

First Capital Mutual Fund Limited



First Capital Mutual Fund Limited



**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED**

**DECEMBER 31, 2008
(Un-Audited)**



COMPANY INFORMATION

Board of Directors	Salmaan Taseer (Chairman) Kamran Hafeez (CEO) Omer Subhan Salamat Muhammad Naveed Tariq Mahmood Ali Athar Muhammad Musharraf Khan Ahmad Bilal
Chief Financial Officer	Syed Kashan Kazmi
Audit Committee	Ahmad Bilal Muhammad Naveed Tariq Muhammad Musharraf Khan
Company Secretary	Amir Mahmood
Investment Committee	Kamran Hafeez Syed Kashan Kazmi Pardeep Kumar
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Adviser	Mazhar Law Associates Advocates
Custodian	Central Depository Company of Pakistan Limited (CDC)
Investment Advisers	First Capital Investments Limited 103-C/II, Gulberg-III, Lahore
Registered Office / Head Office	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 5757591-4 Fax: (042) 5757590, 5877920
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi ☎ (021) 111-000-322





DIRECTORS' REVIEW

The Directors of First Capital Mutual Fund Limited ("the fund") are pleased to present the half year condensed financial information for the period ended December 31, 2008.

Performance Review

Operating Results

The operating results for the half year ended December 31, 2008 are summarized as follows:

All figures in Rs.

	December 31, 2008	December 31, 2007
Capital (loss)/gain on listed securities	(23,095,875)	8,071,029
Unrealized loss	(165,611,933)	(23,472,796)
Dividend income	5,345,591	6,982,073
Other income	780,575	1,734,567
Operating expenses	3,411,228	5,328,417
Net (loss)/income	(186,266,071)	(12,620,302)
Loss per share	(6.21)	(0.42)
	December 31, 2008	June 30, 2008
Net assets value per share	5.04	11.25
KSE-100 Index	5,865	12,289

During the 1st Half FY-09, your fund has incurred a net loss of Rs. 186 million against a net loss of Rs. 13 million in the same period last year. This loss has mainly resulted from an unrealized loss of Rs. 165.6 million in 1st Half FY-09 as against unrealized loss of Rs 23.5 million in the same period last year.

During the period under review the company incurred realized loss of Rs.23 million as compared to profit of Rs.8 million in the same period last year. Dividend Income has declined by 23% in the half year. Operating expenses have declined by 36% mainly due to decrease in remuneration to asset Management Company.

During the 1st Half FY-09, net asset value per share of your fund has declined by 55.10 % with comparison to decrease of 52.27 % in the benchmark KSE-100 index.

The major reason for unprecedented decline in the NAV of fund, albeit underperforming the index by 2.83%, and increase in unrealized loss was the global phenomenon wherein almost all the world economies and markets have plunged during the period. The world has been observing the worst ever crisis after the great depression of 1930s wherein the collapse of the giant financial institutions, the fallout of industrial production in teetering sectors, extreme volatility in commodity prices, bailout packages offered by developed economies and grant of loans by IMF to floundering economies have happened. Pakistan was no exception in this aftermath of global slowdown; indeed, the consequential effects have let the capital markets at substantially low levels. The market witnessed free fall in the start of the this half year due to tight monetary policy, political instability, fundamental changes in sector dynamics, severe liquidity shortage, downgraded rating- ultimately the stocks bourses were virtually frozen for trading by placing floor on the value of securities in August 2008 in the anticipation of systematic risk.

The market remained stagnant almost at the end of this quarter which resulted in the exclusion of Pakistan from MSCI Emerging Index and freezing of redemption and issuance of open ended stock funds due to non discovery of the market price. The same situation persists with your fund which was unable to do almost any



activity during this period despite returning of the normalcy in stock market on December 15, 2008. The market slumped almost 36% between the periods of its lifting the stock floor to the end of this quarter.

