipelines Limited	44,000	20,000	-	29,000	35,000	1,824,000	2,854,960	1,030,960	1.29%	1.34%	0.05%
Sui Southern Gas Company Limited	44,500	54,500	-	99,000	-	-	-	-	0.00%	0.00%	0.00%
Hi-Tech Lubricants Limited	10,000	-	-	-	10,000	1,063,000	1,148,700	85,700	0.52%	0.54%	0.10%
	126,393	102,700	-	176,900	52,193	5,626,876	7,073,254	1,452,380	3.19%	3.32%	0.17%
Textile Composite											
Nishat (Chunian) Limited	25,500	-	-	10,500	15,000	531,300	936,450	405,150	0.42%	0.44%	0
Nishat Mills Limited	27,300	-	-	12,300	15,000	1,619,500	2,284,050	665,550	1.03%	1.07%	0
	52,800	-	-	22,800	30,000	2,149,800	3,220,500	1,070,700	1.45%	1.51%	0
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	1,300	-	-	-	1,300	980,200	1,244,217	264,017	0.56%	0.58%	0
Ferozsons Laboratories (Pakistan) Limited	500	-	-	500	-	-	-	-	0.00%	0.00%	0
GlaxoSmithKline (Pakistan) Limited	7,200	4,400	-	2,800	8,800	1,866,173	2,053,040	186,867	0.93%	0.96%	0
Higginson Laboratories Limited	2,365	-	-	2,334	31	17,868	19,809	1,941	0.01%	0.01%	0
The Searle Company Limited	5,005	-	700	1,700	4,005	1,893,811	2,618,429	734,618	1.18%	1.23%	0
	16,370	4,400	700	7,334	14,136	4,750,052	5,935,495	1,185,443	2.68%	2.79%	0
Textile Spinning											
Gadcon Textile Mills Limited	3,690	-	-	3,690	-	-	-	-	0.00%	0.00%	0
	3,690	-	-	3,690	-	-	-	-	0.00%	0.00%	0
Glass & Ceramics											
Tairq Glass Industries Limited	-	40,000	-	-	40,000	3,903,000	4,018,000	115,000	1.81%	1.89%	0
	-	40,000	-	-	40,000	3,903,000	4,018,000	115,000	1.81%	1.89%	0
Transport											
Pakistan International Bulk Terminal Limited	15,000	30,000	-	-	45,000	1,448,551	1,484,550	35,999	0.67%	0.70%	0
Pakistan National Shipping Corporation	7,200	-	-	7,200	-	-	-	-	0.00%	0.00%	0
	22,200	30,000	-	7,200	45,000	1,448,551	1,484,550	35,999	0.67%	0.70%	0
Miscellaneous											
Pace Pakistan Limited	-	70,000	-	70,000	-	-	-	-	0.00%	0.00%	0
	-	70,000	-	70,000	-	-	-	-	0.00%	0.00%	0
Sub Total	2,716,434	4,367,892	700	2,323,568	4,763,458	177,978,386	195,081,357	17,102,973	87.96%		
Unlisted equity securities											
GlaxoSmithKline Consumer Health Care Pakistan Limited (i)	2,160	-	-	-	2,160	21,600	-	-	0.01%	0.01%	0
Sub Total	2,160	-	-	-	2,160	21,600	21,600	-	0.01%	0.01%	0
Government securities - Market Treasury Bills											
Treasury Bills-3 Months (ii)	18,000,000	36,000,000	-	36,000,000	18,000,000	17,948,700	17,947,818	(882)	6.09%	8.42%	
Sub Total	18,000,000	36,000,000	-	36,000,000	18,000,000	17,948,700	17,947,818	(882)	6.09%	8.42%	
Grand Total	20,720,594	40,367,892	700	38,323,568	22,765,618	195,948,686	213,050,775	17,102,091			

(i) The face value of each share held of Habib Insurance Company Limited, Al Ghazi Tractors Limited and National Foods Limited is Rs. 5 each and face value of each share held of KElectric Limited is Rs. 3.5 each.

