

First Capital Mutual Fund Limited



# MISSION

At First Capital Mutual Fund Limited we would focus on creating wealth for shareholders, 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.

# VISION

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 Limited.

# CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED

DECEMBER 31, 2009 (Un-Audited)



# First Capital Mutual Fund Limited



# **COMPANY INFORMATION**

Board of Directors	Salmaan Taseer (Chairman) Syed Kashan Hussain Kazmi (CEO) Omer Subhan Salamat Muhammad Naveed Tariq Mahmood Ali Athar Suhail Ahmad Ahmad Bilal
Chief Financial Officer	Muhammad Usman Sheikh
Audit Committee	Ahmad Bilal (Chairman) Muhammad Naveed Tariq Suhail Ahmad
Company Secretary	Shahzad Jawahar
Investment Committee	Syed Kashan Hussain Kazmi Omer Subhan Salamat Pardeep Kumar
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Adviser	Mazhar Law Associates Advocates & Solicitors
Custodian	Central Depository Company of Pakistan Limited ("CDC")
Asset Management Company	First Capital Investments Limited 103-C/II, Gulberg-III, Lahore
Registered / Head Office	103-C/II, Gulberg-III Lahore, Pakistan Tel: +92 42 35757591-4 Fax: +92 42 35757590, 35877920
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi Tel: + 92 21 111-000-322
03	1



### **DIRECTORS' REVIEW**

The Directors of First Capital Mutual Fund Limited ("the fund") are pleased to present the half year condensed unaudited financial information for the period ended 31 December 2009.

#### Performance Review

#### **Operating Results**

The operating results for the half year ended 31 December 2009 are summarized as follows:

	All figures in Rs.
December 31,	December 31,
2009	2008
48,526,332	(23,095,875)
894,993	(165,611,933)
4,949,646	5,345,591
1,375,004	780,575
6,361,997	3,411,228
48,889,013	(186,266,071)
1.63	(6.21)
December 31,	June 30,
2009	2009
8.41	6.78
9.387	7,162
	December 31, 2009 48,526,332 894,993 4,949,646 1,375,004 6,361,997 48,889,013 1.63 December 31, 2009 8.41 9,387

During the 1<sup>st</sup> Half FY-10, your fund has incurred a net profit of Rs. 48.89 million against a net loss of Rs. (186.27) million in the same period last year. This appreciable performance is attributed to the realized & unrealized capital gain on listed securities of Rs.49.42 mn loss as compared to the capital loss of Rs. (188.71) million in the same period last year.

During the period under review the company, other income has jumped by 76% year on year basis because the prudence placement of excess funds. Operating expenses have increased by 86% year on year mainly because of the increased remuneration to the investment adviser as the steep growth in the assets under management and surge in transaction cost due to active management of the portfolio comparable to the almost no activity in the freeze market of the last year.

During the 1<sup>st</sup> Half FY-10, net asset value per share of your fund has increased by 24 % as compared to its benchmark KSE 100 return of 31%. Your fund has adopted the cautious approach during the period under review, wherein we achieve the consolidation of the assets under management combined with fair return for our shareholders. Nevertheless, your fund has underperformed the benchmark by 700 basis amid the risk avert strategy of your fund.

#### Market Outlook & Fund Strategy

Prior to exuberance performance in the 2<sup>nd</sup> half of FY 10, KSE 100 index had suffered the protracted travails of the global recession & domestic imbalances in FY 09. The current half year ended with the posting of 31.07% return as compare to its negative return of 51% in the same period last year. The CY 09 return of 60% is the 4<sup>th</sup> best year in the history of KSE 100 index amid the improved macro fundamentals & huge inflow of the foreign portfolio. The index has showed jubilant performance in the first quarter of the Fy 10 by posting 30.5% return. All it has done due to improved security situation, upgradation of sovereign rating combined with the start of ease monetary policy & exuberant foreign inflow in the capital markets. However, the momentum of the index didn't keep the pace in the 2<sup>nd</sup> quarter of FY10 amid the upheavals in the political system. The lower than expected cut in the discount rate due to the risk of rise in inflation have also shattered the investors confidence. On the positive note, the government managed to achieve the most of the macro targets of IMF for disbursing the remaining tranches, where as the market managed the currency rate in the range bound limits despite the poor flows committed by the Friends of Democratic Pakistan & foreign donors. Nonetheless, the market resisted with the developments that pushed the index in positive zone by

First Capital Mutual Fund Limited



showing a positive return of 0.50% though meager but in the said period. Despite the flat performance in the 2<sup>nd</sup> quarter, KSE 100 index managed to post 31% return since start of FY 10.

Your fund has adopted the cautious strategy in the said period because of the high volatility in the capital markets amid the sustainable political and law & order situation. We were mainly exposed to the defensive & fundamentally sound scrips. Your fund managed to coup the adversities of the FY09 very professionally & is expected to be proving the same performance in future. Though this strategy has led us to under perform the index by 700 basis, but it also provided us the safe cushion for restrained any travails of the market.