Market Outlook and Future Strategy

The domestic economy was striving hard to coup with the worst economic conditions with high inflation, twin deficits, falling reserves, depreciating currency, downgrading of its international rating and low FDI and FPI. All above factors took the economy at the probability of default, which left no option for policy makers but to get the standby facility of USD 3.1 bn from IMF for bailing out of its economic turmoil. We are expecting favorable economic situation due to this IMF facility because it imposes the fiscal and administrative discipline, take out the country out of default probability, helps to maintain the balance of payments and brings stability in the exchange rate. The situation is expected to improve because of falling prices of commodities especially oil and food which was the major reason for deteriorating economic situation. The market is seemingly trading at a substantial discount and a reversal is expected in succeeding quarters. There is probability that certain key events will drive the market. These potential triggers may be reversal in interest rate cycle, up gradation of sovereign rating, re-inclusion in MSCI Frontier markets and hefty investment from Friends of Pakistan forum towards political leadership; all above will lend more confidence to investors and make the fundamental changes in the market.

We are confident about the performance of market going forward and will prefer to overweight in E&P, Power, Fertilizer, Banks and some small cap growth oriented scrips.

Performance rating

During the financial year fund has been assigned rating of "3-Star" for the long term and "1 Star" for the short term by the Pakistan Credit Rating Agency Limited (PACRA).

Subsequent to the period end, Mr. Khawaja Khalil Shah has resigned form board of directors and Mr. Omer Subhan Salamat has been appointed as director of the company in his place after the approval from Securities and Exchange Commission of Pakistan (SCEP).

During the period SECP has promulgated the Non Banking Finance Companies and Notified Entities Regulations 2008 (The Regulations). Your company has been applied for registration as Notified Entity under the Regulation 46 of the Regulations to SECP and approval is awaited.

Acknowledgement

We are grateful to our shareholders for their support and confidence in the fund and would like to thank the SECP and the Stock Exchanges for their guidance and support.

For and on behalf of the Board

Lahore
February 27, 2009

Kamran Hafeez
Chief Executive Officer



REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF FIRST CAPITAL MUTUAL FUND LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **First Capital Mutual Fund Limited** (the "Fund") as at 31 December 2008 and the related condensed interim income statement, condensed interim cash flow statement, condensed interim statement of changes in equity, condensed interim statement of movement in reserves per share and condensed interim distribution statement, for the six months period then ended ("the interim financial information"). Management Company is responsible for the preparation and presentation of this 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 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 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

The figures for the quarter ended 31 December 2008 in the condensed interim income statement have not been reviewed and we do not express a conclusion on them.

Place : Lahore
Date : February 27, 2009

KPMG TASEER HADI & CO.
CHARTERED ACCOUNTANTS

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CONDENSED INTERIM STATEMENT OF ASSETS & LIABILITIES AS AT DECEMBER 31, 2008

	Note	(Un-Audited) December 31, 2008 Rupees	(Audited) June 30, 2008 Rupees
Assets			
Non current asset			
Long term deposit		137,500	137,500
Current assets			
Investments at fair value through profit or loss	5	132,766,661	336,536,857
Dividend and other receivables		1,440,859	3,142,669
Bank balances		22,709,702	8,752,079
Total assets		157,054,722	348,569,105
Liabilities			
Current liabilities			
Due to asset management company - an associated company	6	2,293,048	7,436,075
Trade and other payables		2,063,896	2,442,382
Provision for taxation		1,359,197	1,085,996
Total liabilities		5,716,141	10,964,453
Net assets		151,338,581	337,604,652
Share capital and reserves			
Authorized share capital 35,000,000 (2008: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital		300,000,000	300,000,000
Accumulated loss / undistributed income		(148,661,419)	37,604,652
Contingencies and commitments	7	151,338,581	337,604,652
Net assets value per share		5.04	11.25

