

First Capital Mutual Fund Limited



**Condensed Interim Financial Information
for the nine months ended**

**March 31, 2013
(Un-audited)**

First Capital Mutual Fund Limited



MISSION

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

VISION

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



COMPANY INFORMATION

Board of Directors	Aamna Taseer (Chairman)	Non-Executive
	Shahzad Jawahar (CEO)	Executive
	Syed Nadeem Hussain	Independent
	Syed Adnan Ali Zaidi	Independent
	Syed Gazanfar Ali Bukhari*	Executive
	Sulaiman Ahmed Saeed Al-Hoqani	Non-Executive
	Imran Hafeez*	Non-Executive
	Syed Etrat Hussain Rizvi (Alternate Director to Mr. Sulaiman Ahmed Saeed Al-Hoqani)	
Chief Financial Officer	Syed Asad Abbas Ali Zaidi	
Audit Committee	Syed Nadeem Hussain (Chairman)	
	Aamna Taseer	
	Syed Adnan Ali Zaidi	
Company Secretary	Tariq Majeed	
Investment Committee	Shahzad Jawahar	
	Syed Ghazanfar Ali Bukhari	
	Syed Asad Abbas Ali Zaidi	
Auditors	A.F. Ferguson & Co. Chartered Accountants	
Legal Adviser	Mazhar Law Associates Advocates & Solicitors	
Custodian	Central Depository Company of Pakistan Limited ("CDC")	
Registered Office	2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan. Tel: (042) 36623005/6/8 Fax: (042) 36623121-36623122	
Asset Management Company	First Capital Investments Limited 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan.	
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi Tel: + 92 21 111-000-322	

*Subject to approval of SECP



Directors' Review

The Directors of First Capital Mutual Fund Limited ("the fund") are pleased to present the financial statements for the nine months period ended 31 March 2013.

Performance Review

Operating Results

The operating results for the nine months and quarter ended 31 March 2013 are summarized as follows:

All figures in Rs.

	Nine months ended March 31		Quarter ended March 31	
	2013	2012	2013	2012
Capital gain/(loss) on listed securities realized	15,315,160	2,204,994	7,143,720	(93,902)
Unrealized gain/(loss) on revaluation of investments at fair value through profit or loss net	13,245,873	8,523,308	(1,979,423)	25,338,536
Return on Market Treasury Bills	3,472,947	9,713,920	313,172	3,160,527
Dividend income	17,905,223	10,484,276	8,858,704	5,077,329
Profit on bank deposits	377,262	962,361	78,620	187,993
Operating expenses	7,731,771	10,415,941	2,361,199	2,905,986
Profit/(Loss) after tax	42,489,251	20,733,450	12,053,594	30,225,530
Earnings/(Loss) per share - basic & diluted	1.42	0.69	0.40	1.01
	March 31, 2013	December 31, 2012	June 30, 2012	
Net assets value - per share	10.03	9.63	9.26	
KSE-100 Index	18,043.31	16,905.33	13,801.41	

The fund reported a net profit of Rs. 42.49 million as against net profit of Rs. 20.73 million in the corresponding period last year. Realized Capital gain tuned in at Rs. 15.32 million, 6.96 times higher YoY as compared to Rs. 2.20 million in the previous period. There is unrealized capital gain of Rs. 13.25 million against unrealized gain of Rs. 8.52 million in the same period last year. During the period under review, the fund recognized return on Treasury bills of Rs. 3.47 million as compared to Rs. 9.71 million in comparable period last year. The dividend income tuned in at Rs. 17.91 million for the period under review. The earnings per share of the fund are Rs. 1.42 as compared to earnings per share of Rs 0.69, an increase of 105.80% YoY.

NAV has increased by 8.32% during the period from Rs. 9.26 per share at 30 June 2012 to Rs.10.03 per share (Ex-dividend NAV) at 31 March 2013. Fund had also made payment of dividend of Rs. 0.65 per share during the period which also asserted some pressure over NAV. The cum-dividend return of fund is 15.34% while the benchmark index has surged by 30.74% during the period. During the quarter ended 31 March 2013, the fund had posted a return of 4.15% as compared to 6.73% growth in benchmark index. The fund had followed the conservative approach and invested only in blue chip low risk stocks. Furthermore, the fund has adopted policy of "Buy and Hold" and avoided the over trading of the stocks which is further evident from the fact that the securities transaction cost is just 2.19% of total realized capital gain of Rs. 15.32 million for the nine months period ended 31 March 2013.