(ii) This represents 2,160 unlisted ordinary shares of GlaxoSmithKline Consumer Healthcare Pakistan Limited received on demerger of Consumer Healthcare business from GlaxoSmithKline Pakistan Limited. Under the scheme of arrangement, the Fund received 3 ordinary shares of newly formed GlaxoSmithKline Consumer Healthcare Pakistan Limited for every 10 existing ordinary shares of GlaxoSmithKline Pakistan Limited held on the entitlement date. As per Clause (i) and (ii) of the investment criteria laid down for Equity Scheme in Circular no. 7 of 2009 dated 6 March 2009 issued by SECP, the Fund is allowed equity investment in only listed securities. However as stated above the Fund has received 2,160 unlisted equity securities of GlaxoSmithKline Healthcare Pakistan Limited under scheme of arrangement which are not in compliance with the said investment criteria. The management intends to hold the said securities as these will be listed on PSX during the current financial year.

(iii) These market treasury bills carry purchase yield ranging from 5.86% (30 June 2016: 6.21%) per annum and will mature by 19 January 2017 (30 June 2016: 4 August 2016).



	(Unaudited) 31 December 2016	(Audited) 30 June 2016
	-----Rupees-----	
8 Dividend and profit receivable - unsecured, considered good <i>Note</i>		
Dividend receivable	460,479	362,516
Profit accrued on bank deposits	91,616	20,191
	<u>552,095</u>	<u>382,707</u>
9 Advances, deposits, prepayments and other receivables		
Security deposit with the CDC	237,500	237,500
Advance Tax deducted	611,700	262,177
Prepaid Annual Fee of the CDC	50,781	13,035
Other receivable from the Management Company	211,363	211,363
Receivable against sale of investments	8,473	-
	<u>1,119,817</u>	<u>724,075</u>
10 Payable to FCIL		
Remuneration of Management Company	1,369,795	316,360
Punjab Sales tax on Remuneration of Management Company	219,167	50,618
Federal Excise Duty ("FED") on Remuneration of Management Company	3,713,448	3,713,448
	<u>5,302,410</u>	<u>4,080,426</u>

10.1 As per requirement of the Finance Act 2013, the Federal Excise Duty ("FED") is applicable at the rate of 16% on the remuneration of Management Company with effect from 13 June 2013. Since the remuneration is already subject to the Provincial Sales Tax, the management is of the view that further levy of FED may result in double taxation which does not appear to be the spirit of the law. A stay order against the collection has been granted by the Honorable Sindh High Court ("Honorable SHC") on a petition filed by the Mutual Funds Association of Pakistan ("MUFAP") as on 04 September 2013.

The Honorable SHC has passed a Judgment on 30 June 2016 that the Provinces alone have the legislative power to levy a tax on rendering or providing services after 18th amendment in Constitution of Pakistan. Therefore chargeability and collection of FED after 1 July 2011 is Ultra Vires to the Constitution of Pakistan. However, the Federal Board of Revenue (Deputy Commissioner Inland Revenue) has filed a civil petition for leave to appeal in the Honorable Supreme Court of Pakistan ("Honorable SCP"). The Honorable SCP has suspended the operation of impugned judgment by Honorable SHC during the pendency of filed civil petition. Resultantly, the management shall make appropriate adjustment after the final decision of the Honorable SCP.

With effect from 01 July 2016, the fund has not recognized a further provision for FED since Finance Act 2016 has excluded the asset management companies from the levy of FED with effect from 01 July 2016 where the Provinces have levied their respective Provincial Sales Tax.

11 Unclaimed dividend

This mainly includes an amount of Rs. 8.02 million (30 June 2016: 6.42 million) not paid to Salman Taseer (Late) due to pending adjudication for issuance of succession certificate before the Honorable Lahore High Court.

12 Provision for Worker's Welfare Fund

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 ("WWF Ordinance") as a result of which it was construed that all CISs / mutual funds whose income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus



rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, MUFAP filed a constitutional petition in the Honorable SHC challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Honorable SCP.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Honorable SCP has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the Honorable SCP. The Federal Board of Revenue has filed a petition in the Honorable SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the MUFAP (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the Honorable SCP judgement on the CISs petition before the Honorable SHC. Both legal and tax advisors consulted, were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the Honorable SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the Honorable SCP.

In view of the above development regarding the applicability of WWF on CISs / mutual funds, and based on legal opinion, MUFAP has recommended that the entire provision against WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017.