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2008

Note	Six months ended		Three months ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	Rupees	Rupees	Rupees	Rupees
Income				
Capital (loss)/gain on listed securities	(23,095,875)	8,071,029	-	9,544,906
Unrealized loss on listed securities	5 (165,611,933)	(23,472,796)	(87,275,516)	(12,217,513)
Dividend income	5,345,591	6,982,073	2,714,658	4,185,723
Profit on bank deposits	780,575	1,734,567	347,487	824,571
	<u>(182,581,642)</u>	<u>(6,685,127)</u>	<u>(84,213,371)</u>	<u>2,337,687</u>
Operating expenses				
Fee and subscription	369,651	251,514	52,122	77,343
Remuneration to the asset management company	6 2,293,048	3,680,272	1,043,117	1,881,842
Securities and transaction cost	257,517	1,061,232	240	677,546
Legal and professional charges	80,000	80,000	80,000	80,000
Custodian fee	56,491	168,534	27,546	108,534
Auditors' remuneration	85,000	85,000	85,000	85,000
Printing charges	268,936	-	268,936	-
Bank charges	585	1,865	585	235
	<u>3,411,228</u>	<u>5,328,417</u>	<u>1,557,546</u>	<u>2,910,500</u>
Net loss before taxation	<u>(185,992,870)</u>	<u>(12,013,544)</u>	<u>(85,770,917)</u>	<u>(572,813)</u>
Provision for taxation	273,201	606,758	121,620	602,158
Net (loss) for the period	<u>(186,266,071)</u>	<u>(12,620,302)</u>	<u>(85,892,537)</u>	<u>(1,174,971)</u>
Loss per share - basic and diluted	8 (6.21)	(0.42)	(2.86)	(0.04)

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE

CHIEF EXECUTIVE

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DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2008

	Six months ended	
	December 31, 2008	December 31, 2007
	Rupees	Rupees
Cash flow from operating activities		
Net loss before taxation	(185,992,870)	(12,013,544)
Adjustment for:		
Dividend income	(5,345,591)	(6,982,073)
Remuneration to asset management company	2,293,048	3,680,272
Unrealized loss due to change in fair value of listed securities	165,611,933	23,472,796
	<u>162,559,390</u>	<u>20,170,995</u>
Operating (loss)/income before working capital changes	<u>(23,433,480)</u>	<u>8,157,451</u>
Decrease in current assets		
Investments in listed securities	38,158,263	20,138,418
Other receivables	83,404	7,970,504
	<u>38,241,667</u>	<u>28,108,922</u>
Decrease in current liabilities		
Trade and other payables	(378,146)	(891,101)
Cash generated from operations	<u>14,430,041</u>	<u>35,375,272</u>
Remuneration paid to asset management company	(7,436,075)	(6,772,792)
Tax Paid	(105,944)	(346,106)
Dividend Received	7,069,941	7,216,557
Net cash generated from operating activities	<u>13,957,963</u>	<u>35,472,931</u>
Cash flow from financing activities		
Dividend paid	(340)	(29,908,645)
Net cash used in financing activities	<u>(340)</u>	<u>(29,908,645)</u>
Net increase in cash and cash equivalents	<u>13,957,623</u>	<u>5,564,286</u>
Cash and cash equivalents at the beginning of the period	<u>8,752,079</u>	<u>50,812,785</u>
Cash and cash equivalents at the end of the period	<u>22,709,702</u>	<u>56,377,071</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE

CHIEF EXECUTIVE

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DIRECTOR



CONDENSED INTERIM DISTRIBUTION STATEMENT
(UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2008

	<u>Six months ended</u>	
	<u>December 31, 2008</u>	<u>December 31, 2007</u>
	<u>Rupees</u>	<u>Rupees</u>
Undistributed income brought forward	37,604,652	80,280,534
Net loss for the period	(186,266,071)	(12,620,302)
Accumulated (loss) undistributed income carried forward	<u>(148,661,419)</u>	<u>67,660,232</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE **CHIEF EXECUTIVE** **DIRECTOR**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2008

