



M I S S I O N

At First Capital Mutual Fund we would focus on creating wealth for unitholders, 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 unitholders of First Capital Mutual Fund.



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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 Pervaiz	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 Pervaiz	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

IT MINDS 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
MCB Bank Limited

Auditors of the Fund

KPMG Taseer Hadi & Co.
Chartered Accountants

Auditors of the Management Company

Nasir Javaid Maqsood Imran
Chartered Accountants

Legal Advisor

Muhammad Akbar Haroon

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: 051-8356031-34,
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' REPORT

The Board of Directors of First Capital Investments Limited ("FCIL" or "Management Company") is pleased to present the annual report of First Capital Mutual Fund ("the Fund" or "FCMF" or "the Scheme") together with the annual audited financial statements of the Fund for the financial year ended 30 June 2017.

EQUITY MARKET REVIEW

KSE-100 index posted a return of 23.24% during the Financial Year 2017 ("FY-17") as compared to 9.84% during the Financial Year 2016 ("FY-16") and closed the year at the level of 46,565 points.

The FY-17 commenced on a positive note in sync with the regional and global markets. During the first half of the year, the market remained positive with gains of 26.53% led by optimistic macroeconomic outlook on the back of kick-start of CPEC related investment in the energy & infrastructure projects, raising expectations of large portfolio inflows due to reclassification of PSX into MSCI Emerging Market index, sharp recovery in global oil prices due to OPEC deal to freeze the oil output in international market, approval of 12th & final trench by IMF board, growing expectation of global policy shift from monetary accommodation to fiscal stimulus to reinvigorate economic growth.

During the second half of the period under review the market remained volatile and plunged by 2.60% due to domestic political uncertainty on the back of court proceedings of Panama Leaks case and regulatory notices by SECP against the brokers. Further, descending global oil prices due to uncertainties on the extension of agreed supply cut by OPEC and non-OPEC producers and continuous supply addition by the US Shale producers led the decline in the oil & gas sector, rising geopolitical tensions with India and terrorist attacks in four provinces discouraged the investors.

Going forward, the market is expected to remain positive due to MSCI upgradation. Currently PSX-100 index is trading at approximately 25% discount to the P/E multiples of Emerging Market countries. Further, the market expect foreign investors to take interest in KSE with Pakistan being continually highlighted in foreign markets because of CPEC, healthy corporate earnings growth of 12%-15% for CY17; benign near-term inflation and interest rate outlook; improving economic growth prospects; and abundant local liquidity and other infrastructure projects. However, rising noise in the domestic politics, regional geopolitical fluidity, and global policy uncertainty may keep the volatility elevated.

FUND PERFORMANCE

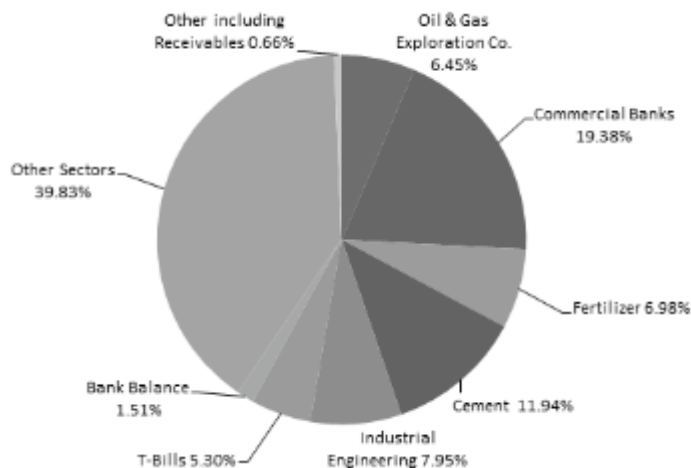
During the period under review, the Fund has reported total comprehensive income of Rs. 33.115 million as compared to Rs. 14.015 million in the corresponding period last year. The comprehensive income has increased mainly on account of capital gain on sale of Investments which has increased to Rs. 46.725 million in FY-17 from Rs. 8.469 million in the corresponding period last year. The unrealized diminution on re-measurements of investments at fair value through profit has recorded at Rs. 23.873 million during FY-17 as compared to appreciation of Rs. 0.346 million in the same period last year. Total expenses of the Fund for the period under review increased to Rs. 8.691 million from Rs. 8.264 million in the corresponding period last year.

In terms of Net Asset Value ("NAV"), the NAV per unit of FCMF has increased from Rs. 11.7968 to Rs. 12.5359 (Ex-Div) while declaring dividend during the period under review. The benchmark of the Fund is KSE-100 index. The Fund has posted a return of 17.28%, as compared to its Benchmark's ("KSE-100 index") return of 23.24%, for the same period. Thus, the Fund has underperformed the Benchmark by 5.96%. The Fund underperformed the benchmark mainly on the back of over-weight in PKGS, POWER and zero-weight in THALL and NESTLE during the period under review. Moreover, the investment portfolio of the Fund includes certain scrips which are not included in KSE-100 index. The investment portfolio mix of the Fund is not aligned exactly with investment portfolio mix of its benchmark in order to generate better return.

During the period under review, the Pakistan Credit Rating Agency ("PACRA") has assigned "3 stars" 1 Year performance ranking to the Fund based on performance.

The Fund size of FCMF at the end of the period stood at Rs. 208.148 million as compared to Rs. 194.363 million as at June 30, 2016. The Fund size has increased mainly on account of reversal of Workers' Welfare Fund (WWF). The NAV per unit of the scheme has increased by Rs. 0.4941 due to reversal of WWF.

The asset allocation of FCMF as on June 30, 2017 is as follows:



The Management Company is continuously striving for the improvement in performance of the Fund. However, the objective is to focus on outperforming the market and consistent returns in the long run but does not conceptualize upon aggressive high risk strategies to give the best return in the short run.

INCOME DISTRIBUTION

During the period under review, The Board of Directors of the Management Company, on 03 October 2017 has approved and declared final dividend distribution of Rs. 0.38 per unit (3.82% of the par value of Rs.10) for the year ended June 30, 2017. This is in addition to the aggregated interim dividend distribution of Rs. 0.52 per unit (5.2% of the par value of Rs.10), for the year ended June 30, 2017 already distributed.

TAXATION

As the above distribution is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

WORKERS' 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 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, which was higher.

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. MUFAP has recommended that entire provision against WWF held by the CISs till June 30, 2016, to be reversed on January 12, 2017, based on legal opinion, as mentioned in Note 14.

The Scheme has reversed the provision against Workers' Welfare Fund's liability of Rs. 8,204,866 as per instructions received from MUFAP. The NAV per unit of the scheme has increased by Rs. 0.4941 per unit due to aforementioned adjustment. For details investors are advised to read Note 14 of the latest audited Financial Statements of the Scheme.

EXPENSE RATIO

The Scheme has also maintained Total expense ratio ("TER") 3.40% during the period under review, within the limit of 4.00% prescribed under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

RISK DISCLOSURE

A description of the principal risks and uncertainties emanating from various factors include, but are not limited to:

1. Equity Risk - Companies issue equities, or stocks, to help finance their operations and future growth. The Company's performance outlook, market activity and the larger economic picture influence the price of a stock. Usually when the economy is expanding, the outlook for many companies is good and the stock prices may rise and vice versa.
2. Government Regulation Risk - Government policies or regulations are more prevalent in some securities and financial instruments than in others. The schemes that invest in such securities may be affected due to change in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.
3. Credit Risk - Credit Risk arises from the inability of the issuers of the instruments or counterparties, to fulfill their obligations. The risk is generally limited to principal amount and accrued interest there on, if any.
4. Price Risk - Changing value of a security or a fund can be mostly due to stock/fund price fluctuations. Price Risk is the biggest risk faced by all investors and price risk can be minimized through diversification and efficient fund management.
5. Liquidity Risk - Liquidity risk arises when a transaction cannot be conducted at prevailing market prices due to insufficient market activity.
6. Market Risk - Market risk is the risk that the change in fair value or future cash flows of the financial instruments may fluctuate as a result of changes in market prices.
7. Settlement Risk - The risk that counterparty will not deliver the security or cash for a trade it has entered into, on time.
8. Events Risk - There may be adjustments to the performance of the Scheme due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.
9. Redemption Risk - There may be special circumstances in which the redemption of Units may be suspended or the redemption payment may not occur within six working days of receiving a request for redemption from the investor.

MANAGEMENT QUALITY RATING

During the period under review PACRA re-affirms the asset manager rating of FCIL at "AM4++" (AM Four Plus Plus). The rating reflects the Management Company's adequate capacity to manage risks inherent in the asset management business and the asset manager meets investment management industry standards and benchmarks.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

1. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's Fund;
2. Proper books of accounts of the Fund have been maintained;
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
4. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non -Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
5. The Directors are responsible to ensure that a system of sound internal control is established, which is effectively implemented, maintained and monitored at all levels within the fund;
6. There have been no significant doubts upon the Funds' ability to continue as going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the Rule Book of Pakistan Stock Exchange except for non-compliances disclosed in the statement of compliance with the Code of Corporate Governance ("the Code");
8. Performance table of the Fund is Given on page 61 of the Annual Report;

9. There is no statutory payments on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statements as to the value of investments of Provident Fund is not applicable in the case of the Fund as employees post-employment benefits expenses are borne by the Management Company;
11. There have been no trades in the units of the Fund's carried out by the Directors, CEO, CFO, CIO and the Company Secretary and their spouse;
12. Meeting of the Board of Directors of the Management Company were held at least once in each quarter. During the year five meetings were held on 28 September 2016, 28 October 2016, 28 February 2017, 29 March 2017 and 14 June 2017 respectively. Information in respect of attendance by directors in the meeting is given below;

S. No.	Name of Director	Number of Board of Directors meetings held	Attended	Leave granted	Meeting not attended
1.	Mr. Imran Hafeez	5	5	-	-
2.	Syed Nadeem Hussain	5	4	1	4th
3.	Mr. Asif Pervaiz	5	5	-	-
4.	Mr. Jawad Saleem	5	3	-	1st & 2nd
5.	Miss Myra Husain Qureshi*	5	1	-	2nd to 4th

* Retired on 14 February 2017

13. The Board has formed Human Resource and Remuneration Committee which comprises of the following members of the Board:

Syed Nadeem Hussain
Mr. Imran Hafeez
Mr. Jawad Saleem

Meetings of the Committee were held on 30 September 2016 during the period from 01 July 2016 to 30 June 2017.

14. Meeting of the Audit Committee of the Management Company were held once in each quarter During the year six meetings were held on 30 September 2016 (three meetings), 28 October 2016, 28 February 2017 and 29 April 2017 respectively. Information in respect of attendance by directors in the meeting is given below:

S. No.	Name of Director	Number of Board of Directors meetings held	Attended	Leave granted	Meeting not attended
1.	Syed Nadeem Hussain	6	6	-	-
2.	Miss Myra Husain Qureshi*	6	3	1	-
3.	Mr. Asif Pervaiz	6	6	-	-
4.	Mr. Jawad Saleem	6	2	-	-

*Retired on 14 February 2017

15. The details as required by the Code of Corporate Governance regarding the pattern of holding in Fund, is attached.

AUDITORS

The present auditors M/s. KPMG Taseer Hadi and Co., Chartered Accountants retire and offer themselves for reappointment. The Board of directors has recommended their appointment as auditors of the Fund for the year ending 30 June 2018, at a fee to be mutually agreed.



DIRECTORS TRAINING PROGRAM

The Board arranged no training program for its directors during the year. However, as on June 30, 2016 half of Directors on the Board have certifications under the Directors' Training Program offered by institutions that meet the criteria specified by the SECP.

ELECTION OF DIRECTORS

Mr. Imran Hafeez, Syed Nadeem Hussain, Mr. Jawad Saleem and Mr. Asif Pervaiz were elected in the Extraordinary General Meeting held on 14 February 2017, and Mr. Imran Hafeez was also appointed as CEO of the Management Company for the next term of three years.

AUDIT COMMITTEE

The board of directors of the Management Company re-constitutes the audit committee comprising three members namely Syed Nadeem Hussain, Mr. Jawad Saleem and Mr. Asif Pervaiz, Mr. Jawad Saleem was also appointed as Chairman of the Committee.

ACKNOWLEDGMENT

We are thankful to our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Central Depository Company of Pakistan Limited) and the management of Pakistan Stock Exchange Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For and on behalf of the Board

Asif Pervaiz
Director

Imran Hafeez
Chief Executive Officer / Director

Lahore:
03 October 2017

فرسٹ کیپیٹل میوچل فنڈ

30 جون 2017ء کو اختتام پذیر سال کے لئے فرسٹ کیپیٹل انویسٹمنٹس لمیٹڈ ("FCIL" یا "ایچ این ٹی کمپنی") کے بورڈ آف ڈائریکٹرز فرسٹ کیپیٹل میوچل فنڈ ("فنڈ" یا "FCMF" یا "ڈیکم") کی سالانہ رپورٹ اور فنڈ کی سالانہ آڈیٹڈ مالیاتی اسٹیٹمنٹ پیش کرنے پر فخر محسوس کرتے ہیں۔

ایکیویٹی مارکیٹ جائزہ

مالی سال 2017ء ("FY-17") کے دوران KSE-100 انڈیکس میں 23.24 فی صد ریٹرن درج کیا گیا جو کہ مالی سال 2016ء ("FY-16") کے دوران 9.84 فی صد تھا اور انڈیکس روائی سال 46,565 پوائنٹس کی سطح پر بند ہوا۔

ملکی اور عالمی مارکیٹوں سے مطابقت میں FY-17 مثبت انداز پر شروع ہوا۔ سال کے پہلے چھ ماہ میں مارکیٹ 26.53 فی صد کے اضافہ کے ساتھ مثبت رہی جس کی وجہ توانائی اور بنیادی ڈھانچہ کے منصوبوں میں CPEC سے متعلقہ سرمایہ داری کی مدد سے بیکرواکنائیکس کی وجہ سے ہے۔ PSX کی MSCI ایمرنگ مارکیٹ انڈیکس کی دوبارہ درج بندی کی وجہ سے ہماری پورٹ فولیو انفلوئز کی توقعات ہیں۔ بین الاقوامی منڈی میں تیل کی پیداوار کو ٹھنڈ کرنے کے لئے OPEC معاہدہ کے ذریعے تیل کی عالمی قیمتوں میں ٹھہراؤ، IMF بورڈ کی جانب سے بارہویں اور آخری قسط کی منظوری، عالمی پالیسی میں مالی امداد سے مالی محرک میں رو بہ دل کی بڑھتی ہوئی توقع کی وجہ سے اقتصادی ترقی ممکن ہوئی ہے۔