The investments were mainly concentrated in the dividend yielding stocks which is supported by the fact that



the dividend income has been increased by 70.78%. Furthermore, the Fund had also increased its exposure in equity instruments during the period as opposed to previously significant exposure in T-bills as at 30 June 2012.

The mix of investments is shown below:

(as % of total assets)	Equity	T-Bills and Bank deposits
31 March 2013	74.65%	23.01%
31 December 2012	88.43%	11.37%
30 June 2012	55.71%	44.18%

Future Outlook

As the KSE gained 30.74% during the nine months period ended 30 March 2013 while currently the market is valued at 7.3 times estimated earnings on average and offering 7.1% dividend yield, it is expected that market will take its future direction mainly on the basis of political scenarios. The expected change of democratic setup in the upcoming elections is keeping alive the interest of investors. On the other side, depleting FX reserves and depreciation in the value of Pak rupee are the key concerns prevailing over the minds of investor. The fresh financing from IMF will be the key event which will shape up the economy.

The major factors that will drive the market in future are foreign investor's activity, developments in upcoming elections and new IMF package.

Equity Market Review

In spite of challenging economic environment on account of rampant energy crisis and heightened security concerns, Pakistan's equity market witnessed a bull run during 9MFY13. Major impetus to the market came from substantial reduction in the policy rate to 6.5 year low at 9.5%. Besides improving earning outlook, reduction in the policy rate has also facilitated funds flows away from government securities to equity markets amongst others. Other factors that foster positive sentiment was hope of change in political set-up ahead of May elections and strong foreign flows. Subsequently, the benchmark KSE100 index posted a robust gain of 31% (26% in US\$ terms) during 9MFY13.

Hoping change in the political setup along with strong foreign flows were the major drivers of Pakistan equity market in 1Q2013. The heightened investors' confidence is also attributed to significant reduction in the policy rate that has facilitated the funds flows towards equity market. The benchmark KSE100 posted a gain of 6% (5% in US\$ terms) during the quarter to close at 18,043 and overall market capitalization reached Rs4.4tn (US\$45.2bn). Though the index made a new high of 18,185 (March 01, 2013), market capitalization is still 7% (40% in US\$ term) down from its record high of Rs4.8tn (US\$74.9bn) achieved on April 18, 2008.

Pre-elections positive sentiments, declining trend in inflation, attractive valuations and expected change of faces at parliament cheered up the investors and bourse posted a stellar return. On the other hand, the key risks prevailing over the investors at KSE are deteriorating FX reserves, widening fiscal deficit and uncertainty over the re-entry timing into a fresh IMF loan programme.



Performance Rating

The Fund has been assigned a MFR of 3- Star ranking (short term) and 2- Star ranking (long term) for the year ended June 30, 2012 by Pakistan Credit Rating Agency Limited (PACRA) in the category of closed end equity funds.

Conversion of Fund in to Open end or winding up

An extra-ordinary general meeting of the shareholders of FCMF was convened on 31 January 2013, where the shareholders unanimously approved the conversion of fund in to an open end scheme. An application has been submitted to Securities and Exchange Commission of Pakistan for approval of scheme of conversion. The Asset Management Company has filed an application to Securities and Exchange Commission for grant of license to manage an Open-End fund; both applications are under process with SECP.

Declaration by Directors

As required under the Non Banking Finance Companies and Notified Entities Regulations, 2008 the Directors of Asset Management Company state that the financial statements of the fund for the nine months period ended 31 March 2013 give a true and fair view of the fund.

Acknowledgement

We are obliged to our shareholders and all other stakeholders for their support & confidence in the Fund and would like to thank the Securities and Exchange Commission of Pakistan and the Stock Exchanges for their guidance and support.