	<u>Issued, subscribed and paid up share capital</u>	<u>Accumulated (loss)/ Unappropriated Profit</u>	<u>Total</u>
		<u>Rupees</u>	
Balance as at July 01, 2007	300,000,000	80,280,534	380,280,534
Net loss for the six months ended December 31, 2007	-	(12,620,302)	(12,620,302)
Balance as at December 31, 2007	<u>300,000,000</u>	<u>67,660,232</u>	<u>367,660,232</u>
Balance as at July 01, 2008	300,000,000	37,604,652	337,604,652
Net loss for the six months ended December 31, 2008	-	(186,266,071)	(186,266,071)
Balance as at December 31, 2008	<u>300,000,000</u>	<u>(148,661,419)</u>	<u>151,338,581</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE **CHIEF EXECUTIVE** **DIRECTOR**



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN
EQUITY AND RESERVES - PER SHARE** (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2008

	<u>Six months ended</u>	
	<u>31 December 2008</u>	<u>31 December 2007</u>
	<u>Rupees</u>	<u>Rupees</u>
Net assets per share as at July 01	11.25	12.67
Net (loss) / income from transactions in listed securities	(0.77)	0.27
Unrealized loss on listed securities	(5.52)	(0.78)
Net profit for the period excluding net loss from sale of listed securities and unrealized loss on listed securities	0.08	0.09
Net loss for the period - per share	(6.21)	(0.42)
Net assets per share as at December 31	<u>5.04</u>	<u>12.25</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE **CHIEF EXECUTIVE** **DIRECTOR**



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2008**

1 Status and nature of business

First Capital Mutual Fund Limited (the "Fund") was incorporated in Pakistan on January 08, 1995 as a public limited company under the Companies Ordinance, 1984, having registered office at 103-C/II Gulberg III, Lahore. The Fund commenced its operations on March 14, 1995. The Fund is listed on Karachi and Lahore Stock Exchanges. It is registered with the Securities and Exchange Commission of Pakistan (SECP) as an Investment Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The Fund has submitted an application to the SECP for registration as Notified Entity under the regulation 46 of the Non Banking Finance Companies and Notified Entities Regulations, 2008. The object of the Fund is to carry on the business of a close end mutual fund and to invest its assets in securities, which are listed or unquoted securities unless an application for listing of such securities has been accepted by the stock exchanges.

The Fund has an agreement with First Capital Investment Limited ("FCIL"), an associated company, to provide asset management services. FCIL is duly licensed under the NBFC Rules to provide asset management services to closed end funds only. FCIL has been assigned rating of "AM4+" by Pakistan Credit Rating Agency (PACRA). The Fund has been assigned long term credit rating at "3 Star", while normal credit rating has been assigned at "1 Star" by PACRA.

Central Depository Company of Pakistan Limited is the custodian of the Fund.

2 Basis for preparation

This condensed interim financial information is un-audited but subject to limited scope review by auditors and have been prepared in accordance with the requirements of approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2008.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and as required under Regulation 52 of the NBFC and Notified Entities Regulations, 2008 (NBFC Regulations) and Listing Regulations of Karachi and Lahore Stock Exchanges.

3 Significant accounting policies

Accounting policies adopted for the preparation of these condensed financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2008.

4 Estimates

The preparation of the condensed interim financial information requires management to make adjustments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2008.



5. Investments at fair value through profit or loss
Ordinary fully paid shares/certificates have a face value of Rs. 10 each unless stated otherwise.