دوسرے نصف سالہ زیر جائزہ مدت کے دوران مارکیٹ متحرک رہی اور ملک میں پانا مالیکس کی عدالتی کارروائی کی وجہ سے غیر یقینی سیاسی صورت حال اور SECP کی جانب سے بروکرز کے خلاف ریگولیشنری نوٹسز کے پیش نظر 2.60 فی صد تک کمی دیکھنے میں آئی۔ مزید یہ کہ، OPEC اور نان OPEC پروڈیوسرز کی جانب سے تیل کی منظور شدہ ترسیل میں توسیع پر غیر یقینی کی وجہ سے تیل کی عالمی قیمتوں میں کمی اور امریکی شیل پروڈیوسرز کی جانب مسلسل ترسیل کا اضافہ تیل اور گیس کے شعبہ میں تنزلی کا باعث بنا۔ انڈیا کے ساتھ بڑھتے ہوئے تنازعات اور چاروں صوبوں میں دہشت گردی کے واقعات نے سرمایہ داروں کو بہت مایوس کیا۔

مزید برآں، MSCI میں اپ گریڈ ہونے کی وجہ سے مارکیٹ مثبت رہنے کی توقع ہے۔ حال ہی میں PSX-100 انڈیکس میں ابھرتی ہوئی مارکیٹ کے ممالک کے P/E حاصل پر تقریباً 25 فی صد کی رعایت پر تجارت ہو رہی ہے۔ مزید یہ کہ، مارکیٹ میں توقع ظاہر کی جا رہی ہے کہ غیر ملکی سرمایہ دار پاکستان میں KSE میں تجارت میں دلچسپی لے رہے ہیں۔ جس کی وجہ سے CPEC کمپنیوں کے منافع میں، CY17 میں تقریباً 15-12 فی صد اضافہ، افراط زر اور سود کی شرح پر نظر ثانی سے متعلق موافق حالات، اقتصادی ترقی اور بکثرت مقامی لیکویڈٹی اور دیگر بنیادی ڈھانچوں کے منصوبوں کی وجہ سے عالمی منڈیوں میں مسلسل آٹھ کار کیا جا رہا ہے۔ تاہم، ملکی سیاست میں شور، مقامی سیاست میں مسائل اور عالمی طور پر غیر یقینی پالیسی کی وجہ سے اتار چڑھاؤ میں فرق آئے گا۔

فنڈ کی کارکردگی

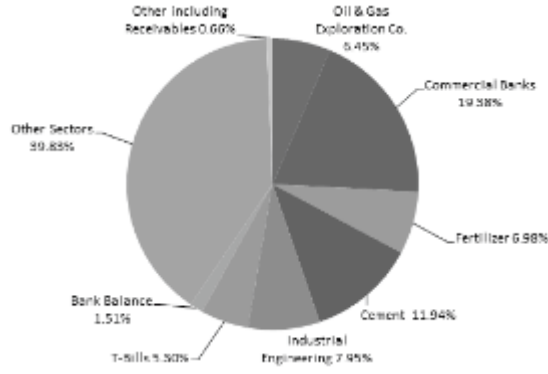
گذشتہ سال کے اسی دوران میں 14.015 ملین روپے کی کل مجموعی آمدنی کے مقابلہ میں زیر جائزہ سال کے دوران فنڈ میں 33.115 ملین روپے کی مجموعی آمدنی، کیپیٹل گین سے حاصل شدہ سرمایہ داری کی وجہ سے دیکھنے میں آئی۔ جو کہ گذشتہ سال کی اسی مدت میں 8.469 ملین روپے سے FY-17 میں 46.725 ملین روپے اضافہ ہوا۔ منافع کے ذریعے مناسب قیمت پر سرمایہ داری میں نظر ثانی پر غیر حتمی کمی کی وجہ سے گذشتہ سال کی اسی مدت میں 0.346 ملین روپے کی اپریسی ایشن کے مقابلہ میں FY-17 کے دوران 23.873 ملین روپے کی غیر حتمی کمی دیکھنے میں آئی جبکہ فنڈ میں گذشتہ سال کی اس مدت میں 8.264 ملین روپے سے زیر جائزہ سال میں 8.691 ملین روپے کے کل اخراجات دیکھنے میں آئے۔

زیر جائزہ سال کے لئے منافع منقسمہ کا اعلان کرتے ہوئے FCMF کے نی پونٹ کی خالص اثاثہ جاتی قدر میں ("NAV") 11.7968 روپے سے 12.5359 (انڈیکس ڈیویڈنڈ) اضافہ ہوا۔ فنڈ کا بنیاد KSE-100 انڈیکس پر ہے۔ فنڈ نے سچ مارک (KSE-100 انڈیکس) کے 23.24 فی صد ریٹرن کے مقابلہ میں 17.28 فی صد ریٹرن جاری کیا۔ اس لئے فنڈ سچ مارک سے 5.96 فی صد کم رہا۔ زیر جائزہ مدت کے دوران PKGS کے وزن میں زیادتی، پاور اور THALL اور NESTLE میں صفروں کی وجہ سے سچ مارک کے مقابلہ میں فنڈ کی کارکردگی منفی رہی۔ مزید برآں، فنڈ کے سرمایہ داری پورٹ فولیو میں کئی اتار چڑھاؤ موجود ہیں جو کہ KSE-100 انڈیکس میں شامل نہیں۔ بہتر ریٹرن حاصل کرنے کے لئے فنڈ کا سرمایہ داری پورٹ فولیو کم اپنے سچ مارک کے سرمایہ داری پورٹ فولیو کم کے ساتھ کئی طور پر مطابقت نہیں رکھتا۔

زیر جائزہ سال کے دوران، پاکستان کریڈٹ ریٹنگ ایجنسی ("PACRA") نے ایک سالہ کارکردگی کی بنیاد پر فنڈ کو "3 سٹارز" کا درجہ دیا ہے۔

30 جون 2016ء کو 194.363 ملین روپے کے مقابلہ میں حالیہ مدت کے اختتام پر FCMF کے فنڈ کا حجم 208.148 ملین روپے رہا۔ فنڈ کے حجم میں اضافہ خاص طور پر ورکرز ویلفیئر فنڈ (WWF) کی منسوخی کی وجہ سے دیکھنے میں آیا۔ WWF کی منسوخی کی وجہ سے فی پونٹ NAV میں 0.4941 روپے کا اضافہ ہوا۔

30 جون 2017ء کو FCMF کے اثاثہ جات کی درجہ بندی حسب ذیل ہے:



کمپنی کی انتظامیہ فنڈ کی کارکردگی کو بہتر بنانے کے لئے مسلسل کوشش کر رہی ہے۔ تاہم، بنیادی مقصد مارکیٹ میں بہتر کارکردگی کا مظاہرہ کرنا اور طویل عرصہ تک مستقل ریٹرنز حاصل کرنا ہے نہ کہ قلیل مدت کے لئے خطرات کو مول لے کر زیادہ ریٹرنز حاصل کئے جائیں۔

آمدنی کی تقسیم

30 جون 2017ء کو اختتام پذیر سال کے لئے زیر جائزہ مدت کے دوران، مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 103 اکتوبر 2017ء کو 0.38 فی یونٹ کے منافع منقسمہ کی تقسیم کو منظور کیا۔ (دس روپے کی پار قدر کا 3.82 فی صد)۔ یہ 30 جون 2017ء کو اختتام پذیر سال کے لئے مجموعی عبوری منافع منقسمہ 0.52 روپے فی یونٹ تقسیم کیا گیا (10 روپے کی پار قدر کا 5.2 فی صد) جو پہلے ہی تقسیم کیا جا چکا ہے۔

ٹیکسیشن

مندرجہ بالا تقسیم سال کے دوران حاصل کی گئی آمدنی کا 90 فی صد ہے۔ جس میں حقیقی اور غیر حقیقی سرمایہ کی مدد سرمایہ داری پر آمدنی شامل نہ ہے۔ فنڈ انکم ٹیکس آرڈیننس 2001ء کے دوسرے جدول پہلے حصہ کی شق 99 کے تحت ٹیکس سے مشروط نہیں۔

ورکرز ویلفیئر فنڈ

فائننس ایکٹ 2008ء کے تحت ورکرز ویلفیئر فنڈ آرڈیننس 1971 ("WWF آرڈیننس") میں ترمیم کی گئی ہے جس کے نتیجے میں یہ عمل میں لایا گیا کہ تمام CIS / میوچول فنڈز جن کی آمدنی سال میں 0.5 ملین روپے سے بڑھ جائے تو ان کو WWF آرڈیننس کے دائرہ کار میں لایا جائے گا۔ جس سے WWF کو حصہ ادا کیا جانا ضروری ہوگا جس کی شرح ان کی اکاؤنٹنگ یا قابل ٹیکس آمدنی کے 2 فی صد تک ہے۔ جو کہ بہت بھاری شرح ہے۔

فائننس ایکٹ 2015ء نے میوچول فنڈز اور مجموعی سرمایہ داری سکیم کو انڈسٹریل اسٹیبلشمنٹ کی تعریف سے منہا کر دیا گیا ہے۔ جو کہ WWF آرڈیننس 1971ء کے تحت WWF سے مشروط ہے۔ MUFAP نے تجویز دی ہے کہ 30 جون 2016ء تک CIS کے تحت قیام پذیر WWF کے قوانین کو 12 جنوری 2017ء کو تبدیل کر دیا گیا۔ جو کہ نوٹ 14 میں قانونی رائے کی بنیاد پر ہے۔

MUFAP سے موصول ہدایات کے مطابق سکیم نے ورکرز ویلفیئر فنڈ کے 8,204,866 کے واجبات ادا کر دیئے ہیں۔ سکیم کی وجہ سے فی یونٹ NAV میں مندرجہ بالا ایڈجسٹمنٹ کی وجہ سے 0.4941 روپے فی یونٹ اضافہ ہوا ہے۔ تفصیلات کے تحت سرمایہ داروں کو ہدایت کی جاتی ہے کہ سکیم کی آڈیٹڈ مالیاتی اسٹیٹمنٹس کے نوٹ 14 کو پڑھا جائے۔

اخراجات کی شرح

سکیم نے زیر جائزہ مدت کے دوران 3.39 فی صد کل ایکسپنس کی شرح ("TER") برقرار رکھی ہے۔ جو کہ نان ہنگامہ فائننس کمپنیوں اور روٹینٹا نیڈ ایٹی ٹیر ریگریگولیشنز 2008ء کے تحت بیان کی گئی 4.00 فی صد کی حد کے اندر ہے۔

رسک کا اظہار

بنیادی خطرات اور مختلف وجوہات کی بنا پر غیر یقینی صورت حال میں درج ذیل شامل ہیں لیکن محدود ہیں:

1. نصفی رسک: کمپنیاں ایکویٹیز یا سٹاک کا اجرا کرتی ہیں تاکہ وہ اپنے آپریٹرز اور مستقبل کی پیداوار کے لئے مالی معاونت حاصل کر سکیں۔ کمپنی کی کارکردگی کا نقطہ نظر، مارکیٹ سرگرمی اور وسیع اقتصادی صورت حال کی وجہ سے سٹاک کی قیمت متاثر ہوتی ہے۔ عموماً جب معیشت پھیل رہی ہو تو محدود کمپنیوں کی آؤٹ لک بہتر ہوتی ہے اور سٹاک کی قیمتیں بڑھ سکتی ہیں۔

2. حکومتی ریگولیشن رسک: حکومتی پالیسیاں یا ضابطے کچھ سیکورٹیز اور مالی انسٹرومنٹس میں برقرار رہتی ہیں۔ ایسی سیکس میں جو ان سیکورٹیز میں سرمایہ داری کرتی ہیں، ان ضابطوں اور پالیسیوں میں تبدیلی کی وجہ سے متاثر ہوتی ہیں۔ جو بالواسطہ یا براہ راست سیکورٹی کے ڈھانچے کو متاثر کرتی ہیں اور/یا سخت حالات میں ایک حکومتی یا عدالتی حکم سرمایہ، پرنسپل یا آمدنی کی ادائیگی کو روک سکتی ہیں۔
3. کریڈٹ رسک: انسٹرومنٹس یا کاؤنٹریڈیز کے جاری کرنے والوں کی اپنے فرانسز کی انجام دہی میں نااہلیت کی بنا پر کریڈٹ رسک سامنے آتا ہے۔ رسک عام طور پر بنیادی رقم اور حاصل سود (اگر کوئی ہے) تک محدود ہوتا ہے۔
4. قیمت کارسک: سیکورٹی یا فنڈ کی قدر میں تبدیلی سٹاک/فنڈ کی قیمت میں اتار چڑھاؤ کی وجہ سے ہوتا ہے۔ تمام سرمایہ دار قیمت کے رسک سے متاثر ہوتے ہیں اور فنڈ کے بہترین انتظام اور متنوع حکمت عملی کے ذریعے اس رسک سے بچا جاسکتا ہے۔
5. ایصالیت رسک: غیر موزوں مارکیٹ سرگرمی کی وجہ سے موجود مارکیٹ پرائس میں لین دین نہ ہونے کی وجہ سے ایصالیت رسک سامنے آتا ہے۔
6. مارکیٹ رسک: ایسا رسک ہے مالیاتی انسٹرومنٹس کے آئینہ کش فلویا منصفانہ قدر میں تبدیلی میں اتار چڑھاؤ آسکتا ہے جو کہ مارکیٹ پرائس میں تبدیلی کی وجہ سے ہوتا ہے۔
7. سٹیبلٹ رسک: سیکم کی کارکردگی میں قدرتی آفات، مارکیٹ کے اتار چڑھاؤ، مرجز، قومی تحویل میں لینے کے عمل، نادر ہنگامی اور ٹیکس قوانین میں تبدیلی کی وجہ سے ردوبدل ہو سکتا ہے۔
8. ایونٹ رسک: مخصوص حالات جیسا کہ یونٹس کے چھکارا کو معطل کیا جاسکتا ہے، سرمایہ دار کی جانب سے ریڈمپشن کے مطالبہ کے چھ دنوں کے اندر چھوٹ کی رقم وصول نہیں ہو پاتی

انتظامی معیاری درجہ بندی

زیر جائزہ مدت کے دوران FCIL، PACRA کی ایسٹ میٹر درجہ بندی کی "AM4++" پرتویشن کی ہے۔ یہ درجہ بندی کمپنی کے اثاثوں میں انتظامی امور پر موجود خطرات پر قابو پانے کی مناسب صلاحیت کو ظاہر کرتی ہے۔ اور اثاثوں کے منتظم سرمایہ داری کی تنظیمی انڈسٹری معیارات اور بیچ مارک پر پورا اترتی ہے۔

کوڈ آف کارپوریٹ گورننس پر عمل درآمد

بورڈ آف ڈائریکٹرز بیان کرتے ہیں کہ:

- ✓ تیار شدہ مالیاتی اسٹیٹمنٹس اپنے کاروبار کی نوعیت، آپریشنز کے نتائج، کیش فلوز اور یونٹ ہولڈرز کے فنڈ میں تبدیلی کو نمایاں طور پر بیان کرتی ہیں۔
 - ✓ فنڈ کی مد میں مناسب اکاؤنٹس کی کتابیں مرتب کی ہیں۔
 - ✓ مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے مناسب اور معقول جمعوں کی بنیاد پر لگائے گئے ہیں۔
 - ✓ پاکستان میں لاگو انٹرنیشنل فنانسنگ رپورٹنگ سٹینڈرڈز، نان بنٹنگ فنانس کمپنیز (پبلسٹیبل منسٹرو) (مضوابط) اصول 2003 اور نان بنٹنگ فنانس کمپنیز اور نوٹیفائیڈ اینٹی ٹریڈ ریگولیشنز 2008، ٹرسٹ معاہدوں اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق مالیاتی اسٹیٹمنٹس تیار کی گئی ہیں۔
 - ✓ ڈائریکٹریہ بات چیتی بنانے کے ذمہ دار ہیں کہ مستحکم انٹرنل کنٹرول کا سسٹم تیار کیا جائے جو فنڈ میں تمام سطحوں پر نافذ، برقرار اور ماٹریٹ کیا جاتا ہے۔
 - ✓ فنڈ کے کاروبار کو جاری رکھنے کی اس کی صلاحیت میں کوئی ابہام موجود نہیں۔
 - ✓ لسٹنگ ریگولیشنز کے تحت کارپوریٹ گورننس کے بہترین اطلاق میں کوئی رکاوٹ نہیں۔ جس کی تفصیلات پاکستان سٹاک ایکسچینج کی ضابطہ کی کتاب میں درج ہیں۔ مسوائے ان پر عدم تعمیل کے جن کوڈ آف کارپوریٹ گورننس ("کوڈ") میں عمل درآمد کے بیان میں ظاہر کیا گیا ہے۔
 - ✓ فنڈ کی کارکردگی کا ٹیبل سالانہ رپورٹ کے صفحہ 61 میں درج ہے۔
 - ✓ ٹیکس ڈیوٹیڈ، لیویز اور واجب الادا چارجز کی مد میں کوئی بھی قانونی ادائیگی قابل ادائیگی نہیں ہے۔ مسوائے ان ادائیگیوں کے جو پہلے سے مالیاتی اسٹیٹمنٹس میں بیان کی گئی ہیں۔
 - ✓ پراویڈنٹ فنڈ کی سرمایہ داری کی قدر کے بیانات صورت میں قابل عمل نہیں۔ کیونکہ ملازمین کو ملازمت کے بعد ہولیات فراہم کرنے کے اخراجات کمپنی کی انتظامیہ برداشت کرتی ہے۔
 - ✓ ڈائریکٹرز، CIA، CFO، CEO اور کمپنی کے سیکریٹری اور ان کے اہلیان فنڈز کے یونٹس کی تجارت میں شامل نہیں ہیں۔
- ✓ ہر ربع کے بعد کم از کم ایک مرتبہ انتظامی کمپنی کے بورڈ آف ڈائریکٹرز کا اجلاس منعقد ہوتا ہے۔ سال کے دوران 28 ستمبر 2016، 28 اکتوبر 2016، 28 فروری 2017،

29 مارچ 2017 اور 14 جون 2017 کو 5 اجلاس منعقد ہوئے۔ اجلاس میں ڈائریکٹرز کی حاضری کی تفصیلات درج ذیل ہیں۔

سیریل نمبر	ڈائریکٹر کا نام	منعقدہ اجلاس کی تعداد	اجلاس میں حاضر	رخصت پر	اجلاس میں غیر حاضر
1	جناب عمران حفیظ	5	5	-	-
2	سید ندیم حسین	5	4	1	چوتھا
3	جناب آصف پرویز	5	5	-	-
4	جناب جواد سلیم	5	3	-	پہلا اور دوسرا
5	جناب مازہ حسین قریشی*	5	1	-	دوسرا اور چوتھا

* 14 فروری 2017ء کو ریٹائر ہو گئیں۔

13. بورڈ نے IHR اینڈ مشاہرہ کمیٹی تشکیل دی ہے جس کے بورڈ کے مندرجہ ذیل اراکین پر مشتمل ہے۔

سید ندیم حسین
جناب عمران حفیظ
جناب جواد سلیم

01 جولائی 2016ء سے 30 جون 2017ء تک، 30 ستمبر 2016ء کو کمیٹی کا اجلاس منعقد کیا گیا۔

14. انتظامی کمیٹی کی آڈٹ کمیٹی کا اجلاس ہر ربع میں ایک مرتبہ منعقد ہوا۔ سال کے دوران 30 ستمبر 2016 (تین اجلاس)، 28 اکتوبر 2016ء، 28 فروری

2017 اور 29 اپریل 2017ء کو اجلاس منعقد ہوئے۔ ڈائریکٹرز کی جانب سے اجلاس میں شرکت کی تفصیلات ذیل میں بیان کی گئی ہیں۔

سیریل نمبر	ڈائریکٹر کا نام	کمیٹی اجلاس کی تعداد	اجلاس میں حاضر	رخصت پر	اجلاس میں غیر حاضر
1	سید ندیم حسین	6	6	1	-
2	جناب مازہ حسین قریشی*	6	3	-	-
3	جناب آصف پرویز	6	6	1	-
4	جناب جواد سلیم	6	2	-	-

* 14 فروری 2017ء کو ریٹائر ہو گئیں۔

15. کوڈ آف کارپوریٹ گورننس کے تحت فنڈ کے اجراء کی وضع کی تفصیل ساتھ منسلک ہے۔

آڈیٹرز

حالیہ آڈیٹرز میسرز KPMG تا شیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اپنی دوبارہ تقرری کے خواہش مند ہیں۔ 30 جون 2018ء کو اختتام پذیر سال کے لئے بورڈ آف ڈائریکٹرز فنڈ کے آڈیٹرز کے طور پر ان کی تقرری کی سفارش کی ہے۔ مشاہرہ باہمی طور پر طے کیا گیا ہے۔

ڈائریکٹرز ٹریڈنگ پروگرام

بورڈ نے سال کے دوران کوئی ٹریڈنگ پروگرام ترتیب نہیں دیا ہے۔ تاہم 30 جون 2016ء میں ڈائریکٹرز کی نصف تعداد کے پاس ڈائریکٹرز ٹریڈنگ پروگرام کے تحت اسناد موجود ہیں جو کہ SECP کے معیار پر پورا اترنے والے اداروں نے پیش کئے ہیں۔

ڈائریکٹرز کا انتخاب

جناب عمران حفیظ، سید ندیم حسین، جناب جواد سلیم اور جناب آصف پرویز کو 14 فروری 2017ء کو غیر معمولی اجلاس عام میں منتخب کیا گیا تھا جب کہ جناب عمران حفیظ کو آئندہ تین سال کی مدت کے لئے انتظامی کمپنی کا CEO بھی تعینات کیا گیا تھا۔

آڈٹ کمیٹی

انتظامی کمپنی کے بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی دوبارہ تشکیل کی ہے جو تین اراکین پر مشتمل ہے۔ جن کے نام سید ندیم حسین، جناب جواد سلیم اور جناب آصف پرویز ہیں اس کے علاوہ جناب جواد سلیم کو کمیٹی کا چیئر مین مقرر کیا گیا ہے۔

اعتراف

ہم اپنے معزز سرمایہ داروں کے ہم پر اعتماد کے شکر گزار ہیں۔ بورڈ سیکورٹیز اینڈ اینڈ کیپیٹل کمیشن آف پاکستان، ٹرسٹی (سنٹرل ڈیپازٹری کمیٹی آف پاکستان لمیٹڈ) اور پاکستان سٹاک ایکسچینج لمیٹڈ کی انتظامیہ کی مسلسل رہنمائی اور مدد کے شکر یہ ادا کرتا ہے۔ ڈائریکٹرز انتظامی ٹیم کی جانب سے کی گئی کاوشوں کو قدر کی نگاہ سے دیکھتے ہیں۔

منجانب بورڈ

عمران حفیظ

چیف ایگزیکٹو آفیسر/ ڈائریکٹر

لاہور

03 اکتوبر 2017ء

آصف پرویز

ڈائریکٹر



**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.cdc-pakistan.com

Email: info@cccpa.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FIRST CAPITAL MUTUAL FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V 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 year ended June 30, 2017 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: September 21, 2017



FUND MANAGER'S REPORT FOR THE YEAR ENDED JUNE 30, 2017

First Capital Mutual Fund

First Capital Mutual Fund ("FCMF" or "the Fund") is an open end equity fund.

Investment Objective of the Fund

The objective of FCMF is to augment wealth of investors through investments geared toward securing maximum returns whilst simultaneously offsetting resulting risks through efficient diversification across sectors with low correlation amongst them. The management of the Fund is continuously striving towards achieving this objective.

Benchmark

The Benchmark of the Fund is KSE-100 Index.

Fund Performance Review

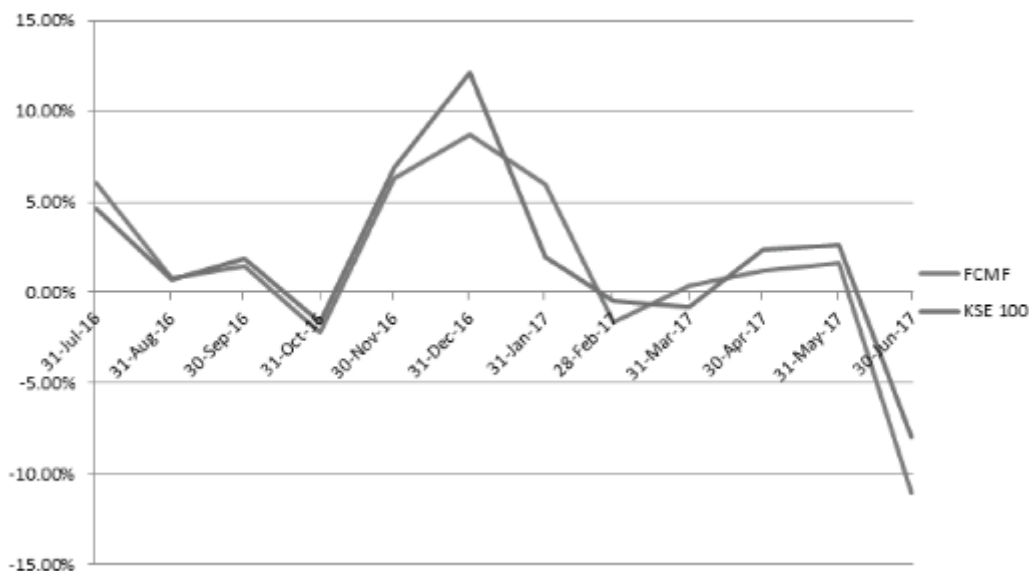
During the period under review, the Fund has reported total comprehensive income of Rs. 33.115 million as compared to Rs. 14.015 million in the corresponding period last year. The comprehensive income has increased mainly on account of capital gain on sale of Investments which has increased to Rs. 46.725 million in FY-17 from Rs. 8.469 million in the corresponding period last year. The unrealized diminution on re-measurements of investments at fair value through profit has recorded at Rs. 23.873 million during FY-17 as compared to appreciation of Rs. 0.346 million in the same period last year. Total expenses of the Fund for the period under review increased to Rs. 8.691 million from Rs. 8.264 million in the corresponding period last year.

In terms of Net Asset Value ("NAV"), the NAV per unit of FCMF has increased from Rs. 11.7968 to Rs. 12.5359 (Ex-Div) while declaring dividend during the period under review. The benchmark of the Fund is KSE-100 index. The Fund has posted a return of 17.28%, as compared to its Benchmark's ("KSE-100 index") return of 23.24%, for the same period. Thus, the Fund has underperformed the Benchmark by 5.96%. The Fund underperformed the benchmark mainly on the back of over-weight in PKGS, POWER and zero-weight in THALL and NESTLE during the period under review. Moreover, the investment portfolio of the Fund includes certain scrips which are not included in KSE-100 index. The investment portfolio mix of the Fund is not aligned exactly with investment portfolio mix of its benchmark in order to generate better return.

During the period under review, the Pakistan Credit Rating Agency ("PACRA") has assigned "3 stars" 1 Year performance ranking to the Fund based on performance.

The Fund size of FCMF at the end of the period stood at Rs. 208.148 million as compared to Rs. 194.363 million as at June 30, 2016. The Fund size has increased mainly on account of reversal of Workers' Welfare Fund (WWF). The NAV per unit of the scheme has increased by Rs. 0.4941 due to reversal of WWF.

FCMF Performance vs. KSE-100 Index



During the period, the Fund adjusted its exposure in equities with focus on diversification in different sectors, as per market conditions in order to generate better return.

Stock Market Review

KSE-100 index posted a return of 23.24% during the Financial Year 2017 ("FY-17") as compared to 9.84% during the Financial Year 2016 ("FY-16") and closed the year at the level of 46,565 points.

The FY-17 commenced on a positive note in sync with the regional and global markets. During the first half of the year, the market remained positive with gains of 26.53% led by optimistic macroeconomic outlook on the back of kick-start of CPEC related investment in the energy & infrastructure projects, raising expectations of large portfolio inflows due to reclassification of PSX into MSCI Emerging Market index, sharp recovery in global oil prices due to OPEC deal to freeze the oil output in international market, approval of 12th & final trench by IMF board, growing expectation of global policy shift from monetary accommodation to fiscal stimulus to reinvigorate economic growth.

During the second half of the period under review the market remained volatile and plunged by 2.60% due to domestic political uncertainty on the back of court proceedings of Panama Leaks case and regulatory notices by SECP against the brokers. Further, descending global oil prices due to uncertainties on the extension of agreed supply cut by OPEC and non-OPEC producers and continuous supply addition by the US Shale producers led the decline in the oil & gas sector, rising geopolitical tensions with India and terrorist attacks in four provinces discouraged the investors.

Going forward, the market is expected to remain positive due to MSCI upgradation. Currently PSX-100 index is trading at approximately 25% discount to the P/E multiples of Emerging Market countries. Further, the market expect foreign investors to take interest in KSE with Pakistan being continually highlighted in foreign markets because of CPEC, healthy corporate earnings growth of 12%-15% for CY17; benign near-term inflation and interest rate outlook; improving economic growth prospects; and abundant local liquidity and other infrastructure projects. However, rising noise in the domestic politics, regional geopolitical fluidity, and global policy uncertainty may keep the volatility elevated.