The above decisions were communicated to the SECP and the PSX on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, the Fund has recorded these adjustments in its books on 12 January 2017, subsequent to the period end.

The net effect of the above adjustment if this had been made on 31 December 2016 would have resulted in an increase in the net asset value per unit of the Fund by Rs. 0.5031 per unit (30 June 2016: Rs. 0.4980 per unit).

13 Contingencies And Commitments

There were no contingencies or commitments outstanding as at 31 December 2016.

14 Total Expense Ratio

As per the NBFC Regulations 2008, the Total Expense Ratio ("TER") of the Fund shall be capped up to 4% of the Average Net Assets excluding expenses representing Government levies, WWF and the SECP Fee. TER of the Fund for the period is 3.94% including expenses representing Government levies, WWF and the SECP Fee. However, after deducting Government levy, WWF and the SECP Fee i.e. 0.59%, the expense ratio will be 3.35%.

15 Taxation

The income of the Fund 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 realized or unrealized is distributed to the unit holders in form of cash dividend. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end to the unit holders. The Fund is also exempt from the provision of section 113 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 this condensed interim financial information.

16 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.

17 Transactions with connected persons / related parties

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

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

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

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

	Half year ended		Quarter year ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	-----Rupees-----		-----Rupees-----	
FCIL - Management Company				
Remuneration of the Management Company	2,062,060	2,201,374	1,031,805	934,436
Punjab Sales Tax on Remuneration of the Management Company	329,930	408,575	165,089	173,431
Federal Excise Duty on Remuneration of the Management Company	-	352,220	-	149,510
Dividend Paid	8,199,113	10,200,916	-	10,200,916
Issue of Nil (31 December 2015: 587) units and Nil (31 December 2015: Nil) units for the six months and quarter ended respectively	-	6,518	-	-
Redemption of 158,391 (31 December 2015: 587) units and 158,391 (31 December 2015: 587) units for the six months and quarter ended respectively	2,014,594	-	2,014,594	-
CDC - Trustee				
Remuneration of the Trustee	352,875	351,913	176,437	175,957
Sindh Sales Tax on Remuneration of the Trustee	45,874	49,268	22,937	24,634
Settlement Charges inclusive of Sindh Sales Tax	16,169	37,328	13,264	12,438
CDS Fee paid	76,275	-	76,275	-
Amortization of CDS Fee	38,566	-	19,225	-
First Capital Equities Limited				
Brokerage expense	58,232	15,830	55,532	5,975
Dividend Paid	1,363	1,632	1,363	1,632



	Half year ended		Quarter year ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	-----Rupees-----		-----Rupees-----	
First Capital Securities Corporation Limited				
Dividend Paid	254,840	305,137	254,840	-
Salman Taseer (Late)				
Dividend Paid	1,593,113	-	1,593,113	-
Al Hoqani securities and Investments Corporation (Private) Limited				
Dividend paid	178	594,103	178	594,103
Redemption of Nil (31 December 2015: 3,082,860) units and Nil (31 December 2015: 652,860) units for the six months and quarter ended respectively	-	36,894,043	-	7,213,907
Sulaiman Ahmed Saeed Al Hoqani				
Dividend Paid	2	875,259	2	875,259
Redemption of Nil (31 December 2015: 2,211,821) units and Nil (31 December 2015: 961,821) units for the six months and quarter ended respectively	-	26,460,434	-	10,627,834
Key Management Personnel of Management Company				
Dividend Paid	458	-	458	-

(Un audited) (Audited)
December 31 June 30
2016 2016
-----Rupees-----

17.2 Balance outstanding as at the period end are as follows:

FCIL - Management Company

Remuneration payable to the Management Company	1,369,795	316,360
Punjab Sales Tax payable on remuneration to the Management Company	219,167	50,618
Federal Excise Duty payable on Remuneration to the Management Company	3,713,448	3,713,448
Receivables	211,363	211,363

CDC - Trustee

Remuneration payable inclusive of taxes thereon	59,453	57,377
Sindh Sales tax on remuneration to the Trustee	7,729	8,033
Security deposit	237,500	237,500
Settlement charges payable inclusive of taxes thereon	6,328	1,368
Prepaid Fee	50,781	13,035