Name of Company	Number of Shares/certificates				Balance as at December 31, 2008				Percentage in relation to				
	Holding at the beginning of the period	Purchased during the period	Bonus/Right received during the period	Sale during the period	Holding at the end of the period	Cost	Carrying Amount	Market Value	Unrealized gain/(Loss)	Own net assets		Total Investment	
										At Cost	At market Value	At Cost	At Market Value
Investment Companies / Banks													
First Capital Equities Limited	96,400	-	24,100	-	120,500	1,318,270	14,802,220	14,996,225	194,005	0.87	9.91	0.40	11.30
Jahangir Siddiqui Company Limited	10,000	-	24,377	-	34,377	7,432,651	5,301,500	1,797,230	(3,504,270)	4.91	1.19	2.26	1.35
Commercial Banks													
Bank Al Falaah Limited	86,500	300,000	-	67,600	318,900	15,473,028	13,675,889	5,335,197	(8,340,702)	10.22	3.53	4.71	4.02
National Bank of Pakistan	75,800	125,000	-	75,300	125,500	17,420,655	17,045,071	6,315,160	(10,729,911)	11.51	4.17	5.30	4.76
United Bank Limited	142,500	125,000	-	139,000	128,500	16,505,825	10,729,069	4,742,935	(5,986,134)	10.91	3.13	5.02	3.57
MCB Bank Limited	83,450	8,000	-	80,000	11,450	3,795,333	3,279,051	1,440,525	(1,838,526)	2.47	0.95	1.14	1.09
NIB Bank Limited	200,000	-	-	200,000	-	-	-	-	-	-	-	-	-
Habib Bank Limited	44,500	-	-	30,000	14,500	3,899,050	3,025,135	1,085,470	(1,939,665)	2.58	0.72	1.19	0.82
Bank Al-Habib Limited	61,700	-	-	-	61,700	3,821,081	2,604,974	1,534,479	(1,070,495)	2.52	1.01	1.16	1.16
Allied Bank Limited	25,000	-	-	2,500	22,500	2,755,800	1,918,575	704,700	(1,213,875)	1.82	0.47	0.84	0.53
Insurance Companies													
Adamiye Insurance Company Limited	20,500	40,000	-	40,300	20,200	5,225,740	5,011,951	2,057,168	(2,954,783)	3.45	1.36	1.59	1.55
E F U General Insurance Company Limited	25,000	-	-	-	25,000	8,825,750	9,021,500	3,325,250	(5,696,250)	5.83	2.20	0.02	2.68
Central Insurance Company Limited	10,000	-	1,000	-	11,000	1,876,050	1,628,000	818,950	(809,050)	1.24	0.54	0.06	0.62
Textile Composite													
Nishat Mills Limited	70,000	-	-	-	70,000	7,371,000	6,017,900	1,582,000	(4,435,900)	4.87	1.05	0.04	2.24
Cement													
Fauji Cement Company Limited	100,000	-	-	100,000	-	-	-	-	-	-	-	-	-
Dewan Cement Limited	41,512	41,000	-	41,000	41,512	598,188	418,329	125,781	(292,548)	0.40	0.08	0.01	0.18
D.G. Khan Cement Company Limited	214,055	-	-	150,000	64,055	6,406,781	4,300,653	1,362,450	(2,938,203)	4.23	0.90	0.03	1.95
Lucky Cement Company Limited	11,500	-	-	-	11,500	1,286,505	1,126,195	359,605	(766,590)	0.85	0.24	-	0.39
Refinery													
National Refinery Limited	40,200	-	-	14,700	25,500	9,360,795	7,585,485	2,426,580	(5,158,905)	6.19	1.60	0.03	2.85
Pakistan Refinery Limited	4,133	-	-	4,000	133	32,987	20,134	13,087	(7,047)	0.02	0.01	-	0.01
Tobacco													
Pakistan Tobacco Company Limited	30,000	-	-	-	30,000	4,955,100	3,510,000	3,189,000	(321,000)	3.27	2.11	0.01	1.51
Power Generation and Distribution													
The Hub Power Company Limited	320,000	-	-	-	320,000	10,579,200	9,152,000	4,508,800	(4,643,200)	6.99	2.98	0.03	3.22
Oil & Gas Marketing Companies													
Pakistan State Oil Company Limited	23,000	19,800	-	23,000	19,800	8,415,000	8,415,000	2,862,684	(5,552,316)	5.56	1.89	0.01	2.56