#### **Future Strategy**

Looking ahead to the start of 2010, Macro economic situation has stabilized but the sovereign flows & outlook of the commodity prices will shape the key indicators of the economy such as inflation, currency & interest rate outlook. Inflation has again started to increase gradually after touching its lowest level of 8.87% in Oct 2009; the ultimate outcome will be the adoption of the cautious approach by Central Bank that means the less ease in monetary policy- the immediate booster for the growth. The performance of the sectors is correlated with the health of the economy, which we expect to recover gradually as they touched the bottom of the worst. Albeit, we reckon to hear the positive news on oil & gas production, slowdown in NPL provisions, resolution of inter corporate debt, developments on power capacity / tariff and expected better corporate results. Nevertheless, the political wrangling, the confrontation of the judiciary with the government & the developments of war on terror will be key deciding factors for setting the direction of the market.

We are confident about the stellar performance of market going forward but it needs the clarity on the mentioned issues. Your fund will continue its cautious approach & adopt the market directional strategy wherein the exposure in scrips & sector will be subjected to the direction of the market. We monitor the triggers of the market carefully & get exposed to it on the basis of strong fundamentals. We will prefer to overweight in E&P, Power, Fertilizer, Banks and some small cap growth oriented scrips.

#### Performance rating

During the current financial year fund has been assigned long term credit rating of "2-Star", while normal credit rating has been assigned at "3 Star" Pakistan Credit Rating Agency Limited (PACRA).

#### **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 six months ended 31 December 2009 give a true and fair view of the fund.

#### **Renewal of License**

During the period under review SECP have renewed license of Asset Management Company.

#### 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 22, 2010 Syed Kashan Hussain Kazmi 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 2009 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 2009 in the condensed interim income statement have not been reviewed and we do not express a conclusion on them.

Place : Lahore Date : 22 February 2010

### KPMG TASEER HADI & CO. CHARTERED ACCOUNTANTS (KAMRAN IQBAL YOUSAFI)

First Capital Mutual Fund Limited



# CONDENSED INTERIM STATEMENT OF ASSETS & LIABILITIES

AS AT DECEMBER 31, 2009

		(Un-Audited) December 31,	(Audited) June 30,
-	Note	2009	2009
		Rupees	Rupees
Assets			
Non current assets Long term deposits		137,500	137,500
Current assets Investments at fair value through profit or loss Dividend and other receivables Bank balances	6	177,289,218 19,281,298 60,575,104	195,889,882 6,276,443 7,954,436
Total assets		257,283,120	210,258,261
Liabilities			
Current liabilities Payable to Asset Management Compar - an associated company Trade and other payables Provision for taxation	וא 7	2,445,107 2,058,412 584,807	4,144,100 2,240,821 567,559
Total liabilities		5,088,326	6,952,480
Net assets		252,194,794	203,305,781
Share capital and reserves			
Authorized share capital 35,000,000 (2009: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital Accumulated loss		300,000,000 (47,805,206)	300,000,000 (96,694,219)
Contingencies and commitments	8	252,194,794	203,305,781
Net assets value per share		8.41	6.78
The annexed notes 1 to 12 form an integinformation.	gral part	of this condensed	interim financial

LAHORE	CHIEF EXECUTIVE	DIRECTOR
	08	



DIRECTOR

# **CONDENSED INTERIM INCOME STATEMENT** (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

		Six months ended		Three months ended	
	Note	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
		Rupees	Rupees	Rupees	Rupees
Income					
Capital gain / (loss) on listed					
securities -realized		48,526,332	(23,095,875)	10,124,587	-
Dividend income		4,949,646	5,345,591	2,627,965	2,714,658
Profit on bank deposits		1,375,004	780,575	1,060,360	347,487
		54,850,982	(16,969,709)	13,812,912	3,062,145
Unrealized gain / (loss) on revaluation of investments at fair value through					
profit or loss - net	6	894,993	(165,611,933)	(17,974,908)	(87,275,516)
		55,745,975	(182,581,642)	(4,161,996)	(84,213,371)
Operating expenses					
Remuneration to Asset					
Management Company	7	2,445,107	2,293,048	1,253,823	1,043,117
Securities and transaction cost		2,311,328	257,517	1,095,924	240
Fee and subscription		408,643	369,651	284,557	52,122
Custodian fee		664,039	56,491	338,436	27,546
Printing charges		275,166	268,936	275,166	268,936
Auditors' remuneration		107,500	85,000	107,500	85,000
Legal and professional charges		109,000	80,000	9,000	80,000
Bank charges		41,214	585	17,886	585
		6,361,997	3,411,228	3,382,292	1,557,546
Profit / (loss) before taxation		49,383,978	(185,992,870)	(7,544,288)	(85,770,917)
Provision for taxation					
Taxation - current period		494,965	273,201	384,965	121,620
Profit / (loss) after taxation		48,889,013	(186,266,071)	(7,929,253)	(85,892,537)
Earnings / (loss) per share					
- basic & diluted	9	1.63	(6.21)	(0.26)	(2.86)
The annexed notes 1 to 12 information.	form	an integral p	art of this co	ndensed inter	rim financial