Salman Taseer (Late)

Dividend Paid	8,016,790	6,423,677
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(Un audited)	(Audited)
December 31	June 30
2016	2016
-----Rupees-----	

17.3 Units Outstanding as at the period end are as follows:

FCIL - Management Company

Units held: 10,788,306 (30 June 2016: 10,946,697) units	<u>146,718,804</u>	<u>129,171,027</u>
First Capital Securities Corporation Limited		
Units held: 335,316 (30 June 2016: 335,316) units	<u>4,560,225</u>	<u>3,955,656</u>
First Capital Equities Limited		
Units held: 1,793 (30 June 2016: 1,793) units	<u>24,386</u>	<u>21,152</u>
Salman Taseer (Late)		
Units held: 2,096,201 (30 June 2016: 2,096,201) units	<u>28,491,958</u>	<u>24,728,464</u>
Sulaiman Ahmed Saeed Al Hoqani		
Units held: 2 (30 June 2016: 2) units	<u>27</u>	<u>27</u>
Key Management Personnel of the Management Company		
Units held: Nil (30 June 2016: 602) units	-	7,102

18 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.

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 2016				Fair value		
		Carrying amount		Rupees				
		Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets - measured at fair value								
Investments								
7.1	- Listed equity securities	177,978,386	-	-	177,978,386	195,081,357	-	-
7.1	- Unlisted equity securities	-	-	-	-	-	-	-
7.1	- Government securities - Market Treasury Bills	17,948,700	-	-	17,948,700	17,947,818	-	-
		195,948,686			235,706,208	213,029,175		213,029,175
Financial assets - not measured at fair value								
6	Bank balances	-	33,085,610	-	33,085,610	-	-	-
8	Dividend and profit receivable	-	552,095	-	552,095	-	-	-
9	Advances, Deposits and other receivables	-	1,119,817	-	1,119,817	-	-	-
			34,757,522		235,706,208	213,029,175		213,029,175
Financial liabilities - not measured at fair value								
10	Remuneration payable to FCIL	-	-	1,369,795	1,369,795	-	-	-
11	Remuneration payable to the CDC	-	-	59,453	59,453	-	-	-
	Annual fee payable to the SECP	-	-	97,948	97,948	-	-	-
	Accrued and other liabilities	-	-	963,424	963,424	-	-	-
11	Unclaimed dividend	-	-	11,368,945	11,368,945	-	-	-
				13,679,465	13,679,465			
30 June 2016								
		Carrying amount		Fair value				
		Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets - measured at fair value								
Investments								
	- Listed equity securities	193,942,033	-	-	193,942,033	193,942,033	-	-
	- Unlisted equity securities	21,600	-	-	21,600	21,600	-	-
	- Government securities - Market Treasury Bills	17,901,954	-	-	17,901,954	17,901,954	-	-
Financial assets - not measured at fair value								
6	Bank balances	-	4,570,669	-	4,570,669	-	-	-
8	Dividend and profit receivable	-	382,707	-	382,707	-	-	-
9	Advances, Deposits and other receivables	-	724,075	-	724,075	-	-	-
		211,865,567	5,677,651		217,543,238	211,843,987		211,843,987
Financial liabilities - not measured at fair value								
10	Remuneration payable to FCIL	-	-	316,360	316,360	-	-	-
11	Remuneration payable to the CDC	-	-	57,377	57,377	-	-	-
	Annual fee payable to the SECP	-	-	190,561	190,561	-	-	-
	Accrued and other liabilities	-	-	842,133	842,133	-	-	-
11	Unclaimed dividend	-	-	9,796,624	9,796,624	-	-	-



19 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Management Company on 28 February 2017.

20 General

Figures have been rounded off to the nearest rupee.

21 Non adjusting event after balance sheet date

The Board of Directors of FCIL, the asset management company of FCMF, in their meeting held on 28 February 2017 has proposed an interim dividend of Rs. 0.52 per unit (31 December 2015: Nil) for the interim period ended 31 December 2016 for distribution to the unit holders. This interim financial information does not include the effect of this proposed interim dividend and will be accounted for subsequent to period end.

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

CHIEF EXECUTIVE

DIRECTOR