Name of Company	Number of Shares/Certificates					Balance as at December 31, 2008			Percentage in relation to				
	Holding at the beginning of the period	Purchased during the period	Bonus/Right received during the period	Sale during the period	Holding at the end of the period	Carrying Amount	Market Value	Unrealized gain/(Loss)	Own net assets		Total Investment		
									Rupees	Rupees	%	%	At Cost
Oil & Gas Exploration Companies													
Pak Oil Fields Limited	40,000	-	8,000	-	48,000	15,629,760	4,919,520	(9,674,080)	10.33	3.25	0.02	4.75	3.71
Oil & Gas Development Company Limited	220,000	90,000	-	192,300	117,700	12,633,918	5,883,823	(8,584,320)	8.35	3.89	-	3.84	4.43
Pakistan Petroleum Limited	99,500	-	9,950	-	109,450	26,625,901	11,012,859	(13,463,146)	17.59	7.28	0.01	8.10	8.29
Mari Gas Company Limited	25,300	-	-	-	25,300	7,962,416	2,503,435	(4,315,674)	5.26	1.65	0.07	2.42	1.89
Engineering													
Crescent Steel and Allied Products Limited	20,000	-	2,000	-	22,000	1,925,440	374,660	(859,940)	1.27	0.25	0.04	0.59	0.28
Automobile Assembler													
Indus Motor Company Limited	6,190	-	-	2,800	3,390	1,024,017	416,563	(261,607)	0.68	0.28	-	0.31	0.31
Pakistan Suzuki Motor Company Limited	14,700	-	-	9,400	5,300	1,656,197	634,887	(212,954)	1.09	0.28	-	0.50	0.32
Technology & Communication													
Pakistan Telecommunication Company Limited "A"	415,000	200,000	-	300,000	315,000	17,428,950	12,181,806	(6,861,456)	11.52	3.52	0.01	5.30	4.01
TRG Pakistan Limited	425,000	25,000	-	450,000	-	-	-	-	-	-	-	-	-
Nesol Technologies Limited	88,000	-	17,600	-	105,600	10,542,048	8,560,644	(2,668,512)	6.97	1.76	0.15	3.21	2.01
Eye Television Network Limited	15,000	-	-	-	15,000	939,750	883,500	(368,750)	0.62	0.34	0.03	0.29	0.39
Fertilizer													
Engro Chemicals Limited	85,654	15,000	-	-	100,654	26,977,285	27,592,502	(17,883,417)	17.83	6.42	0.05	8.21	7.31
Fauji Fertilizer Company Limited	105,000	103,200	-	100,000	108,200	12,645,334	14,142,930	(7,788,344)	8.36	4.20	0.02	3.85	4.79
Fauji Fertilizer Bin Qasim Limited	29,500	500,000	-	-	529,500	18,066,540	15,902,897	(9,072,347)	11.94	4.51	0.06	5.50	5.14
Pharmaceuticals													
Highnoon Laboratories Limited	18,800	-	-	-	18,800	1,538,780	1,061,072	(497,824)	1.02	0.37	0.11	0.47	0.42
Chemical													
ICI Pakistan Limited	70,000	-	-	-	70,000	14,375,200	11,295,900	(6,486,200)	9.50	3.18	0.05	4.37	3.62
Nimr Industries Chemicals Limited	790,500	-	-	-	790,500	4,363,560	2,671,890	(1,509,855)	2.88	0.77	7.15	1.33	0.88
BOC Pakistan Limited	10,000	-	-	-	10,000	3,144,400	2,185,700	(1,057,500)	2.08	0.75	0.04	0.96	0.85
Miscellaneous													
Tir-Pack Films Limited	58,800	2,100	-	-	60,900	13,962,543	10,406,598	(2,816,022)	9.23	5.02	0.20	4.25	5.72
Total	4,272,694	1,594,100	87,027	2,021,900	3,831,921	328,736,828	298,376,594	132,766,661	(165,611,933)				
							<u>336,536,857</u>	<u>(71,011,930)</u>					

June 30, 2008

5.1 Nimr Industrial Chemicals Limited's shares have a face value of Rs 5 per share

5.2 Net assets are as defined in Rule 2 (XXXIV) of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003.

5.3 The percentage in relation to the own net assets (of the Fund) has been calculated in relation to the cost and market value of the respective investments.