# First Capital Mutual Fund Limited



## **CONDENSED INTERIM CASH FLOW STATEMENT** (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

Dec	cember 31, 2009	December 31,
I	B	2008
	Rupees	Rupees
Cash flow from operating activities		
Profit / (loss) before taxation	49,383,978	(185,992,870)
Adjustment for:		
Dividend income	(4,949,646)	(5,345,591)
Remuneration to Asset Management Company	2,445,107	-
Unrealized (gain) / loss on revaluation of investments		
at fair value through profit or loss - net	(894,993)	165,611,933
<u> </u>	(3,399,532)	160,266,342
Operating profit / (loss) before working capital changes	45,984,446	(25,726,528)
Decrease / (increase) in current assets		
Investments in listed securities	10/05 657	38 158 263
Other receivables	(13 582 630)	83 404
	5.913.027	38.241.667
	-,,	, ,
Decrease in current liabilities		
Trade and other payables	(182,409)	(378,146)
Cash generated from operations	51,715,064	12,136,993
	(404.040)	(105.044)
lax Palo	(404,842)	(105,944)
Dividend Received	(4, 144, 100) 5 <i>4</i> 5 <i>4</i> 5 <i>4</i> 6	7 069 9/1
Dividend Heceived	3,434,340	7,005,541
Net cash generated from operating activities	52,620,668	19,100,990
Cash flow from financing activities		
Dividend paid	-	(340)
Net cash used in financing activities	-	(340)
Net increase in cash and cash equivalents	52 620 668	19 100 650
net morease in cash and cash equivalents	52,020,000	13,100,000
Cash and cash equivalents at the beginning		
of the period	7,954,436	8,752,079
Cash and cash equivalents at the end of the period	60,575,104	27,852,729

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

LAHORE	CHIEF EXECUTIVE	DIRECTOR
	10	

LAHORE

09

CHIEF EXECUTIVE



### **CONDENSED INTERIM DISTRIBUTION STATEMENT** (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Six months ended	
	December 31, 2009 Rupees	December 31, 2008 Rupees
(Accumulated loss) / Undistributed income brought forward Accumulated loss at 01 July - realized Undistributed Income at 01 July - unrealized	(130,293,601) <u>33,599,382</u> (96,694,219)	(38,995,537) 76,600,190 37,604,653
Total Comprehensive income / (loss) for six months ended 31 December 2009	48,889,013	(186,266,071)
Accumulated loss carried forward	(47,805,206)	(148,661,418)
Represented by: Accumulated loss at the end of the period - realized Undistributed Income / (Accumulated loss) at the end of the period - unrealized	(82,299,580) 	(59,649,675) (89,011,743) (148,661,418)

The annexed notes 1 to 12 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 HALF YEAR ENDED DECEMBER 31, 2009

	Issued, subscribed and paid up share capital	Accumulated loss Rupees	Total
Balance as at July 01, 2008	300,000,000	37,604,652	337,604,652
Net loss for six months period ended December 31, 2008	-	(186,266,071)	(186,266,071)
Balance as at December 31, 2008	300,000,000	(148,661,419)	151,338,581
Balance as at July 01, 2009	300,000,000	(96,694,219)	203,305,781
Net profit for six months period ended December 31, 2009		48,889,013	48,889,013
Balance as at December 31, 2009	300,000,000	(47,805,206)	252,194,794

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

LAHORE CHIEF EXECUTIVE DIRE	CTOR
12	
	LAHORE CHIEF EXECUTIVE DIRE

# First Capital Mutual Fund Limited



## **CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE** (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Six months ended	
-	31 December 2009 Rupees	31 December 2008 Rupees
Net assets per share as at 01 July	6.78	11.25
Net income / (loss) from transactions in listed securities	1.62	(0.77)
Unrealized gain / (loss) on revaluation of investments at fair value through profit or loss - net	0.03	(5.52)
Other net operating (loss) / income for the period	(0.02)	0.08
Net gain / (loss) for the period - per share	1.63	(6.21)
Net assets per share as at 31 December	8.41	5.04

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

### 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 is registered as Notified Entity under 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 Investments Limited ("FCIL"), an associated company, to provide asset management services. First Capital Investments Limited 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 "2 Star", while normal credit rating has been assigned at "3 Star" by PACRA.

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

The Securities and Exchange Commission of Pakistan issued the Non-Banking Finance Companies and Notified Entities Regulations, 2008 in November 2008. As per Regulation 65 of these regulations an asset management company managing an Investment Company shall, upon the expiry of every five years from 21st November 2007 or the date of launch of the Investment Company which ever is later, hold within one month of such period a meeting of share holders to seek the approval of the shareholders (by special resolution) to convert the Investment Company into an Open End Scheme or wind up the Investment Company.