Asset Allocation of the Fund (% of total assets)

Asset Category	30-June-2017	30-June-2016
Equities	92.53%	89.15%
Treasury Bills	5.30%	8.23%
Bank Balance	1.51%	2.10%
Others including receivables	0.66%	0.51%
Total	100.00%	100.00%

Pattern of Unit Holders of the FCMF as on June 30, 2017

The pattern of Unit Holders of the FCMF as on June 30, 2017 is attached.

WORKERS' WELFARE FUND

The Scheme has reversed the provision against Workers' Welfare Fund's liability of Rs. 8,204,866 as per instructions received from MUFAP. The NAV per unit of the scheme has increased by Rs. 0.4941 per unit due to aforementioned adjustment. For details investors are advised to read Note 14 of the latest audited Financial Statements of the Scheme.

Disclosures

- There have been no significant changes in the state of affairs of the Fund during the period under review and up till the date of fund manager report, not otherwise disclosed in the financial statements.
- During the period under review, there were no circumstances that materially affected any interests of the unit holders, except the Scheme has reversed the provision against Workers' Welfare Fund's liability of Rs. 8,204,866 as per instructions received from MUFAP.
- The Management Company or its delegates did not receive any soft commission (i.e. goods and services) from its broker(s)/dealers(s) by virtue of transactions conducted by the Fund.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE ("CCG" or "the Code")

First Capital Mutual Fund, Year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in sub clause 5.19 of Chapter 5, of listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

The Board of Directors ("the Board") of First Capital Investments Limited, ("the Asset Management Company") an unlisted public company, manages the affairs of First Capital Mutual Fund ("the Fund"). The Fund being a unit trust open ended scheme does not have its own board of Directors.

The Management Company has applied the principles contained in the CCG, in the following manner:

1. The Management Company encourages representation of independent non-executive directors and Directors representing minority interests on its Board of Directors. The Board was appointed on 14 February 2017 through election held in Extra Ordinary General Meeting for the term of next three years. At present, the Board includes:

Category	Names
Executive Director CEO/Director	Imran Hafeez
Independent Directors	Syed Nadeem Hussain Jawad Saleem
Non-Executive Director	Asif Pervaiz

The independent directors meet the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of Stock Exchange, has been declared as defaulter by that stock exchange.
4. There is no any casual vacancy occurring during the year.
5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Asset Management Company and the Fund along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other non-executive directors have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.



9. The Board ensures arrangement of orientation courses for its directors to apprise them of their duties and responsibilities. Board had previously arranged Corporate Governance Leadership Skills (CGLS) training programs for its directors. Three directors have obtained certification of CGLS as required under the clause 5.19.7 of the Code and are familiarized themselves on their responsibilities with the Code.
10. No new appointment of CFO, Company Secretary and Head of Internal Audit has occurred during the year.
11. The director's report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors Report, pattern of unit holding and notes to the financial statements.
14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
15. The board has formed an audit committee. It comprises of three members, all of whom are non-executive directors of the Management Company, while the Chairman is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund as required by the Code. The terms of reference of the audit committee have been formed and advised to the committee for compliance.
17. The board of directors of Asset Management Company of the Fund has formed a Human Resource and Remuneration Committee. It comprises of three members, including CEO and the chairman of the committee is a Non-Executive director.
18. The board of directors of Asset Management Company of the Fund has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Fund.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim/final results and business decisions which may materially was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the Board

Review Report to the Unit Holders on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of First Capital Management Limited ("the Management Company") of First Capital Mutual Fund ("the Fund") for the year ended 30 June 2017 to comply with requirements of clause 5.19 of the Rule Book of Pakistan Stock Exchange, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Managements Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal controls covers all the risk and controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2017.

Date: 03 October 2017

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants
Kamran Iqbal Yousafi

Independent Auditors' Report to the Unit Holders

Report on the Financial Statements

We have audited the accompanying financial statements of First Capital Mutual Fund ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2017, and the related income statement, statement of comprehensive income, distribution statement, cash flow statement, statement of movement in Unit Holders' Fund for the year ended 30 June 2017, and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the approved accounting standards as applicable in Pakistan and for such internal control as Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2017, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Date: 03 October 2017

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants
Kamran Iqbal Yousafi

Statement of Assets and Liabilities

As at 30 June 2017

	Note	2017 ----- Rupees -----	2016 ----- Rupees -----
<i>Assets</i>			
Bank balances	4	3,418,018	4,570,869
Investments	5	221,458,116	211,865,587
Dividend and profit receivable - unsecured, considered good	6	362,597	382,707
Advances, deposits, prepayments and other receivables	7	1,108,193	724,075
Total Assets		226,346,924	217,543,238
<i>Liabilities</i>			
Payable to First Capital Investment Limited - Management Company			
- against remuneration	8	5,027,607	4,080,426
- other payables	9	245,375	-
Remuneration payable to Central Depository Company of Pakistan Limited - <i>Trustee</i>	10	65,013	65,410
Annual fee payable to Securities and Exchange Commission of Pakistan	11	207,043	190,561
Accrued expenses and other liabilities	12	982,302	842,133
Unclaimed dividend	13	11,672,005	9,796,624
Provision for Workers' Welfare Fund	14	-	8,204,866
Total Liabilities		18,199,345	23,180,020
Contingencies and commitments	15		
Net Assets		208,147,579	194,363,218
Unit holders' fund (as per statement attached)		208,147,579	194,363,218
		(Number of Units)	
Number of units in issue	16	16,604,097	16,475,941
		----- Rupees -----	
Net asset value per unit (Face value per unit Rs. 10/-)		12.5359	11.7968

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

<u>Income</u>	Note	2017 ----- Rupees -----	2016
Capital gain on sale of 'fair value through profit or loss investments' - net		46,725,250	8,468,884
Dividend income from 'fair value through profit or loss investments'		8,614,466	11,828,972
Income from government securities		864,332	934,351
Profit on bank deposits		884,508	436,853
Unrealised (diminution) / appreciation on re-measurement of investments - at fair value through profit or loss - net	5.3	(23,873,197)	346,031
Total income		33,215,359	22,015,091
<u>Expenses</u>			
Remuneration to the Management Company	8.1	4,358,786	4,011,804
Punjab Sales tax on remuneration to the Management Company	8.2	697,406	744,591
Federal Excise Duty on remuneration to the Management Company	8.3	-	641,889
Remuneration to the Trustee	10.1	700,000	700,000
Sindh Sales tax on remuneration to the Trustee	10.2	91,000	98,000
Annual fee - Securities and Exchange Commission of Pakistan	11	207,043	190,561
Securities transaction costs	17	1,136,229	381,900
Auditors' remuneration	18	999,200	1,143,750
Accounting & Operational charges		217,940	-
Sindh Sales Tax on Accounting & Operational charges		17,435	-
Annual listing fee - Pakistan Stock Exchange		30,000	30,000
Legal and other professional fees		-	77,073
Fund's ranking fee		140,360	140,360
Printing, postage and other charges		76,623	93,107
Bank charges		19,140	10,810
Total expenses		8,691,162	8,263,845
 Net income from operating activities		 24,524,197	 13,751,246
 Element of income / (loss) and capital gains / (loss) included in prices of units issued less those in the units redeemed - net		 385,789	 264,062
 Reversal of provision for Workers' Welfare Fund	14	 8,204,866	 -
Net income for the year before taxation		33,114,852	14,015,308
 Taxation	19	 -	 -
Net income for the year after taxation		33,114,852	14,015,308
 Earnings per unit	21		

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Director



Statement Of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
Net income for the year after taxation	33,114,852	14,015,308
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>33,114,852</u></u>	<u><u>14,015,308</u></u>

The annexed notes 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Director

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
<i>Undistributed income brought forward represented by:</i>		
- Realised income	32,222,633	28,657,337
- Unrealised income	<u>14,880,112</u>	<u>21,294,331</u>
	<u>47,102,745</u>	<u>49,951,668</u>
 <i>Distribution:</i>		
Final cash dividend distributed for the year ended 30 June 2016 at the rate of Rs. 0.76 per unit on 30 September 2016	(12,323,544)	(16,864,231)
Interim cash dividend distributed for the half year ended 31 December 2016 at the rate of Rs. 0.52 per unit on 28 February 2017	(8,518,780)	-
Net income for the year after taxation	33,114,852	14,015,308
Undistributed income carried forward	<u>59,375,273</u>	<u>47,102,745</u>
Represented by:		
- Realised income	84,506,217	32,222,633
- Unrealised income / (loss)	<u>(25,130,945)</u>	<u>14,880,112</u>
	<u>59,375,272</u>	<u>47,102,745</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
<u>Cash flows from operating activities</u>		
Net income for the year before taxation	33,114,852	14,015,308
Adjustments for:		
Element of income and capital gains included in prices of units issued less those in the units redeemed - net	(385,789)	(264,062)
Provision for Workers' Welfare Fund	(8,204,866)	-
Unrealised appreciation on re-measurement of investments - at fair value through profit or loss - net	23,873,197	(346,031)
	48,397,394	13,405,215
<i>(Increase) / decrease in assets:</i>		
Investments - net	(33,465,726)	62,490,507
Dividend and profit receivable - unsecured, considered good	20,110	593,248
Receivable against sale of investments	-	7,874,333
Advances, deposits, prepayments and other receivables	(410,741)	(90,828)
	(33,856,357)	70,867,260
<i>Increase / (decrease) in liabilities:</i>		
Remuneration payable to Management Company	947,181	(1,426,664)
Other payable to Management Company	245,375	-
Remuneration payable to Trustee	(397)	8,299
Annual fee payable to SECP	16,482	(96,394)
Payable against Purchase of Investments	-	(12,942)
Unclaimed dividend	1,875,380	3,779,536
Accrued expenses and other liabilities	166,792	119,160
	3,250,813	2,370,995
Net cash generated from operating activities	17,791,850	86,643,470
<u>Cash flows from financing activities</u>		
Receipts against issuance of units	9,618,734	2,568,579
Cash payout against distribution of interim cash dividend	(8,518,780)	-
Cash payout against distribution of final cash dividend	(12,323,544)	(16,864,231)
Payments made against redemption of units	(7,721,111)	(69,324,587)
Net cash used in financing activities	(18,944,701)	(83,620,239)
Net (decrease) / increase in cash and cash equivalents during the year	(1,152,851)	3,023,231
Cash and cash equivalents at the beginning of the year	4,570,869	1,547,638
Cash and cash equivalents at the end of the year	3,418,018	4,570,869

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Director

Statement Of Movement In Unit Holders' Fund

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
Net assets at the beginning of the year	194,363,218	264,232,211
Amount received on issue of 698,716 units (2016: 221,093 units)	9,618,733	2,568,579
Amount paid on redemption of 570,560 units (2016: 5,820,236 units)	(7,721,111)	(69,324,587)
	1,897,622	(66,756,008)
Element of (income) and capital (gains) included in prices of units issued less those in the units redeemed - net	(385,789)	(264,062)
 Total comprehensive income for the year:		
Capital gain on sale of investments - net	46,725,250	8,468,884
Unrealised (diminution) / appreciation on re-measurement of investments - <i>at fair value through profit or loss - net</i>	(23,873,197)	346,031
Other net income for the year	10,262,799	5,200,393
	33,114,852	14,015,308
<i>Distribution made:</i>		
Interim cash dividend distributed for the half year ended 31 December 2016 at the rate of Rs. 0.52 per unit on 28 February 2017	(8,518,780)	-
Final cash dividend distributed for the year ended 30 June 2016 at the rate of Rs. 0.76 per unit on 30 September 2016	(12,323,544)	(16,864,231)
Net total comprehensive income less distribution for the year	12,272,528	(2,848,923)
 Net assets at the end of the year	208,147,579	194,363,218
 Net assets value per unit at the beginning of the year - rupees	11.7968	8.9354
 Net assets value per unit at the end of the year - rupees	12.5359	11.7968

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

Chief Executive

Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Reporting entity

- 1.1** First Capital Mutual Fund ("the Fund") was constituted by virtue of a scheme of arrangement for conversion of First Capital Mutual Fund Limited into an Open end scheme under a Trust deed executed between First Capital Investment Limited ("FCIL") as Management Company and Central Depository Company of Pakistan Limited ("CDC") as Trustee. The trust deed was executed on 06 August 2013 after being approved by the Securities and Exchange Commission of Pakistan ("SECP") on 30 July 2013 in accordance with the provision of Non-Banking Finance Companies and Notified Entities Regulation, 2008 ("the NBFC Regulations").
- 1.2** 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 Shopping Mall, Fortress Stadium, Lahore, Pakistan. The Fund is an Open end equity scheme and offers units for public subscription on a continuous basis. The units are transferable and can be redeemed by submitting them into the Fund.
- 1.3** The Fund has been formed to augment the wealth of investors through investments geared towards securing maximum returns whilst simultaneously offsetting resultant risks through efficient diversification across sectors with low correlation amongst them. The Fund shall invest its assets in high quality dividend yielding stocks. While the remaining assets shall be invested in cash and / or near cash instruments.
- 1.4** Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited ("CDC") as trustee of the Fund and the Fund is listed on was previously listed on Pakistan Stock Exchange ("PSX").
- 1.5** 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

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the repealed Companies Ordinance, 1984 ("the Ordinance"), provisions of and directives issued under the Ordinance, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, the provisions or directives of the Ordinance, or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the provisions or directives of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

The Companies Act, 2017 was enacted on 30 May 2017 and is applicable with immediate effect. The Securities and Exchange Commission of Pakistan through press release and vide circular no. 17 of 2017 dated 20 July 2017 has decided that all the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017, shall prepare their financial statements, including interim financial statements, in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirements of the Companies Act, 2017 shall be applicable to the companies having their financial year closure after 30 June 2017.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain financial assets have been carried at fair value in accordance with the requirements of International Accounting Standard ("IAS") 39: 'Financial Instruments Recognition and Measurement.'

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods affected.

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:

- Note 3.1 - Classification of investments
- Note 3.1.2 & 3.1.3 - Valuation of investments
- Note 3.1.4 - Impairment of financial assets
- Note 3.4 - Provisions and contingencies
- Note 3.5 - Taxation
- Note 3.8 - Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net
- Note 8 - Federal Excise Duty on Management Company's remuneration
- Note 13 - Provision for Workers' Welfare Fund

2.4 Standards, interpretations and amendments to published approved accounting standards

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements

and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 - 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

The above amendments are not likely to have any impact on these financial statements.

