

First Capital Mutual Fund

August 2014

MUFAP's Recommended Format

| | |
|--|----------------------------------|
| Fund Type | Open End |
| Category | Equity |
| Launch date | 30 July 2013 |
| Net Assets | 281,388,406 |
| NAV | 10.5657 |
| Benchmark | KSE-100 index |
| Dealing Days & Cut-off time | Mon to Fri (9:00am to 3:00pm) |
| Pricing Mechanism | Forward |
| Management Fee | 3% |
| Back-end Load (converted units) | Nil |
| Trustee | CDC of Pakistan Ltd. |
| Auditor | A.F. Ferguson & Co. Chart. Acco. |
| Asset Manager Rating | AM4+ from 'PACRA' |
| Risk Profile of the Fund | Low |
| Leverage | Nil |

Investment Objective: The objective of First Capital Mutual Fund is to augment wealth of investors through investments geared towards securing maximum returns while simultaneously offsetting resultant risks through efficient diversification across sectors with low correlation amongst them. The management of the fund is continuously striving towards achieving its objective.

Investment Committee

| | |
|----------------------------|-------------------------|
| Shahzad Jawahar | Chief Executive Officer |
| Syed Asad Abbas Ali Zaidi | Chief Financial Officer |
| Syed Ghazanfar Ali Bukhari | Fund Manager |

| Sector Allocation (% of Total Assets) | Aug' 14 | July 14 |
|---------------------------------------|---------|---------|
| Oil & Gas | 23.19% | 20.75% |
| Banks | 17.61% | 14.77% |
| Chemicals | 11.27% | 10.05% |
| Construction & Materials | 8.75% | 10.36% |
| Electricity | 8.68% | 8.64% |
| Others | 24.23% | 27.02% |

| Fund Returns | | |
|--------------------|---------------------------|-----------|
| | First Capital Mutual Fund | Benchmark |
| Year to date (YTD) | -3.68% | -3.66% |
| 1-Month | -6.48% | -5.76% |

| Asset Allocation (% of Total Assets) | Aug' 14 | July 14 |
|--------------------------------------|---------|---------|
| Equities | 93.73% | 91.59% |
| T-Bills | - | 4.30% |
| Cash | 4.27% | 3.77% |
| Others including receivables | 2.00% | 0.34% |

| Top Ten Stocks (% of Total Assets) | Aug' 14 | July 14 |
|------------------------------------|---------|---------|
| Attock Petroleum Limited | 4.38% | 3.87% |
| Pak. Petroleum Ltd. | 4.85% | 4.48% |
| Pakistan State Oil Ltd. | 4.82% | 4.02% |
| Fauji Fertilizer Co. Ltd. | 4.62% | 3.92% |
| Pak. Oilfields Ltd. | 4.46% | 4.31% |
| Shaheen Insurance Co. Ltd. | 4.06% | 3.77% |
| Oil & Gas Development Co. Ltd. | 3.88% | 3.63% |
| Habib Bank Limited | 3.27% | 2.87% |
| Engro Corporation Ltd. | 2.95% | 2.93% |
| Hub Power Company Limited | 2.82% | 2.78% |

Stock Market Review: During August 2014, KSE-100 index has posted a decline of 5.76% and resulted in FYTD return of negative 3.66%. The market remained bearish mainly on the back of political chaos in the country. The possibilities of government topple casted a dark shadow over the investor's sentiment and massive selling pressure was witnessed in the local bourse. Net Foreign Investor's Portfolio Investment remained at USD 35.7mn, down 48% as compared with preceding month.

The Fixed Line Telecommunication sector underperformed the market on the back of information regarding ICH withdrawal. Furthermore, Cement sector underperformed on the risk to public sector development projects. However, Electricity, Food Producers and Chemicals sector exhibited the resistance against the downtrend.

Disclosure: The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 6,952,538, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs.0.2611/2.38%. For details investors are advised to read Note 5 of the latest Financial Statements of the Scheme.

| Name of Non-compliant investment | Type of investment | Value of investment before provision | Provision held if any | Value of investment after provision | Percentage (%) of Net Assets | Percentage (%) of Gross Assets |
|----------------------------------|--------------------|--------------------------------------|-----------------------|-------------------------------------|------------------------------|--------------------------------|
| - | - | - | - | - | - | - |

Fund Commentary: During the month ended August 2014, First Capital Mutual Fund's NAV has decreased by 6.48% as compared to decrease of 5.76% in benchmark, thereby underperforming benchmark by 0.72% while on YTD basis underperformance remained at 0.02%. On average, the fund remained 92.66% invested in equity.

During the month under review, the overweight in Construction & Materials sector and its underperformance mainly contributed toward the underperformance of the Fund.

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.