#### 2 Basis for preparation

#### 2.1 Statement of compliance

This condensed interim financial information is un-audited. However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan. This financial information has 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 information has been presented in accordance with the requirements of Interimation required for full annual financial statements and should be read as June 2009. This financial information has been presented in accordance with the requirements of International Accounting Standard "IAS 34, Interim Financial Reporting."

These condensed interim financial information comprise of condensed interim statement of assets and liabilities as at 31 December 2009 and the related condensed interim income statement, condensed interim statement of cash flows, condensed

# First Capital Mutual Fund Limited



interim statement of changes in equity, condensed interim statement of movement in net assets per certificate, condensed interim distribution statement and notes thereto, for the six months period ended 31 December 2009.

The condensed interim financial information is un-audited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and as required under Regulation 38(g) of the NBFC and Notified Entities Regulations, 2008 (NBFC Regulations) and Listing Regulations of Karachi Stock Exchange.

There are no items of comprehensive income to report and, therefore, Statement of Comprehensive Income is not being presented.

#### 2.2 Initial application of a standard or an interpretation

Revised International Accounting Standard (IAS) 1 " Presentation of Financial Statements" which is applicable for accounting years beginning on or after January 01, 2009, requires 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

Other new standards, amendments and interpretations that were mandatory for the accounting periods beginning on or after 1 July 2009 and are not considered to be relevant or have any significant effect on the Fund's operations, have not been explained in these condensed interim financial information.

#### 2.3 Functional and presentation currency

These condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest rupees.

#### 3 Significant accounting policies

Accounting policies adopted for the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2009 except for the change mentioned in note 2.2 above due to the adoption of IAS 1 (revised); this change, however had no effect on the fund's income for the period or prior periods.

4 Estimates

The preparation of the condensed interim financial information requires management to make judgements, 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 2009.

#### 5 Financial risk management

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2009.

9

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

				No. of shares			Delenee	admood 11 December	0000-		Deve ante and a	
	Sector / name of investee company	Holding at the beginning of the neriod	Purchase during the neriod	NO. OI SILATES Bonus/Rights received during the neriod	Sales during the period	Holding as at end of the period	cost / carrying value	Market value	r 2009 Unrealized gain/(loss)	Market value as a percentage of	Paid up capital of the investee company	Market value as a percentage of total invoctments
		and and	2010	a constant			Rupees	Rupees	Rupees	1161 499619		
	modarba First Equity Modarba		200,000			200,000	510,820	490,000	(20,820)	0.19	0.38	0.28
	Investment Companies / Banks		200,000			nnn'nnz	010,020	430,000	(120'NZ)	0.19	00	07.0
	First Capital Equities Limited	120,500	•			120,500	10,919,710	9,743,630	(1,176,080)	3.86	0.11	5.50
	Arif Habib Securities Limited	210,000	418,000		448,000	180,000	8,224,830	8,868,600	643,770	3.52	0.05	5.00
	Jahangir Siddiqui Company Limited	174,377	210,000		244,377	140,000	4,280,598	4,209,800	(70,798)	1.67	0.02	2.37
		504,877	732,000		692,377	544,500	25,364,842	24,316,510	(1,048,332)	9.64	0.28	13.72
	Commercial Banks Bank Afalah Limitad	209 518	235 DDD		557518							
	National Bank of Pakistan Limited	204.100	237,500		319.100	122.500	9.396.644	9.110.325	(286.319)	3.61	0.01	5.14
	United Bank Limited	55,350	536,000		478,350	113,000	6,779,864	6,604,850	(175,014)	2.62	0.01	3.73
	The Bank of Punjab MCR Bank I imited	38.095	630,000		630,000							
	NIB Bank Limited	-	150,000		150,000							
	Habib Bank Limited	22,100	79,100	- 167 06 4	101,200							
	NASIS Bank Limited JS Bank Limited	-	150,000	+c0,/c1	150.000						• •	• •
	Faysal Bank Limited		355,000	,	355,000		,	,		'	•	
	Askari Bank Limited		457,000		307,000	150,000	3,640,815	4,095,000	454,185	1.62	0.03	2.31
1	Soneri Bank Limited		120,000		120,000					' 0		, .
5	Arif Habib Bank Limited Allied Bank Limited		200,000		235.600	200,000	1,308,940	1,340,000	31,060	0.53	0:04	0.76
		1,506,663	3,615,100	157,054	4,693,317	585,500	21,126,263	21,150,175	23,912	8.39	0.09	11.93
	Insurance Companies Shahaan Insurance Commend I imited	00100	15.2 000	01100	40.010	100 110	E 407 200	5 850 115	161 006	100	101	010
	Adamiee Insurance Company Limited	51.420	248.000	241'NC	40,910 263.920	35,500	0,497,229 4.211.141	4,377,150	166.009	1.74	0.03	2.47
	E F U General Insurance Company Limited	38,800	13,197		51,997	-	'	-	1			
	EFU Life Assurance Limited	6,000			000'6							
	Pakistan Keinsurance Company Limited	215.420	506.097	30.142	43,100	66,000 342.724	2,243,267	11.758.865	(520,667) (192.772)	4.66	1.26	0.9/ 6.63
	Textile Composite		5000		0001001		in the second seco					0000
	Nishar Mills Limited Nishar Chunian Limited	243,000	370,000	104 000	388,000	125,000	8,253,763 5 402 254	8,737,500	483,737 2 160 046	3.46	0.05	4.93
	Suraj Cotton Mills Limited		55,000	-	55,000	-		-		-		
	Masood Textile Mills Limited Azoard Nine Limited	215.416	310.000		10,000 350.416	6,000	208,200 3.692.307	222,000 3.638.250	13,800 (54,057)	0.09	0.02	0.13
		458,416	1,030,500	104,000	925,916	667,000	17,646,524	20,250,950	2,604,426	8.03	0.40	11.42
	Synthetic & Rayon Ibrahim Fibers Limited		61 000			61 000	2 106 796	0 233 820	197 094	0.80	0.0	1 26
			61,000			61,000	2,106,726	2,233,820	127,094	0.89	0.02	1.26
	Sugar & Allied Industries Haseeb Wagas Sugar Mills Limited	24,000			24,000							
	•	24,000		.	24,000	•	•			•	•	
	Cement Fauji Cement Company Limited	100,000	425,000		525,000							
	Attock Cement Pakistan Limited		35,000	•	35,000	•	•	•		•	•	•
	Dewain berneint Linnieu D.G.Khan Cement Company Limited	144.566	540.000		41,312	30.000	5 876.336	- 976.800	100.464	- 0.39	0.01	- 0.55
	Kohat Cement Company Limited	•	150,000		150,000	•		•	'			
	Maple Leaf Cement Factory Limited	- 107	200,000		200,000			-		, .		
	Lucky Cement Company Limited	161,500	288,500		415,000	35,000	2,228,205	2,318,400	90,195	1.92	0.01	1.31
		1441,010	1,000,000		010'IZN'Z	200,000	0,104,041	0,430,62,0	130,000	2	0.04	1.uv