- As disclosed in note 2.1.2, the new requirements of the Companies Act, 2017, shall be applicable to the financial statements issued on or after 30 June 2017. The Act included mutual funds in Third Schedule,

accordingly certain additional requirements / disclosures in Fifth Schedule to the Companies Act, 2017 are also applicable to the financial statements of mutual funds. Significant disclosures / requirements, which are relevant to the funds includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and/or percentage of shareholding; summary of significant transactions and events that have affected the financial position and performance during the year, etc.

- SECP through SRO 756(I)/2017 dated 03 August 2017 has made certain amendments in NBFCs and Notified Entities Regulations, 2008. The amendments require additional disclosures and recording of element of income / loss included in price of unit issued or redeemed in Statement of Movements in Reserves or Unit holders' Fund instead of Income Statement. The SRO also deleted 'Distribution Statement' and its contents along with certain additional break-ups and disclosures to be included on the face of 'Income Statement' and 'Statement of Movements in Reserves or Unit holders' Fund'.
- Further, new amendments changed the definition of accounting income in regulation (63) sub-regulation (I) which is now to be determined after excluding the amount of element of income / loss relating to the redemption of units. This change will be applied prospectively and may affect the Net Asset Value per unit of the Fund in future.

2.5 Functional and presentation currency

These financial statements are presented in Pak Rupees ("Rs."), which is the Funds' functional and presentation currency. All financial information has been rounded to the nearest rupee, except when otherwise indicated.

3 Summary of significant accounting policies

The accounting policies and methods of computation followed in the preparation of these financial statements are consistent with those applied in the previous year.

3.1 Financial assets

The Fund classifies its financial assets into the following categories: 'loans and receivables', 'at fair value through profit or loss', 'held to maturity' and 'available for sale'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(c) Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are carried at amortised cost.

(d) Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the above categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date. Available-for-sale financial assets are classified as short term investments in the balance sheet.

3.1.1 Trade date accounting

All financial assets are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised at trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.1.2 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the income statement.

3.1.3 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as loans and receivables, at fair value through profit or loss and available for sale are valued as follows:

a) Loans and receivables

Subsequent to initial recognition financial assets classified as 'Loans and receivables' are carried at amortized cost using the effective interest method.

Gain or loss is also recognized in the income statement when financial assets carried at amortized cost are derecognized or impaired, and through the amortization process.

Significant financial assets in the category include deposits, other receivables and bank balances.

b) Financial assets 'at fair value through profit or loss'

Net gains and losses arising from changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Basis of valuation of listed equity securities

The investment of the Fund in listed equity securities is valued on the basis of closing quoted market prices published by PSX. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing ask price nor lower than the closing bid price.

Basis of valuation of unlisted equity securities

Securities not listed or quoted on a stock exchange, other than Government Securities or debt security, are valued at investment price / par value.

Basis of valuation of government securities

Government Securities not listed on a stock exchange and traded in the interbank market are valued at

the average rate quoted on a widely used electronic quotation system and such average rate is based on the remaining tenor of the security. Net gains and losses arising on changes in the fair value are taken to the income statement.

c) Available for sale

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to the 'statement of comprehensive income' until these are derecognized or impaired. At this time, the cumulative gain or loss previously recognized directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

3.1.4 Impairment

Financial assets not carried 'at fair value through profit or loss' are reviewed at each balance sheet date to determine whether there is any indication of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of asset and that loss events had an impact on the future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In case of an investment in an equity security, a significant or prolonged decline in fair value below its cost is objective evidence of impairment. Impairment losses are recognised in Income Statement. Any subsequent decrease in impairment loss on debt securities classified as available-for-sale is recognised in Income Statement.

3.1.5 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.1.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial liabilities

All financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognized at fair value and subsequently stated at amortized cost.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include remuneration payable to the Management Company and other liabilities. Financial liabilities other than those at fair value through profit or loss account are measured at amortized cost using effective interest rate method. Any gain or loss on derecognition is taken to the income statement.



3.4 Provisions and contingencies

Provisions are recognized when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.5 Taxation

Current tax

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred tax

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilized tax losses to the extent that it is probable that the related tax benefit will be realized. However, the Fund has not recognized any amount in respect of deferred tax in these financial statements as the Fund has a past practice and intends to continue the same by availing the tax exemption in future years through distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders. Further, it is also mandatory as per section 63(1) of the NBFC regulations 2008 to distribute ninety percent of aforesaid accounting income as dividend.

3.6 Issuance of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company.

3.7 Redemption of units

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the net assets value at the beginning of the accounting period.



The net "element of income / (loss) and capital gains / (losses) in prices of units sold less those in units redeemed" during an accounting year is recognised in the income statement.

3.9 Net asset value per unit

The Net Asset Value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.10 Earnings per unit

Earnings per unit (EPU) have not been disclosed as in the opinion of the management, determination of weighted average number of outstanding units for calculating EPU is not practicable.

3.11 Dividend and bonus units

Dividend declared (including distribution in the form of bonus units) is recognized in the period in which it is authorized or approved. Dividend declared subsequent to the balance sheet date are considered as non-adjusting events and are recognized in the financial statements in the period in which such distributions are declared.

3.12 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee and annual fee payable to the SECP) are recognized in the Income Statement on an accrual basis.

3.13 Incomes

- Capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income is recognized when the right to receive the dividend is established.
- Unrealized capital gains / (losses) arising, on re-measurement of investments classified as financial assets 'at fair value through profit or loss are included in the income statement in the year in which they arise.
- Profit on bank deposits is recognized on time proportionate basis.
- Income on government securities is recognized on an accrual basis.
- Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed realised during the year is included in the Income Statement on the date of issue and redemption of units.



	<i>Note</i>	2017	2016
		----- Rupees -----	-----
4 Bank balances			
Cash at bank			
- saving accounts	4.1	3,413,018	4,565,869
- current account		5,000	5,000
		<u>3,418,018</u>	<u>4,570,869</u>

4.1 These bank accounts carry profit at the rate ranging from 3.75% to 4.25% per annum (2016: 4.00% to 5.00% per annum).

	<i>Note</i>	2017	2016
		----- Rupees -----	-----
5 Investments			
At fair value through profit or loss			
Listed equity securities	5.1	209,467,908	193,963,633
Government securities - Market treasury bills	5.2	11,990,208	17,901,954
		<u>221,458,116</u>	<u>211,865,587</u>

5.1 Investments - at fair value through profit or loss

Listed equity securities

Shares of listed companies - Fully paid ordinary shares with a face value of Rs. 10 each unless stated otherwise.

Sector / Investee Company	Number of Shares				As at 30 June 2017			Percentage in relation to			
	As at 01 July 2016	Purchases made during the year	Bonus/ right issued during the year	Sales made during the year	As at 30 June 2017	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)	Market value of total investments
	Shares					Rupees			%		
Automobile Assembler											
Al-Ghazi Tractors Limited *	3,490	6,300	-	(7,490)	2,300	1,338,600	1,480,924	142,324	0.71%	0.00%	0.70%
Atlas Honda Limited	1,000	1,000	-	(2,000)	-	-	-	-	0.00%	0.00%	0.00%
Dewan Farooque Motors Limited	-	10,000	-	(10,000)	-	-	-	-	0.00%	0.00%	0.00%
Ghandhara Nissan Limited	6,000	-	-	(6,000)	-	-	-	-	0.00%	0.00%	0.00%
Honda Atlas Cars (Pakistan) Limited	2,900	3,000	-	(2,900)	3,000	2,396,000	2,603,070	207,070	1.25%	0.00%	1.23%
Indus Motor Company Limited	1,800	3,000	-	(4,800)	-	-	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited	1,216	8,000	-	(7,216)	2,000	2,648,972	2,748,880	99,908	1.32%	0.00%	1.30%
Pak Suzuki Motor Company Limited	2,800	-	-	(2,800)	-	-	-	-	0.00%	0.00%	0.00%
	19,206	31,300	-	(43,206)	7,300	6,383,572	6,832,874	449,302	3.28%	0.00%	3.23%
Automobile Parts & Accessories											
Loads Limited	-	42,000	-	(42,000)	-	-	-	-	0.00%	0.00%	0.00%
The General Tyre & Rubber Company of Pakistan Limited	5,400	10,000	-	(5,400)	10,000	3,012,500	3,035,000	22,500	1.46%	0.02%	1.43%
	5,400	52,000	-	(47,400)	10,000	3,012,500	3,035,000	22,500	1.46%	0.02%	1.43%
Banks											
Allied Bank Limited	13,295	-	-	(13,295)	-	-	-	-	0.00%	0.00%	0.00%
Askari Bank Limited	84,500	25,000	-	(109,500)	-	-	-	-	0.00%	0.00%	0.00%
Bank Al Habib Limited	85,800	-	-	(85,800)	-	-	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited	40,000	23,500	-	(63,500)	-	-	-	-	0.00%	0.00%	0.00%
Bank Of Punjab	47,180	753,500	-	(450,500)	350,180	5,556,610	4,125,120	(1,431,490)	1.98%	0.02%	1.95%
Bank Of Punjab - LoR	-	-	385,126	-	385,126	-	15,405	15,405	0.01%	0.04%	0.01%
Faysal Bank Limited	72,300	142,000	3,080	(116,500)	100,880	2,048,418	2,269,800	221,382	1.09%	0.01%	1.07%
Habib Bank Limited	50,500	95,700	-	(86,200)	60,000	15,701,082	16,148,400	447,318	7.76%	0.00%	7.62%
Habib Metropolitan Bank Limited	55,000	-	-	(55,000)	-	-	-	-	0.00%	0.00%	0.00%
JS Bank Limited	-	200,000	-	(200,000)	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited	33,500	15,500	-	(10,000)	39,000	8,778,205	8,206,770	(571,435)	3.94%	0.00%	3.87%
Meezan Bank Limited	1,000	-	-	(1,000)	-	-	-	-	0.00%	0.00%	0.00%
National Bank Of Pakistan	49,750	15,000	-	(64,750)	-	-	-	-	0.00%	0.00%	0.00%
Silk Bank Limited	-	225,000	-	(225,000)	-	-	-	-	0.00%	0.00%	0.00%
Standard Chartered Bank (Pakistan) Limited	16,000	-	-	(16,000)	-	-	-	-	0.00%	0.00%	0.00%
Summit Bank Limited	-	550,000	-	-	550,000	2,810,400	2,266,000	(544,400)	1.09%	0.03%	1.07%
United Bank Limited	49,600	43,500	-	(47,100)	46,000	10,182,579	10,833,920	651,341	5.20%	0.00%	5.11%
	598,425	2,088,700	388,206	(1,544,145)	1,531,186	45,077,294	43,865,415	(1,211,879)	21.07%	0.10%	20.70%
Cables & Electrical Goods											
Pak Elektron Limited	40,000	75,000	-	(100,000)	15,000	1,718,251	1,654,800	(63,451)	0.80%	0.00%	0.78%
Singer Pakistan Limited	-	82,000	-	(40,000)	42,000	2,941,251	2,614,080	(327,171)	1.26%	0.09%	1.23%
TPL Trakker Limited	47,000	300,000	-	(197,000)	150,000	2,492,575	1,482,000	(1,010,575)	0.71%	0.07%	0.70%
	87,000	457,000	-	(337,000)	207,000	7,152,077	5,750,880	(1,401,197)	2.77%	0.16%	2.71%
Cement											
Attock Cement Pakistan Limited	1,450	1,500	-	(2,950)	-	-	-	-	0.00%	0.00%	0.00%
Bestway Cement Limited	-	8,492	-	(8,492)	-	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Limited	7,500	58,400	-	(65,900)	-	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited	24,200	44,800	-	(45,000)	24,000	5,680,849	5,115,840	(565,009)	2.46%	0.01%	2.41%
Dandot Cement Company Limited	-	128,500	-	(106,000)	22,500	325,023	320,625	(4,398)	0.15%	0.02%	0.15%
Dewan Cement Limited	-	75,000	-	(75,000)	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	70,500	119,500	-	(125,000)	65,000	2,849,667	2,666,950	(182,717)	1.28%	0.00%	1.26%
Fecto Cement Limited	7,000	-	-	(7,000)	-	-	-	-	0.00%	0.00%	0.00%
Flying Cement Company Limited	-	133,000	-	(133,000)	-	-	-	-	0.00%	0.00%	0.00%