5.4 The percentage in relation to the investee company's paid up capital has been calculated with reference to the number of shares held in that investee company.

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	Note	Six months ended	
		Un-audited December 31, 2008	Un-audited December 31, 2007
		Rupees	Rupees
6 Due to assets management company - an associated company			
Remuneration @ 2% of annual average net assets	6.1	<u>2,293,084</u>	<u>7,436,075</u>
6.1 The remuneration of the asset management company, First Capital Investment Limited, an associated company, has been calculated as required under Rule 61 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, which entitles the asset management company to a remuneration @ 2% of the average annual net assets of the Fund.			
7 Contingencies and commitments			
There are no contingencies or commitments at the balance sheet date. (June 30, 2008: Nil).			
		Six months ended	
		Un-audited December 31, 2008	Un-audited December 31, 2007
		Rupees	Rupees
8 Loss per share - basic and diluted			
Loss attributable to ordinary shareholders		Rupees (186,266,071)	(12,620,302)
Weighted average number of shares		Shares 30,000,000	30,000,000
Earnings per share		Rupees (6.21)	(0.42)
There is no dilutive effect on the basic earnings per share of the fund.			
9 Transactions with related parties			
The transactions with related parties and connected persons are as follows:			
		Six months ended	
		Un-audited December 31, 2008	Un-audited December 31, 2007
		Rupees	Rupees
Associates			
Fee to asset management company	9.1	2,293,048	3,680,272
9.1 Amount due to related party at the period end is disclosed in note 6 of this condensed interim financial information.			
10 Date of authorization for issue			
This condensed interim financial information was authorized for issue on February 27, 2009 by the Board of Directors.			
11 General			
- Figures have been rounded off to the nearest of rupee.			

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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**STATEMENT OF INCOME AND EXPENDITURE
IN RELATION TO THE INVESTMENT COMPANY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

	Half year ended		Quarter ended	
	December 2008 Rupees	December 2007 Rupees	December 2008 Rupees	December 2007 Rupees
Income				
Investment advisory fee	3,419,923	5,242,433	1,569,459	2,694,746
Unrealized (loss)/gain on remeasurement of investments at fair value through profit or loss	(896,230)	(517,056)	(861,760)	(538,596)
	<u>2,523,693</u>	<u>4,725,377</u>	<u>707,699</u>	<u>2,156,150</u>
Expenditure				
Operating expenses	7,351,966	7,277,796	3,258,155	4,956,875
Finance cost	53,475	-	25,998	-
Operating Loss	<u>(4,881,748)</u>	<u>(2,552,419)</u>	<u>(2,576,454)</u>	<u>(2,800,725)</u>
Other income/(charges)	2,407,257	(5,247)	1,217,728	(7,358)
Share of (loss)/profit from associates	(18,599,287)	(1,201,354)	(8,577,095)	(57,281)
Loss before tax	<u>(21,073,778)</u>	<u>(3,759,019)</u>	<u>(9,935,821)</u>	<u>(2,865,363)</u>
Taxation	(581,044)	(695,227)	(211,534)	(720,272)
Share of taxation from associates	27,320	60,676	12,162	60,216
Loss after tax	<u>(20,520,054)</u>	<u>(3,124,468)</u>	<u>(9,736,449)</u>	<u>(2,205,307)</u>
Earnings per share- Basic and Diluted	<u>(2.00)</u>	<u>(0.82)</u>	<u>(0.92)</u>	<u>(0.58)</u>