Sector / name of investee company biglining Refinery Attock Refinery Limited Basicor Pastan Limited National Refinery Limited National Refinery Limited National Refinery Limited Net Annow Company Limited Net Annow Company Limited Kot Addi Iover Company Limited Attock Petroleum Limited Attock Refine Companies Salel Rastan Limited Attock Refine Companies Pastan State Net Company Limited Attock Refine Companies Pastan State Net Annow	g at the Principal of the du		Donue/Rinhte					6003		ר טו עטו ומאַע עי		
Retrery Retrery Auco, Refreey Limited Bission Pasktan Limited Bission Pasktan Limited National Refreey Limited National Refreey Limited Konforor Power Company Limited Konforor Power Company Limited Konforor Power Company Limited Seal Pasktan Limited Rest Anter Limited Autoric Retroiterin Limited Autoric Retroiterin Limited Autoric Retroiterin Limited Autoric Retroiterin Companies Pask Retroiterin Limited Autoric Retroiterin Companies Pask Retroiterin Companies Pask Retroiterin Limited Autoric Retroite	iod	urchase rring the rec period	eived during the period	Sales during the period	Holding as at end of the period	Cost / carrying value	Market value	Unrealized gain/(loss)	Market value as a percentage of net assets	Paid up capital of the investee company	Market value as a percentage of total investments	
Refinery Actor Refinery Lumbed Bosico President Lumbed Bosico President Lumbed National Refreey Limited National Refreey Limited Romona Yower Company Limited Kontinoor Yower Company Limited Kontinoor Yower Company Limited Mark Power Company Limited Mark President Limited All Addr Power Company Limited Restan State Oli Companies Pasistan State Oli Companies Pasistan State Company Limited Altorio Retroited Companies Pasistan State Company Limited Altorio Retroited Companies Pasistan State State Limited Altorio Retroited Companies Pasistan State State State Companies Pasistan State St						Rupees	Rupees	Rupees				
Attook Referery Limited Attook Referery Limited Rescore Passata Limited National Referery Limited Power Generation and Distribution Hub Power Company Limited Nohomo Power Company Limited Nohomo Power Company Limited Nohomo Power Company Limited Nohomo Power Company Limited Stel Passata Nice (11: Company Limited Attook Renolsmin Limited Attook Renolsmin Limited Attook Renolsmin Limited Attook Renolsmin Limited Attoo Renolsmin Limited Attoo Renolsmin Limited Attoo Renolsmin Limited Attoo Renolsmin Limited Di & Gas Renolsmin Limited Di & Ros Renolsmin Limited Di & Ros Renolsmin Limited Attoo Renolsmin												
Bosicer Pastain Limited National Petriney Limited National Petriney Limited Hub Power Company Limited Kon Advin Power Company Limited Kon Advin Power Company Limited Rosh Marketing Companies Paskana State Onitomany Limited Attock Petroleum Limited Attock Petroleum Limited Attock Reat Power Power Limited Attock Reat Power Power Limited Attock Reat Power P	15.000	99.500		114.500								
National Perfrery Limited Power Generation and Distribution Hub Power Company Limited Kothnoor Power Company Limited Nishat Power Company Limited Nishat Power Companies Paikatan State OII Companies OII & Gas Explorement Companies DI A State Invelorement Companies	45.000	54,200		99,200								
Power Generation and Distribution Hub Power Company Limited Nathorar Prompany Limited Nishat Power Limited Koti Addu Power Limited Koti Addu Power Companies Paskan state Inition Attock Petroleum Limited Attock Petroleum Limited Attock Petroleum Limited Attock Petroleum Limited Attock Patroleum Limited	19,700	. '	•	19,700	•	•	•	•	•	•	•	
Nower Generation and Distribution Hub Power Commany Limited Kohmoor Power Company Limited Kohmoor Power Company Limited Koh Adu Power Company Limited Dist Gas Marketing Companies Pasian State Inclumpany Limited Aduck Petrolehum Limited Aduck Petrolehum Limited Aduck Petrolehum Limited Dist Gas Exploration Companies Pasi Distributed Dist Cass Exploration Companies Di A Gas Rahowichter	79,700	153,700	•	233,400	•	•	•	•	•	•		
Hub Power Company Limited Kohmon Power Company Limited Kot Adui Power Limited Kot Adui Power Company Limited State Reading Companies Steal Readistan Limited Attock Petroleum Limited Attock Petrole												
Noninour Power Company Limited Noninour Power Company Limited Kork Addu Power Company Limited Kork Addu Power Companies Preskan Staten Oli Companies Shel Preskan Limited Attock Petroleum Limited Attock Petroleum Limited Park Onewarden Companies Park Onewarden Companies Oli & Gas Explorement		199,557	•	4,762	194,795	6,034,827	6,054,229	19,402	2.40	0.02	3.41	