Sector / Investee Company	Number of Shares				As at 30 June 2017			Percentage in relation to			
	As at 01 July 2016	Purchases made during the year	Bonus/ right issued during the year	Sales made during the year	As at 30 June 2017	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)	Market value of total investments
	Shares				Rupees			(%)			
Gharibwal Cement Limited	-	30,000	-	-	30,000	1,929,745	1,366,200	(563,545)	0.66%	0.01%	0.64%
Kohat Cement Company Limited	4,600	15,700	-	(20,300)	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	13,500	11,500	-	(13,000)	12,000	10,468,066	10,035,120	(432,946)	4.82%	0.00%	4.74%
Maple Leaf Cement Factory Limited	23,500	21,000	-	(26,500)	18,000	2,178,000	2,004,480	(173,520)	0.96%	0.00%	0.95%
Pakcem Limited	84,916	-	-	(84,916)	-	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited	19,000	70,500	-	(62,500)	27,000	4,050,200	3,510,000	(540,200)	1.69%	0.01%	1.66%
Power Cement Limited	-	800,000	-	(650,000)	150,000	2,921,271	2,007,000	(914,271)	0.96%	0.04%	0.95%
Power Cement Limited - LoR	-	-	243,000	(243,000)	-	-	-	-	0.00%	0.00%	0.00%
Thatta Cement Company Limited	-	25,000	-	(25,000)	-	-	-	-	0.00%	0.00%	0.00%
	256,166	1,542,892	243,000	(1,693,558)	348,500	30,402,821	27,026,215	(3,376,606)	12.98%	0.09%	12.76%
Chemicals											
AKZO Nobel Pakistan Limited	5,700	-	-	(5,700)	-	-	-	-	0.00%	0.00%	0.00%
Archroma Pakistan Limited	3,100	-	-	(3,100)	-	-	-	-	0.00%	0.00%	0.00%
Engro Polymer & Chemicals Limited	-	50,000	-	-	50,000	1,387,500	1,825,000	437,500	0.88%	0.01%	0.86%
Ghani Gases Limited	-	220,000	-	(170,000)	50,000	1,733,000	1,315,000	(418,000)	0.63%	0.04%	0.62%
ICI Pakistan Limited	1,688	4,500	-	(3,188)	3,000	3,350,500	3,283,650	(66,850)	1.58%	0.00%	1.55%
Lotte Chemical Pakistan Limited	-	100,000	-	(100,000)	-	-	-	-	0.00%	0.00%	0.00%
Nimir Industrial Chemicals Limited	-	10,000	-	(10,000)	-	-	-	-	0.00%	0.00%	0.00%
	10,488	384,500	-	(291,988)	103,000	6,471,000	6,423,650	(47,350)	3.09%	0.05%	3.03%
Fertilizer											
Dawood Hercules Corporation Limited	25,000	5,000	-	(30,000)	-	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizers Limited	58,000	30,000	-	(46,000)	42,000	2,640,189	2,320,080	(320,109)	1.11%	0.00%	1.10%
Engro Corporation Limited	27,600	36,400	-	(37,500)	26,500	9,430,806	8,636,615	(794,191)	4.15%	0.01%	4.08%
Fatima Fertilizer Company Limited	47,500	12,500	-	(60,000)	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	31,000	15,000	-	(23,000)	23,000	1,243,155	985,320	(257,835)	0.47%	0.00%	0.47%
Fauji Fertilizer Company Limited	27,700	19,000	-	-	46,700	5,179,344	3,859,288	(1,320,056)	1.85%	0.00%	1.82%
	216,800	117,900	-	(196,500)	138,200	18,493,494	15,801,303	(2,692,191)	7.58%	0.01%	7.47%
Foods & Personal Care Products											
Al Shaheer Corporation Limited	8,000	-	-	(8,000)	-	-	-	-	0.00%	0.00%	0.00%
Engro Foods Limited	11,500	-	-	(11,500)	-	-	-	-	0.00%	0.00%	0.00%
National Foods Limited *	3,400	-	-	(3,400)	-	-	-	-	0.00%	0.00%	0.00%
Treet Corporation Limited	-	44,000	-	(10,000)	34,000	2,207,550	1,933,920	(273,630)	0.93%	0.02%	0.91%
	22,900	44,000	-	(32,900)	34,000	2,207,550	1,933,920	(273,630)	0.93%	0.02%	0.91%
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited	-	150,000	-	(150,000)	-	-	-	-	0.00%	0.00%	0.00%
Tariq Glass Industries Ltd	-	40,000	-	(40,000)	-	-	-	-	0.00%	0.00%	0.00%
	-	190,000	-	(190,000)	-	-	-	-	0.00%	0.00%	0.00%
Industrial Engineering											
Aisha Steel Mills Limited	-	690,000	-	(450,000)	240,000	5,761,310	4,881,600	(879,710)	2.35%	0.04%	2.30%
Amreli Steels Limited	16,500	41,500	-	(48,000)	10,000	1,141,000	1,229,500	88,500	0.59%	0.00%	0.58%
Crescent Steel & Allied Products Limited	9,200	10,000	-	(19,200)	-	-	-	-	0.00%	0.00%	0.00%
Dost Steels Limited	-	237,500	-	(100,000)	137,500	1,945,435	1,515,250	(430,185)	0.73%	0.04%	0.72%
International Steels Limited	5,000	59,000	-	(24,000)	40,000	5,226,145	5,115,600	(110,545)	2.46%	0.01%	2.41%
Mughal Iron And Steel Industries Ltd	20,500	105,000	-	(60,500)	65,000	5,137,820	5,247,450	109,630	2.52%	0.03%	2.48%
	51,200	1,143,000	-	(701,700)	492,500	19,211,710	17,989,400	(1,222,310)	8.65%	0.12%	8.49%

Sector / Investee Company	Number of Shares				As at 30 June 2017			Percentage in relation to			
	As at 01 July 2016	Purchases made during the year	Bonus/ right issued during the year	Sales made during the year	As at 30 June 2017	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)	Market value of total investments
	Shares				Rupees			%			
Insurance											
Adamjee Insurance Company Limited	10,574	10,000	-	(20,574)	-	-	-	-	0.00%	0.00%	0.00%
Habib Insurance Company Limited *	72,500	-	-	(72,500)	-	-	-	-	0.00%	0.00%	0.00%
Jubilee Life Insurance Company Limited	-	2,000	-	(2,000)	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Reinsurance Company Limited	29,000	-	-	(29,000)	-	-	-	-	0.00%	0.00%	0.00%
Shaheen Insurance Company Limited	110,318	246,500	-	-	356,818	2,609,541	2,251,522	(358,019)	1.08%	0.59%	1.06%
The United Insurance Company of Pakistan Limited	36,680	-	127	(35,521)	1,286	16,979	21,541	4,562	0.01%	0.00%	0.01%
	259,072	258,500	127	(159,595)	358,104	2,626,520	2,273,063	(353,457)	1.09%	0.59%	1.07%
Investment Banks / Investment Companies											
Escorts Investment Bank Limited	-	100,500	-	(100,500)	-	-	-	-	0.00%	0.00%	0.00%
First Capital Equities Limited	128,395	-	-	(500)	127,895	3,549,086	1,151,055	(2,398,031)	0.55%	0.09%	0.54%
Jahangir Siddiqui & Company Limited	-	10,000	-	(10,000)	-	-	-	-	0.00%	0.00%	0.00%
	128,395	110,500	-	(111,000)	127,895	3,549,086	1,151,055	(2,398,031)	0.55%	0.09%	0.54%
Miscellaneous											
Pace (Pakistan) Limited	-	95,000	-	(95,000)	-	-	-	-	0.00%	0.00%	0.00%
TPL Properties Limited	-	100,000	-	-	100,000	1,248,977	1,225,000	(23,977)	0.59%	0.05%	0.58%
	-	195,000	-	(95,000)	100,000	1,248,977	1,225,000	(23,977)	0.59%	0.05%	0.58%
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	627	500	-	(1,050)	77	73,752	121,324	47,572	0.06%	0.00%	0.06%
Oil & Gas Development Company Limited	62,800	30,000	-	(62,800)	30,000	4,350,303	4,220,700	(129,603)	2.03%	0.00%	1.99%
Pakistan Oilfields Limited	9,700	11,800	-	(13,500)	8,000	4,102,500	3,665,200	(437,300)	1.76%	0.00%	1.73%
Pakistan Petroleum Limited	45,200	52,500	-	(53,200)	44,500	7,579,755	6,592,230	(987,525)	3.17%	0.00%	3.11%
	118,327	94,800	-	(130,550)	82,577	16,106,310	14,599,454	(1,506,856)	7.02%	0.00%	6.89%
Oil & Gas Marketing Companies											
Attock Petroleum Limited	2,200	-	-	(2,200)	-	-	-	-	0.00%	0.00%	0.00%
Hascol Petroleum Limited	9,493	10,700	49	(14,200)	6,042	1,948,956	2,060,926	111,970	0.99%	0.01%	0.97%
Hi-Tech Lubricants Limited	-	10,000	-	(10,000)	-	-	-	-	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited	18,700	24,800	-	(28,000)	15,500	6,680,244	6,003,925	(676,319)	2.88%	0.01%	2.83%
Shell Pakistan Limited	7,500	5,000	-	(12,500)	-	-	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipelines Limited	44,000	50,000	-	(74,000)	20,000	3,223,751	2,978,400	(245,351)	1.43%	0.00%	1.41%
Sui Southern Gas Company Limited	44,500	104,500	-	(129,000)	20,000	889,421	728,200	(161,221)	0.35%	0.00%	0.34%
	126,393	205,000	49	(269,900)	61,542	12,742,372	11,771,451	(970,921)	5.65%	0.02%	5.55%
Paper & Board											
Cherat Packaging Limited	2,100.00	-	-	(2,100.00)	-	-	-	-	0.00%	0.00%	0.00%
Packages Limited	6,600.00	9,800.00	-	(1,400.00)	15,000	11,774,344	10,433,700	(1,340,644)	5.01%	0.02%	4.92%
	8,700.00	9,800.00	-	(3,500.00)	15,000	11,774,344	10,433,700	(1,340,644)	5.01%	0.02%	4.92%
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	1,300	-	-	(1,300.00)	-	-	-	-	0.00%	0.00%	0.00%
Ferozsons Laboratories Limited	500	-	-	(500)	-	-	-	-	0.00%	0.00%	0.00%
Glaxosmithkline Pakistan Limited	7,200	10,600	-	(2,800)	15,000	3,498,518	2,953,800	(544,718)	1.42%	0.00%	1.39%
Glaxosmithkline Consumer Healthcare Pakistan Limited **	2,160	4,000	-	(5,160)	1,000	289,000	209,010	(79,990)	0.10%	0.00%	0.10%
Highnoon Laboratories Limited	2,365	-	3	(2,334)	34	17,868	21,293	3,425	0.01%	0.00%	0.01%
The Searle Company Limited	5,005	5,000	1,137	(4,700)	6,442	4,011,852	3,298,176	(713,676)	1.58%	0.00%	1.56%
	18,53000	19,600	1,140	(16,794)	22,476	7,817,238	6,482,279	(1,334,959)	3.11%	0.00%	3.06%

Sector / Investee Company	Number of Shares				As at 30 June 2017			Percentage in relation to			
	As at 01 July 2016	Purchases made during the year	Bonus/ right issued during the year	Sales made during the year	As at 30 June 2017	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)	Market value of total investments
	Shares				Rupees			%			
Power Generation & Distribution											
Japan Power Generation Limited	-	100,000	-	(100,000)	-	-	-	-	0.00%	0.00%	0.00%
K-Electric Limited *	308,500	151,500	-	(260,000)	200,000	1,753,328	1,380,000	(373,328)	0.66%	0.00%	0.65%
Kot Addu Power Company Limited	35,000	-	-	-	35,000	3,123,750	2,520,700	(603,050)	1.21%	0.00%	1.19%
Lalpir Power Limited	49,000	-	-	(49,000)	-	-	-	-	0.00%	0.00%	0.00%
Nishat Chunian Power Limited	27,502	-	-	(27,502)	-	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited	38,500	-	-	(38,500)	-	-	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	25,000	-	-	(25,000)	-	-	-	-	0.00%	0.00%	0.00%
The Hub Power Company Limited	75,300	-	-	(19,000)	56,300	6,759,378	6,611,309	(148,069)	3.18%	0.00%	3.12%
Tri-Star Power XD	-	125,000	-	(100,000)	25,000	288,990	285,500	(3,490)	0.14%	0.17%	0.13%
	558,802	376,500	-	(619,002)	316,300	11,925,446	10,797,509	(1,127,937)	5.19%	0.17%	5.09%
Refinery											
Attock Refinery Limited	4,800	10,000	-	(11,800)	3,000	1,309,391	1,147,740	(161,651)	0.55%	0.00%	0.54%
Byco Petroleum Pakistan Limited	59,000	141,000	-	-	200,000	4,657,705	3,820,000	(837,705)	1.84%	0.02%	1.80%
National Refinery Limited	3,800	-	-	(3,800)	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Refinery Limited	-	45,000	-	(20,000)	25,000	1,811,605	1,331,500	(480,105)	0.64%	0.01%	0.63%
	67,600	196,000	-	(35,600)	228,000	7,778,701	6,299,240	(1,479,461)	3.03%	0.03%	2.97%
Sugar & Allied Industries											
Noon Sugar Mills Limited	-	15,000	-	(10,000)	5,000	425,000	427,500	2,500	0.21%	0.03%	0.20%
Shakarganj Limited	-	50,000	-	(50,000)	-	-	-	-	0.00%	0.00%	0.00%
	-	65,000	-	(60,000)	5,000	425,000	427,500	2,500	0.21%	0.03%	0.20%
Technology & Communications											
Media Times Limited	-	20,000	-	(20,000)	-	-	-	-	0.00%	0.00%	0.00%
NETSOL Technologies Limited	-	45,000	-	(30,000)	15,000	1,330,499	867,450	(463,049)	0.42%	0.02%	0.41%
Pakistan Telecommunication Company Limited	88,500	-	-	(88,500)	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	-	5,000	-	(5,000)	-	-	-	-	0.00%	0.00%	0.00%
TRG Pakistan Limited	-	222,500	-	(107,500)	115,000	5,832,406	4,610,350	(1,222,056)	2.21%	0.02%	2.18%
World Call Telecom Limited	-	750,000	-	(550,000)	200,000	500,000	610,000	110,000	0.29%	0.02%	0.29%
	88,500	1,042,500	-	(801,000)	330,000	7,662,905	6,087,800	(1,575,105)	2.92%	0.06%	2.88%
Textile Spinning											
Gadoon Textile Mills Limited	3,690	-	-	(3,690)	-	-	-	-	0.00%	0.00%	0.00%
	3,690	-	-	(3,690)	-	-	-	-	0.00%	0.00%	0.00%
Textile Composite											
Gul Ahmed Textile Mills Limited	-	65,000	-	(15,000)	50,000	2,539,040	2,049,000	(490,040)	0.98%	0.01%	0.97%
Kohinoor Textile Mills Limited	-	20,000	-	(20,000)	-	-	-	-	0.00%	0.00%	0.00%
Nishat (Chunian) Limited	25,50000	15,000	-	(30,500)	10,000	591,925	513,200	(78,725)	0.25%	0.00%	0.24%
Nishat Mills Limited	27,300	36,700	-	(36,000)	28,000	4,799,950	4,443,040	(356,910)	2.13%	0.01%	2.10%
	52,800	136,700	-	(101,500)	88,000	7,930,915	7,005,240	(925,675)	3.36%	0.02%	3.31%
Transport											
Pakistan International Bulk Terminal Limited	15,000	45,000	-	(30,000)	30,000	940,245	694,800	(245,445)	0.33%	0.00%	0.33%
Pakistan International Bulk Terminal Limited - LoR	-	-	7,625	(7,625)	-	-	-	-	0.00%	0.00%	0.00%
Pakistan National Shipping Corporation	7,200	20,000	-	(14,800)	12,400	2,400,950	1,561,160	(839,790)	0.75%	0.01%	0.74%
	22,200	65,000	7,625	(52,425)	42,400	3,341,195	2,255,960	(1,085,235)	1.08%	0.01%	1.07%
Total as at 30 June 2017	2,720,594	8,826,192	640,147	(7,537,953)	4,648,980	233,341,027	209,467,908	(23,873,119)			
Total as at 30 June 2016	4,266,368	1,404,050	16,742	(2,966,566)	2,720,594	193,622,285	193,963,633	341,348			

* 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 K-Electric Limited is Rs. 3.5 each.

5.1.1 The Finance Act 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on the value of bonus shares determined on the basis of day end price on the first day of book closure. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the fund along with other asset management companies and Mutual Fund Association of Pakistan, had filed a petition in the Honorable Sindh High Court ("the Court") to declare the amendments brought into the Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes ("CIS") as null and void and not applicable on mutual funds based on the premise of exemption given to mutual funds under clause 47B of Part IV and clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001. The Court has granted stay order in favor of CIS till the final outcome of the case. Accordingly, the investee companies have withheld the shares equivalent to 5% bonus shares announcement and not deposited in CDC account of department of Income Tax. However, the Fund has included the bonus shares withheld by the Investee Companies in its investment portfolio, amounting to Rs. 0.698 million (2016: Rs. 0.326 million) on the basis of aforementioned Court order. Had the Fund not included bonus shares withheld by investee companies in its investment portfolio, net asset value at the reporting date would have been lower by Rs. 0.0421 per unit (2016: Rs. 0.0198 per unit).