Nishat Power Unried And Adur Power Company Limited (a) Adur Sea Markening Companies Pasideani State OII Companies Pasideani State OII Companies Attock Perolism Limited Attock Perolism Limited (a) 4 State Reviolent Companies DI 4 State Reviolent		140,000	•	140,000	•	•	•	•	•	•	•	
Koi Adui Phover Company Limited Di 8. Gas Marketing Companies Praktan State Di Company Limited Stell Pakatan Limited Attock Petroleum Limited Attock Petroleum Limited Di 8. Gas Exploration Companies Di 8. Gas Exploration Companies Pra State Investment Pra State Investment Di R. State		118,500	•	•	118,500	1,506,289	1,508,505	2,216	09:0	0.03	0.85	
01.8 Gas Marketing Companies Previous and Company Limited Steal Passian Limited Attock Periodism Limited Attock Periodism Limited 01.8 Gas Exploration Companies 10.4 R Sta Reinderimet Cit A. R Sta Reinderimet		183,000		80,000	103,000	5,423,753	4,724,610	(699,143)	1.87	0.01	2.66	
10. 8 Gas Marketing Companies Pasistan State Oli Company Limited Shell Pasistan Limited Attock Penoleum Limited Attock Penoleum Limited Oli & Gas Exploration Companies Pas Oli Hidads Limited Oli A Cas Newkowney		641,057		224,762	416,295	12,964,869	12,287,344	(677,525)	4.87	0.06	6.93	
Teresaria state functioning of y united Steel Passian Lumbied Attock Petroleum Limited Attock Petroleum Limited DII & Gas Exploration Companies Pas O Headow Limited 10 A. Ras Theorement Company Limited 2	04 500	001001		0000111	000.01	000 020 01	10 400 400	100 100 10	10 1	00.0	106	
Starte Pastatan Lumitet Attock Ferolekin Lumitet 01.8. Gas Exploration Companies Pre Ori Fidas Limited 10.8. Rest Investment Comtany Lumited 2.	000'I 7	001,861		00000	000'7t	700'0/0'71	104,284,21	(200,001)	CR'+	20.02	cn' /	
Autox retoreum Limited OII & Gas Exportation Companies OII & Gas Exportation Companies 1 01 & Analogo (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)		30,043	•	30,043 04 500		- 100 0			, L	' 0	' '	
Oil & Gas Exploration Companies Pak Oil Fields Limited 1 Dil & Gas Diverkomment Commany Limited 2	24 EDD	00105		000'17	202'01	10,021,402	10,432,/00	(900'000)	2 CO 2	0.05	0.00 10.67	
Pak Oil Field Limited Dil & Stat Develorment Comparity Limited	1000	140		1/0,140	ron'nn	+0+'10+'01	10,320,100	012,210	001	0.00	10.01	
Oil & Gas Development Company Limited	105,100	182,900		227,490	60,510	12,599,422	13,963,893	1,364,471	5.54	0.03	7.88	
	210,700	235,000		445,700								
Pakistan Petroleum Limited	55,950	194,400	14,010	198,140	66,220	11,955,100	12,554,650	599,550	4.98	0.01	7.08	
Sui Northern Gas Pipelines Limited		40,000		40,000								
3	371,750	652,300	14,010	911,330	126,730	24,554,522	26,518,543	1,964,021	10.52	0.03	14.96	
Automobile Assembler		01 440		017.00	46,000	0.070.005	000 210 0	1001 000		00.0	00 F	
iridus muuri vorripariy Liririteu Dekisten Susuki Motor Comoeov Limited		32,413		33 500	000'01	5,818,360	000' 1+£'7	(071'70)	111	70'N	1.00	
Hunda Atlas Care Limited		26.844		26.844								
		97.757		82.757	15.000	2.979.925	2.947.800	(32.125)	1,17	0.02	1.66	
Automobile Parts & Accessories								to an a start of the start of t				
General Tyre & Rubber Company Limited		25,000		25,000								
	•	25,000	•	25,000	•	•				•	.	
Cable & Electric Goods	110.000			110.000								
	110,000			110,000								
Transport												
Pakistan International Container Terminal Limited	17,400		•	17,400	•	•		•	•	•		
Pakistan National Shipping Corporation Limited	. 100	22,000	•	22,000			•					
Technology & Communication	11,400	72,000		09,400							·	
Pakistan Telecommunication Company Limited	392,000	560.000		547,000	405,000	8.120.169	7,148,250	(971,919)	2.83	0.01	4.03	
Netsol Technologies Limited	16,200	20,000		36,200	'		'	. '		'		
TRG Pakistan Limited		575,000			575,000	1,495,575	1,219,000	(276,575)	0.48	0.15	0.69	
4	108,200	1,155,000		583,200	980,000	9,615,744	8,367,250	(1,248,494)	3.32	0.16	4.72	
Fertilizer Enomo Chamiosis Dabistan Limitad	01.115	957 700		304115	45,000	8 141 202	8 247 150	105 048	2.07	0.00	1.65	F
Engry Orientedate 1 avecant Entructo Faulti Fertilizer Company I imited	113.355	82 100		143500	51955	4 958 268	5 347 728	389.460	212	0.01	3.02	C
Dawond Herrules Chemical Limited	-	11.000		11.000	-	-	-	-			-	N
Fauii Fertilizer Bin Oasim Limited	50.000	595,000		645,000	,		,					Λ
	254.770	945,800		1.103,615	96.955	13.099.470	13.594.878	495,408	5.39	0.02	7.67	F

First Capital Mutual Fund Limited

FCMF



2.42



# Limited

First Capital Mutual Fund Limited



	Note	Un-audited December 31, 2008	Audited June 30, 2007
Payable to Asset Management Company		Rupees	Rupees
Remuneration @ 2% of annual average net assets	7.1	2,445,107	4,144,100

7.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Asset Management Company of the Fund is entitled to a remuneration, during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Asset Management Company has charged its remuneration for the current period at the rate of two percent per annum.

### 8 Contingencies and commitments

7

The Finance Act, 2008 brought an amendment in section 2 (f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) with the intention to make the definition of "Industrial Establishment" applicable to any establishment to which the West Pakistan Shop and Establishment Ordinance, 1969 applies. As a result of this amendment, it can be construed that the WWF Ordinance is applicable to all Collective Investment Schemes (CIS) whose income exceeds Rs. 0.5 million in a tax year, thus rendering them liable to pay two percent of their total income (as defined in section 4 of the WWF Ordinance). However, during the period the Mutual Fund Association of Pakistan (MUFAP) has filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the grounds that the CIS are not covered in the definition of Industrial Establishment. The legal proceedings in respect of the aforementioned petition are currently in progress.

The Management Company (a member of MUFAP) based on the advice of the MUFAP's legal counsel, is confident of a favorable decision and accordingly no provision for the aforementioned liability amounting to Rs. 987,680 has been made in this condensed interim financial information.

Six month	ns ended
Un-audited	Un-audited
December 31,	December 31,
2009	2008
Rupees	Rupees

### 9 Gain / (Loss) per share

Gain / (loss) attributable to ordinary shareholde	ers Rupees	48,889,013	(186,266,071)
Weighted average number of shares	Shares	30,000,000	30,000,000
Gain / (loss) per share - basic & diluted	Rupees	1.63	(6.21)