** During the year 2016, the Fund received 2,160 unlisted ordinary shares of GlaxoSmithKline Consumer Healthcare Pakistan Limited on demerger of Consumer Healthcare business from GlaxoSmithKline Pakistan Limited. During the current year (March 2017), the shares of GlaxoSmithKline Consumer Healthcare Pakistan Limited were duly listed on PSX.

5.2 Government securities - Market treasury bills

Purchase date	Tenor	Face value				As at 30 June 2017			Percentage in relation to		
		As at 01 July 2016	Purchased made during the year	Disposed / matured during the year	As at 30 June 2017	Carrying value	Market value	Appreciation / (diminution)	Market Value as percentage of total investments	Market Value as percentage of net assets	Effective rate of return
Rupees											
(%)											
<i>Market treasury bills</i>											
12-May-16	3 months	18,000,000	-	(18,000,000)	-	-	-	-	-	-	
13-Apr-17	3 months	-	12,000,000	-	12,000,000	11,990,286	11,990,208	(78)	5.41	5.76	
19-Jan-17	3 months	-	10,000,000	(10,000,000)	-	-	-	-	-	-	
4-Aug-16	3 months	-	18,000,000	(18,000,000)	-	-	-	-	-	-	
27-Oct-16	3 months	-	18,000,000	(18,000,000)	-	-	-	-	-	-	
Total as at 30 June 2017		18,000,000	58,000,000	(64,000,000)	12,000,000	11,990,286	11,990,208	(78)			
Total as at 30 June 2016		10,000,000	68,000,000	(60,000,000)	18,000,000	17,897,271	17,901,954	4,683			

5.2.1 The outstanding treasury bill has a maturity period of 3 months (2016: 3 months).

5.3 Unrealized (diminution) / appreciation in value of investments at fair value through profit or loss - net

	Note	2017 ----- Rupees -----	2016
Market value of investments		221,458,116	211,865,587
Carrying value of investments		(245,331,313)	(211,519,556)
		<u>(23,873,197)</u>	<u>346,031</u>

6 Dividend and profit receivable - unsecured, considered good

	Note	2017	2016
Dividend receivable	6.1	346,292	362,516
Profit accrued on bank deposits		16,305	20,191
		<u>362,597</u>	<u>382,707</u>

6.1 This includes dividend receivable on bonus shares amounting to Rs. 5,891 (2016: 3,516), withheld by investee companies due to facts as stated in note 5.1.1.

	Note	2017 ----- Rupees -----	2016
7 Advances, deposits, prepayments and other receivables			
Advance Tax deducted		646,374	262,177
Other receivable from Management Company		211,363	211,363
Prepaid Annual Fee of CDC		12,956	13,035
Security Deposits with CDC		237,500	237,500
		<u>1,108,193</u>	<u>724,075</u>

8 Remuneration payable to First Capital Investment Limited - Management Company

	Note	2017	2016
Remuneration payable to the Management Company	8.1	1,162,973	316,360
Punjab Sales Tax on remuneration to the Management Company	8.2	151,186	50,618
Federal Excise Duty on remuneration to the Management Company	8.3	3,713,448	3,713,448
		<u>5,027,607</u>	<u>4,080,426</u>

8.1 Under the provisions of the NBFC Regulations 2008, the Management Company of the Fund is entitled to an accrued remuneration of an amount not exceeding two percent per annum of the average annual net assets of the Fund. Management Company has charged remuneration at 2% per annum based on the daily net assets of the Fund during the year ended 30 June 2017. Remuneration is paid to the Management company in arrears on a monthly basis.

8.2 The Provincial Government of Punjab levied Punjab Sales Tax at the rate of 16% on the remuneration of the Management Company through the Punjab Sales Tax on Services Act, 2012 effective from 01 July 2012.

8.3 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from 13 June 2013. The

Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on 4 September 2013.

While disposing the above petition through order dated 16 July 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from 01 July 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Further, on 30 June 2016 the Court has passed a Judgment that after 18th amendment in Constitution of Pakistan the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of FED after 1 July 2011 is Ultra Vires to the Constitution of Pakistan. Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

In view of uncertainty regarding the applicability of FED on asset management services, the management as a matter of abundant caution, has not reversed the provision of FED amounting to Rs. 3.713 million (2016: Rs. 3.713 million) as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan ("the Honorable SCP") against the Judgment passed by the Court. Had the said provision of FED not been recorded in the books of account of the Fund, the net asset value per unit of the Fund would have been higher by Rs. 0.2236 per unit (2016: 0.2254 per unit).

	<i>Note</i>	2017 ----- Rupees -----	2016 -----
9 Other payables			
Accounting & operational charges		217,940	-
Sindh Sales Tax on accounting & operational charges		17,435	-
Sales load payable		10,000	-
		<u>245,375</u>	<u>-</u>
10 Remuneration payable to Central Depository Company of Pakistan Limited - Trustee			
Remuneration to the Trustee	10.1	57,534	57,377
Sindh Sales tax on remuneration to the Trustee	10.2	7,479	8,033
		<u>65,013</u>	<u>65,410</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily Net Assets Value of the Fund. The fee is paid to the Trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at 30 June 2017 is as follows:

Net Assets Value	Tariff per annum
Upto Rs 1,000 million	Rs 0.70 million or 0.20% per annum of net assets of the Fund, whichever is higher
Exceeding Rs 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets of the Fund, on amount exceeding Rs 1,000 million

10.2 As per Sindh Finance Act 2016, the Sindh Government levied sales tax at the rate of 13% (2016: 14%) on asset management services including services in capacity of Trustee.

11 Annual fee payable to Securities and Exchange Commission of Pakistan

Under the provisions of the NBFC Regulations a CIS categorized as an equity scheme is required to pay annual fee to SECP, an amount equal to 0.095% (2016: 0.095%) of the average annual net assets of the Fund.

	<i>Note</i>	2017	2016
		-----	-----
		Rupees	
12 Accrued expenses and other liabilities			
Auditors' remuneration		691,200	717,500
Listing fees payable		60,000	30,000
Withholding & Capital Gain Tax payable		208,962	75,470
Transaction costs payable		3,000	1,368
Printing charges payable		18,750	-
Sindh Sales Tax payable	11.1	390	-
Other payable		-	17,795
		982,302	842,133

13 Unclaimed dividend

This mainly includes an amount of Rs. 8.81 million (2016: Rs. 6.42 million) not paid to Salman Taseer (Late) due to pending adjudication for issuance of succession certificate before the Honorable Lahore High Court.

14 Provision for Workers' Welfare Fund

The Finance Act, 2008 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 Court 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 01 July 2015.

On 10 November 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 Court. 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 Court 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 01 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.

The net effect of the above adjustment has been incorporated in the financial statements during the year and has resulted in an increase in the net asset value per unit of the Fund by Rs. 0.4941 per unit.

15 Contingencies and commitments

15.1 The Fund had no contingency or commitment at the year end except as disclosed in note 5.1.1

	2017	2016
	----- Rupees -----	
16 Number of units in issue		
Total units in issue at the beginning of the year	16,475,941	22,075,084
Add: units issued during the year	698,716	221,093
Less: units redeemed during the year	(570,560)	(5,820,236)
Total units in issue at the end of the year	<u>16,604,097</u>	<u>16,475,941</u>

17 Securities transaction costs

This represents brokerage commission, Sindh Sales Tax, Capital Value Tax and settlement charges relating to sale and purchase of equity securities.

	2017	2016
	----- Rupees -----	
18 Auditors' remuneration		
Annual audit fee	550,000	550,000
Half yearly review fee	330,000	330,000
Other certifications and services	20,000	75,000
Punjab Sales Tax	100,321	147,750
Out of pocket expenses	45,000	41,000
Reversal of prior year audit expense	(46,121)	-
	<u>999,200</u>	<u>1,143,750</u>

19 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 realised or unrealised is distributed to the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, hence no provision for taxation has been made in these financial statements.

20 Total Expense Ratio

"In the current period, Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund.

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 Government levies, WWF and the SECP Fee etc. TER of the Fund including and excluding Government levies, WWF and the SECP Fee etc is 3.97% per annum (2016: 4.12% per annum) and 3.40% per annum (2016: 3.19% per annum) respectively."

21 Earnings per unit

Earnings per unit (EPU) have not been disclosed as in the opinion of the management, determination of weighted average number of outstanding units for calculating EPU is not practicable.

22 Transactions with connected persons / related parties

Connected persons include the Management Company, 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 Directors and Key Management Personnel of the Management Company as at 30 June 2017.

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 and Trust Deed respectively as disclosed in note 8 and 9 to these financial statements.

22.1 Transactions for the year

	2017	2016
	----- Rupees -----	
The Management Company		
Remuneration charged for the year	4,358,786	4,011,804
Punjab Sales Tax on remuneration of the Management Company*	697,406	744,591
FED charged on remuneration of the Management Company*	-	641,889
Remuneration paid	3,512,173	-
Dividend paid	13,901,147	10,200,916
Issuance of 322,609 Units (2016: 587)	4,500,000	6,518
Redemption of 158,391 (2016: 263,687) units	2,014,594	263,687

* Punjab Sales Tax and FED is paid / payable to the Management Company for onwards payment to the Government. However, FED for the year is not recognised due to reasons more fully explained in note 8.3.

First Capital Mutual Fund



Trustee	<i>Note</i>	2017	2016
		----- Rupees -----	
Remuneration charged for the year		700,000	700,000
Remuneration paid		699,843	-
Sindh Sales Tax on remuneration of the Trustee		91,000	98,000
Settlement charges inclusive of Sindh Sales Tax		3,000	74,570
Sindh Sales Tax on settlement charges		390	9,695
CDS Fee paid		76,275	-
CDS Fee amortised during the year		76,390	-
First Capital Equities Limited - Group Company			
Brokerage commission		119,324	22,085
Dividend paid		2,295	1,632
First Capital Securities Corporation Limited - Group Company			
Issuance of 162,973 Units (2016: Nil)		2,300,000	-
Redemption of 162,973 (2016: Nil) units		2,354,025	-
Dividend paid	-	429,204	305,137
Al - Hoqani securities and Investments Corporation (Private) Limited			
Dividend paid	21.1.1	-	594,103
Redemption of Nil units (2016: 3,082,860 units)		-	36,894,043
Sulaiman Ahmed Saeed Al Hoqani			
Redemption of Nil units (2016: 2,211,821 units)	21.1.1	-	26,460,434
Dividend paid		2	875,259

21.1.1 During the year 2016 Al-Hoqani Securities and Investments Corporation (Private) Limited and Sulaiman Ahmed Saeed Al-Hoqani were connected persons due to their more than 10% unitholding in the Fund. However, they were not connected person as at the year end since they disposed of their entire unitholding in the last year.



	<i>Note</i>	2017	2016
		----- Rupees -----	
Salman Taseer (Late) - Holder of more than 10% units of the Fund			
Dividend declared		2,683,138	1,906,475
Word Press (Private) Limited			
Printing charges		-	87,857
22.2 Outstanding balances as at year end			
The Management Company			
Remuneration payable inclusive of taxes thereon		5,027,607	4,080,426
Other receivable		211,363	211,363
Units held: 11,110,915 units (2016: 10,946,697 units)		139,285,323	129,171,027
Trustee			
Remuneration payable inclusive of taxes thereon		65,013	65,410
Security deposit		237,500	237,500
Settlement charges payable inclusive of taxes thereon		3,390	1,368
Prepaid Fee		12,956	13,035
First Capital Equities Limited - Group Company			
Units held: 1,793 units (2016: 1,793 units)		22,477	21,152
First Capital Securities Corporation Limited - Group Company			
Units held: 335,316 units (2016: 335,316 units)		4,203,483	3,955,656
Sulaiman Ahmed Saeed Al Hoqani			
Units held: 2 units (2016: 2 units)	21.1.1	29	27
Salman Taseer (Late) - Holder of more than 10%			
Units held: 2,096,201 units (2016: 2,096,201 units)		26,277,771	24,728,464
Key management personnel of the Management Company			
Units held: 602 units (2016: 602 units)		7,549	14,203

23 Detail of Pattern of Unit Holding

Category	2017			
	Number of unit holders	Number of Units held	Investment amount	Percentage
	----- Rupees -----			
Individuals	1,943	4,016,526	50,350,834	24.19%
Associated companies / Directors	6	11,449,228	143,526,575	68.95%
Bank/DFI	11	56,949	713,914	0.34%
Retirement Funds	2	15,893	199,228	0.10%
Others	16	1,065,501	13,357,028	6.42%
	1,978	16,604,097	208,147,579	100%

Category	2016			
	Number of unit holders	Number of Units held	Investment amount	Percentage
	----- Rupees -----			
Individuals	1,910	3,947,513	46,567,984	23.96%
Associated companies / directors	7	11,285,628	133,134,183	68.50%
Banks and DFIs	5	20,199	238,290	0.12%
NBFCs	1	47,515	560,524	0.29%
Modaraba	4	35,694	421,071	0.22%
Retirement funds	2	15,893	187,482	0.10%
Public limited companies	2	105,397	1,243,346	0.64%
Others	14	1,018,102	12,010,338	6.18%
	1,945	16,475,941	194,363,218	100%

24 Particulars of the Investment Committee and Fund Manager

Details of members of the Investment Committee of the Fund are as follows:

Sr. No.	Name	Designation	Qualification	Experience in years
1	Imran Hafeez	Chief Executive Officer	"Affiliate of ICAP Associate member of PIPFA"	"14 Years"
2	Syed Asad Abbas Zaidi	Chief Financial Officer	Master of Business Administration	11 Years
3	Syed Ghazanfar Ali Bukhari	Chief Investment Officer / Fund Manager	Master of Economics	16 Years

24.1 No other fund is being managed by Mr. Syed Ghazanfar Ali Bukhari.

25 List of top ten brokers by percentage of commission paid

Broker's Name	2017	2016
First Capital Equities Limited	13.67%	8.81%
AKD Securities Limited	10.56%	8.41%
Ismail Iqbal Securities (Private) Limited	9.10%	8.28%
BMA Capital Management Limited	9.03%	8.34%
MSMANIAR Financials (Private) Limited	8.87%	8.33%
Next Capital Limited	8.79%	8.20%
Pearl Securities Limited	8.31%	8.29%
Arif Habib Limited	8.15%	8.32%
Fortune Securities Limited	8.10%	8.47%
Elixir Securities Pakistan (Private) Limited	4.42%	8.20%

26 Attendance at meetings of Board of Directors of Management Company

The board meetings were held on 30 September 2016, 28 October 2016, 28 February 2017, 29 April 2017, 14 June 2017. Information in respect of attendance by the directors in the meeting is given below:

Name of persons attending the meetings	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Syed Nadeem Hussain	5	4	1	4th
Mr. Imran Hafeez	5	5	-	-
Miss Myra Hussin Qureshi*	5	1	1	2nd
Mr. Jawad Saleem**	5	3	-	-
Mr. Asif Pervaiz	5	5	-	-
Syed Asad Abbas Zaidi	5	5	-	-
Mr. Abdul Sattar	5	5	-	-

*Miss Myra Hussain retired on 14 February 2017.