•				No. of shares			Balance	as at 31 Decembe	r 2009		ď
	Sector / name of investee company	Holding at the beginning of the	Purchase during the	Bonus/Rights received during the	Sales during the period	Holding as at end of the period	Cost / carrying value	Market value	Unrealized gain/(loss)	Market value as a percentage of	Paic
		period	period	period						net assets	inves
•							Rupees	Rupees	Rupees		
	Pharmaceuticals										
	Glaxosmithkline Pakistan Limited		12,500		12,500						
		•	12,500		12,500	•		•		•	
	Chemical										
	ICI Pakistan Limited		97,900		72,400	25,500	4,359,513	4,296,495	(63,018)	1.70	
	Nimir Resins Limited	60,000	•		60,000	•	•	•	•	•	
	Descon Oxychem Limited	470,000	25,000		495,000	•		•	•		
	Sitara Peroxide Limited	32,500	77,000		109,500			•			
	Engro Polymer & Chemical Limited	115,000	172,000		287,000	•				•	
	Lotte Pakistan PTA Limited (Formerly Pakistan PTA Limited)										
		•	875,000	•	575,000	300,000	2,186,280	2,349,000	162,720	0.93	
		677,500	1,246,900	•	1,598,900	325,500	6,545,793	6,645,495	99,702	2.64	
	Paper & Board										
	Packages Limited	9,000	53,500		31,200	31,300	5,325,085	4,507,200	(817,885)	1.79	
		6,000	53,500	•	31,200	31,300	5,325,085	4,507,200	(817,885)	1.79	
	Miscellaneous										
	Tri-Pack Films Limited	30,000	•		30,000						
		30,000	•	•	30,000	•	•	•		•	
	Total	5,136,774	12,997,859	305,206	13,921,830	4,518,009	176,394,225	177,289,218	894,993	70.30	
	30 June 2009							195,889,882	(43,000,808)		
6.1	Net assets are as defined in Regulation 66 of Non Banking Financi	e Companies and No	tified Entities R	legulations, 2008.							
6.2	The percentage in relation to the own net assets (of the Fund) has	been calculated in r	slation to the m	varket value of the resp	ective investments.						
6.3	The percentage in relation to the investee company's paid up capit	al has been calculat	ed with referen	ce to the number of sh	ares held in that in	estee company.					

17



	Six montl	ns ended
	Un-audited December 31, 2009 Rupees	Un-audited December 31, 2008 Rupees
Transactions with related parties and connected persons		
The transactions with related parties and connected persons are as follows:		
First Capital Investment Limited - Asset Management Company		
Remuneration to Asset Management Company	2,445,107	2,293,048
Central Depository Company of Pakistan Limited -custodian of the Fund		
Custodian fee Custodian fee payable	664,039 57,325	56,491 -
Date of authorization for issue		
This condensed interim financial information was authorized for board of directors of the fund.	r issue on 22 Feb	ruary 2010 by the
General		
Figures have been rounded off to the nearest rupee.		
	Transactions with related parties and connected persons         The transactions with related parties and connected persons are as follows:         First Capital Investment Limited         - Asset Management Company         Remuneration to Asset Management Company         Central Depository Company of Pakistan Limited         -custodian of the Fund         Custodian fee         Custodian fee payable         Date of authorization for issue         This condensed interim financial information was authorized for board of directors of the fund.         General         Figures have been rounded off to the nearest rupee.	Six month         Un-audited         December 31,         2009         Rupees         Transactions with related parties and connected persons         The transactions with related parties and connected persons are as follows:         First Capital Investment Limited         - Asset Management Company         Remuneration to Asset Management Company         2,445,107         Central Depository Company of Pakistan Limited         -custodian fee         Custodian fee         Quarter of authorization for issue         This condensed interim financial information was authorized for issue on 22 Febr         board of directors of the fund.         General         Figures have been rounded off to the nearest rupee.

# First Capital Mutual Fund Limited



# **CONDENSED INTERIM PROFIT AND LOSS ACCOUNT IN RELATION TO INVESTMENT ADVISER** (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Half yea	r ended	Quarter	ended
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	Rupees	Rupees	Rupees	Rupees
Income				
Investment advisory fee Unrealized gain/(loss) on remeasurement of investments at fair value	3,597,001	3,419,923	1,859,433	1,569,459
through profit or loss	508,439	(896,230)	504,130	(861,760)
	4,105,440	2,523,693	2,363,563	707,699
EXPENDITURES				
Operating expenses	2,890,396	7,351,966	1,557,978	3,258,155
Finance cost	33,102	53,475	19,407	25,998
OPERATING PROFIT/ (LOSS)	1,181,941	(4,881,748)	786,178	(2,576,454)
Other income/charges	2,766,771	2,407,257	1,296,446	1,217,728
Share of profit/(loss) from associates	10,751,715	(18,599,287)	(1,642,520)	(8,577,095)
PROFIT/(LOSS) BEFORE TAXATION	14,700,428	(21,073,778)	440,104	(9,935,821)
Taxation	1,175,718	(581,044)	550,628	(211,534)
Share of taxation from associates	107,762	27,320	83,813.30	12,162
PROFIT/(LOSS) AFTER TAXATION	13,416,948	(20,520,054)	(194,338)	(9,736,449)
Earnings/(loss) per share- Basic and Diluted	1.31	(2.00)	(0.02)	(0.95)

LAHORE	CHIEF EXECUTIVE	DIRECTOR	LAHORE	CHIEF EXECUTIVE	DIRECTOR
	19			20	