** Mr. Jawad Saleem elected in EOGM held on 14 February 2017.

27 Financial Risk Management

The Fund's objective in managing risk is the creation and protection of unit holder's value. Risk is inherent in the activities of the Fund, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies. The audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

27.1 Credit risk

Credit risk represents the risk of a loss that would be recognized at the reporting date if counterparties to a financial instrument fails to meet its contractual obligations. Credit risk arises from deposits with banks, credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments, deposits and other receivables and accrued income on bank deposits. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

Credit rating is managed and controlled by the Management Company of the Fund in the following manner:

- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimize the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

The Fund identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to

	Note	2017		2016	
		Carrying value of Financial Assets	Maximum exposure	Carrying value of Financial Assets	Maximum exposure
----- Rupees -----					
Bank balances including profit receivable	4	3,434,323	3,434,323	4,591,060	4,591,060
Dividend and profit receivable - unsecured, considered good	6	346,292	346,292	362,516	362,516
Deposits and other receivables	7	1,095,237	1,095,237	711,040	711,040
		<u>4,875,852</u>	<u>4,875,852</u>	<u>5,664,616</u>	<u>5,664,616</u>

Investments in equity securities of Rs. 209.44 million (2016: Rs. 193.96 million) and investments in Government securities of Rs. 11.99 million (2016: Rs. 17.90 million) are not exposed to credit risk.

27.1.1 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Details of Fund's concentration of credit risk of financial instruments by industrial distribution is as follows:

	2017		2016	
	Rupees	Percentage	Rupees	Percentage
Banking companies	3,434,323	73.63%	4,591,060	84.19%
Connected persons	883,874	18.95%	499,677	9.16%
Others	346,292	7.42%	362,516	6.65%
	<u>4,664,489</u>	<u>100%</u>	<u>5,453,253</u>	<u>100%</u>

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions the Fund mitigates its risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

27.1.1(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to cash deposits. These are neither past due nor impaired. Credit risk is considered minimal since the counterparties have reasonably high

credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Fund. Following are the credit ratings of counterparties with external credit ratings:

Banks and financial institutions

Bank	Rating		Rating Agency	2017	2016
	Long Term	Short Term		Rupees	Rupees
<i>Bank balances including profit receivable</i>					
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	3,394,778	4,567,842
NIB Bank Limited	AA-	A1+	PACRA	23,240	23,218
				<u>3,418,018</u>	<u>4,591,060</u>

27.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Fund is exposed to cash redemption of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by SECP.

Management of liquidity risk

The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its investments in marketable securities, which under normal circumstances are readily convertible into cash. As a result may be able to liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement is a T+2 system, which means proceeds from sales (to pay of redemptions) of holdings will be received on the second working day after the sale, while redemptions have to be paid within a period of six working days from the date of redemption request.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, the Fund did not withhold any redemption requests during the year.

Maturity analysis for financial liabilities

The table below indicates the contractual maturities of the Fund's financial liabilities at the reporting date. The amounts in the table are the contractual undiscounted cash flows as on :

		2017			
		Financial liabilities	Up to three months	More than three months and up to one year	Total
		----- Rupees -----			
<i><u>Non-derivative financial liabilities</u></i>					
Remuneration payable to the Management Company (excluding Punjab Sales Tax and FED)	8	1,162,973	1,162,973	-	1,162,973
Remuneration payable to Trustee (excluding Sindh Sales tax)	9	57,534	57,534	-	57,534
Annual fee payable to SECP	11	207,043	207,043	-	207,043
Unclaimed dividend		11,672,004	11,672,004	-	11,672,004
Accrued expenses and other liabilities	12	773,340	773,340	-	773,340
		<u>13,872,894</u>	<u>13,872,894</u>	-	<u>13,872,894</u>

		2016			
		Financial liabilities	Up to three months	More than three months and up to one year	Total
		----- Rupees -----			
<i><u>Non-derivative financial liabilities</u></i>					
Remuneration payable to the Management Company (excluding Punjab Sales Tax and FED)	8	316,360	316,360	-	316,360
Remuneration payable to Trustee (excluding Sindh Sales tax)	9	57,377	57,377	-	57,377
Annual fee payable to SECP	11	190,561	190,561	-	190,561
Unclaimed dividend		9,796,624	9,796,624	-	9,796,624
Accrued expenses and other liabilities	12	766,663	766,663	-	766,663
		<u>11,127,585</u>	<u>11,127,585</u>	-	<u>11,127,585</u>

27.3 Market risk

Market risk is the risk that the change in fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

Management of market risk

The Management Company manages the market risk through diversification of the investment portfolio by exposures and by following the internal guidelines established by the investment committee and regulations laid down by the SECP.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

27.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are

carried out in Pak Rupees.

27.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flows interest rate risk. In case of 100 basis points increase / decrease in market rates as at 30 June 2017 with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 0.034 million (2016: Rs. 0.046 million).

b) Fair value sensitivity analysis for fixed rate instruments

As at 30 June 2017 the Fund holds market treasury bills which are classified as financial assets at fair value through profit or loss exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by Financial Markets Association of Pakistan for market treasury bills as on 30 June 2017 with all other variables held constant, the net income for the year and net assets would have been lower / higher by Rs. 0.0167 million (2016: Rs. 0.0167 million).

27.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of investments held by the Fund in listed equity securities classified on the Statement of Assets and Liabilities as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within eligible stocks. The Fund's constitutive document / the NBFC Regulations also limit individual equity securities to no more than 10% of net assets of the Fund, or issued capital of the investee company and sector exposure limit to 30% of net assets.

Fair value sensitive analysis

In case of 5% increase / decrease in the KSE 100 index, net income for the year ended 30 June 2017 would increase / decrease by Rs. 10.41 million (2016: Rs. 9.72 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified at fair value though profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in KSE 100 Index having regard to historical volatility of the index. The composition of the Fund's investment portfolio and the correlation, thereof, to the KSE 100 Index is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2017 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 index.

28 Unit holder's fund risk management

The Fund's capital is represented by the net assets attributable to unit holders / redeemable units. The unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holder's fund.

The Fund has no restrictions or specific funding requirements on the subscription and redemption of units.



The Fund's objectives when managing unit holder's fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests. Such liquidity being augmented by disposal of investments where necessary.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of minimum fund size during the year.

29 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of underlying financial assets are determined based on requirement of regulation 66(a) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and directives if any issued by 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.

IFRS 13 'Fair Value Measurement' requires the Fund to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 30 June 2017	Note	Carrying amount				Fair value		
		Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
Rupees								
<i>Financial assets - measured at fair value</i>								
Investments								
- listed equity securities	5.1	209,467,908	-	-	209,467,908	209,467,908	-	209,467,908
- Government securities	5.2	11,990,208	-	-	11,990,208	-	11,990,208	11,990,208
<i>Financial assets - not measured at fair value</i>								
Bank balances	4	-	3,418,018	-	3,418,018	-	-	-
Dividend and profit receivable	6	-	362,597	-	362,597	-	-	-
Deposits and other receivables	7	-	883,874	-	883,874	-	-	-
		221,458,116	4,664,489	-	226,122,605	209,467,908	11,990,208	221,458,116

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Financial liabilities - not measured at fair value

Remuneration payable to Management Company	8.1	-	-	1,162,973	1,162,973	-	-	-
Remuneration payable to Trustee	10.1	-	-	57,534	57,534	-	-	-
Annual fee payable to Securities and Exchange Commission of Pakistan	11	-	-	207,043	207,043	-	-	-
-								
Accrued expenses and other liabilities	12	-	-	773,340	773,340	-	-	-
Unclaimed dividend		-	-	11,672,005	11,672,005	-	-	-
-		-	-	13,872,895	13,872,895	-	-	-

		Carrying amount				Fair value			
		Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total	
As at 30 June 2017									
Note		Rupees							
As at 30 June 2016									
<u>Financial assets - measured at fair value</u>									
Investments									
		5.1	193,963,633	-	-	193,963,633	193,963,633	-	193,963,633
			21,600	-	-	21,600	-	-	-
		5.2	17,901,954	-	-	17,901,954	-	17,901,954	17,901,954
<u>Financial assets - not measured at fair value</u>									
		4	-	4,570,869	-	4,570,869	-	-	-
		6	-	382,707	-	382,707	-	-	-
		7	-	448,863	-	448,863	-	-	-
			<u>211,887,187</u>	<u>5,402,439</u>	<u>-</u>	<u>217,289,626</u>	<u>193,963,633</u>	<u>17,901,954</u>	<u>211,865,587</u>
<u>Financial liabilities - not measured at fair value</u>									
		8.1	-	-	316,360	316,360	-	-	-
		10.1	-	-	57,377	57,377	-	-	-
		11	-	-	190,561	190,561	-	-	-
		12	-	-	766,663	766,663	-	-	-
			-	-	9,796,624	9,796,624	-	-	-
			<u>-</u>	<u>-</u>	<u>11,127,585</u>	<u>11,127,585</u>	<u>-</u>	<u>-</u>	<u>-</u>



30 Non-adjusting event after the reporting period

The Board of Directors of the Management Company in the meeting held on 03 October 2017 have approved a final distribution of Rs. 0.38 per unit (2016: Rs. 0.76) for the year ended 30 June 2017. The financial statements of the Fund for the year ended 30 June 2017 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending 30 June 2018.

31 Date of authorization for issue

These financial statements were authorized for issue on 03 October 2017 by the Board of Directors of the Management Company.

32 General

Figures have been rounded off to the nearest rupee.

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

Chief Executive

Director



PERFORMANCE TABLE

	2017	2016	2015	2014
Net assets (Rupees)	208,147,579	194,363,218	264,232,211	312,425,952
Number of units	16,604,097	16,475,941	22,075,084	28,481,812
Net asset value per unit (Rupees)	12.5359	11.7968	11.9697	10.9693
Redemption Price Per unit (Rupees)	12.5359	11.7968	11.9697	10.9693
Offer price per unit (Rupees)	12.7866	12.0327	12.2091	-
Highest redemption price per unit (Rupees)	14.9162	12.7562	12.9791	12.0222
Lowest redemption price per unit (Rupees)	11.7629	9.8409	10.2006	9.1101
Highest offer price per unit (Rupees)	15.2145	13.0113	13.2387	-
Lowest offer price per unit (Rupees)	11.7629	10.0377	10.4046	-
First Interim dividend distribution per unit (Rupees)	0.52	-	0.71	0.075
Second Interim dividend distribution per unit (Rupees)	-	-	-	0.06
Final dividend distribution per unit	0.38	0.76	0.91	-
Distribution Date - First Interim Dividend	1-Mar-17	-	13-Mar-15	14-Feb-14
Distribution Date - Second Interim Dividend	-	-	-	25-Jun-14
Distribution Date - Final Dividend	3-Oct-17	30-Sep-16	5-Oct-15	
Distribution (%)	10.85%	7.60%	6.47%	12.64%
Capital growth (%)	6.27%	-1.44%	9.12%	8.53%
Total return (%)	17.12%	6.16%	15.59%	21.16%

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

First Capital Mutual Fund
PATTERN OF UNIT HOLDING
FOR THE YEAR ENDED 30 JUNE 2017



June 30, 2017

Category	Number of unit holders	Units held	Investment amount	Percentage
Individuals	1,943	4,016,526	50,350,834	24.19%
Associated companies / directors	6	11,449,228	143,526,575	68.95%
Retirement funds	2	15,893	199,228	0.10%
Public limited companies	2	940	11,783	0.01%
others	25	1,121,510	14,059,159	6.75%
Total	1,978	16,604,097	208,147,579	100.0%

14.1 Details of pattern of unit holding

June 30, 2017

Category	Number of unit holders	Units held	Investment amount	Percentage
Individuals	1,943	4,016,526	50,350,834	24.19%
Associated companies / directors	6	11,449,228	143,526,575	68.95%
Banks and DFI's	5	20,199	253,219	0.12%
NBFC's	2	47,515	595,642	0.29%
Modarba	4	35,694	447,453	0.21%
Retirement funds	2	15,893	199,228	0.10%
Public limited companies	2	940	11,783	0.01%
Others	14	1,018,102	12,762,845	6.13%
Total	1,978	16,604,097	208,147,579	100.0%

From	To	No. of Investors	No. of Units
Less Than 1		13	7.9950
1	1000	1787	248,056.1331
1001	5000	106	216,262.1313
5001	10000	26	175,942.2267
10001	50000	38	914,414.1321
50001	100000	2	122,063.2400
100001	500000	3	707,839.9876
500001	1000000	0	-
1000001	5000000	2	3,108,595.8825
5000000	10000000	0	-
10000001	100000000	1	11,110,915.28
TOTAL		1978	16,604,097.0058



PATTERN OF UNIT HOLDING AS PER LISTING REGULATIONS AS AT 30 JUNE 2017

Categories of Unitholders	No. of Unit holders	Number of Units Held
Associated Companies, undertakings and related parties		
FIRST CAPITAL EQUITIES LIMITED	1	1,793.1405
FIRST CAPITAL SECURITIES CORPORATION LIMITED	1	335,315.6206
Ms. FIRST CAPITAL INVESTMENTS LTD.	1	11,110,915.2775
Mutual Funds		
Directors and their spouse(s) and minor children		
IMRAN HAFEEZ	1	586.8425
MYRA HUSAIN QURESHI	1	15.3400
NADEEM HUSSAIN	1	602.1825
Executives		
Public Sector Companies and Corporations		
	15	16,832.5195
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds		
	13	107,942.1075
Foreign Investor		
	1	1,013,568.1575
Others		
	0	-
General Public Local		
	1943	4,016,525.8177
TOTAL	1978	16,604,097.0058

Unit holders holding 5% or more	No. Unit holders	No. of Units
FIRST CAPITAL INVESTMENTS LTD.	1	11,110,915.28
SALMAN TASEER (LHR)	1	2,095,027.73
SISLEY GROUP COMPANY LIMITED	1	1,013,568.16