For and on behalf of the Board

Lahore
April 26, 2013

Aamna Taseer
Chairman

Shahzad Jawahar
Chief Executive Officer



Condensed Interim Statement of Assets & Liabilities
As at March 31, 2013

Note	(Un-Audited)	(Audited)
	March 31, 2013	June 30, 2012
	Rupees	Rupees
Assets		
Current assets		
	11,514,531	5,655,579
Bank balances		
Investments at fair value through profit or loss	4 286,616,550	280,234,052
Receivable against sale of investments	241,207	12,322
Dividend, prepayments and other receivables	6,773,300	187,507
	305,145,588	286,089,460
Non-current assets		
Long-term deposit	137,500	137,500
TOTAL ASSETS	305,283,088	286,226,960
LIABILITIES		
Current liabilities		
Due to management company - an associated company	1,175,627	5,296,607
Payable against purchase of investments	-	16,514
Accrued expenses and other liabilities	232,521	721,629
Unclaimed dividend	3,068,139	1,784,244
Income tax payable	18,119	608,535
	4,494,406	8,427,529
NET ASSETS	300,788,682	277,799,431
SHARE HOLDER'S EQUITY		
Authorized capital		
35,000,000 (June 30, 2012: 35,000,000) ordinary shares of Rs 10 each	350,000,000	350,000,000
Issued, subscribed and paid-up capital		
30,000,000 (June 30, 2012: 30,000,000) ordinary shares of Rs 10 each	300,000,000	300,000,000
Accumulated profit/(loss)	788,682	(22,200,569)
	300,788,682	277,799,431
Contingencies and commitments	-	-
	300,788,682	277,799,431
Net assets value per share	10.03	9.26

The annexed notes 1 to 9 form an integral part of this condensed financial information.

Lahore

Chief Executive

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Director



Condensed Interim Income Statement (Un-audited)
For the nine months and quarter ended March 31, 2013

Note	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2013	2012	2013	2012
	Rupees	Rupees	Rupees	Rupees
Income				
Capital gain/(loss) on sale of investments - net	15,315,160	2,204,994	7,143,720	(93,902)
Unrealized gain/(loss) on re-measurement of investments at fair value through profit and loss - net	4 13,245,873	8,523,308	(1,979,423)	25,338,536
Income on market treasury bills	3,472,947	9,713,920	313,172	3,160,527
Income on bank deposits	377,262	962,361	78,620	187,993
Dividend income	17,905,223	10,484,276	8,858,704	5,077,329
Liabilities written back	37,491	-	-	-
	50,353,956	31,888,859	14,414,793	33,670,483
Operating expenses				
Remuneration to management company	4,377,137	3,893,474	1,504,288	1,317,457
Sales tax on remuneration to management company	700,340	-	240,685	-
Fee to custodian - Central Depository Company of Pakistan Limited (CDC)	225,577	1,205,416	29,219	323,526
Auditors' remuneration	297,163	190,813	19,835	15,813
Fees and subscription	480,857	300,051	188,619	62,579
Legal and professional charges	353,362	204,667	96,492	-
Securities transaction cost	334,676	4,166,875	54,268	1,173,684
Printing and postage	737,096	365,800	199,612	-
Travelling expenses	135,662	-	22,475	-
Bank charges	24,901	88,845	5,706	12,927
Advances written off	65,000	-	-	-
	7,731,771	10,415,941	2,361,199	2,905,986
Income before taxation	42,622,185	21,472,918	12,053,594	30,764,497
Taxation	132,934	739,468	-	538,967
Income after taxation	42,489,251	20,733,450	12,053,594	30,225,530
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	42,489,251	20,733,450	12,053,594	30,225,530
Earnings per share	1.42	0.69	0.40	1.01

The annexed notes 1 to 9 form an integral part of this condensed financial information.

Lahore

Chief Executive

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Director



Condensed Interim Cash Flow Statement (Un-audited)
For the nine months and quarter ended March 31, 2013

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2013	2012	2013	2012
	(Rupees)		(Rupees)	
Cash flows from operating activities				
Net income before taxation	42,622,185	21,472,918	12,053,594	30,764,497
Adjustment for non-cash and other items:				
- Capital (gain)/loss on sale of investments - net	(15,315,160)	(2,204,994)	(7,143,720)	93,902
- Unrealized (gain)/loss on re-measurement of investments at fair value through profit and loss - net	(13,245,873)	(8,523,308)	1,979,423	(25,338,536)
- Income on market treasury bills	(3,472,947)	(9,713,920)	(313,172)	(3,160,527)
- Dividend income	(17,905,223)	(10,484,276)	(8,858,704)	(5,077,329)
- Liabilities written back	(37,491)	-	-	-
- Remuneration to management company	5,077,477	3,893,474	1,744,973	1,317,457
- Advances written off	65,000	-	-	-
Operating cash flows before working capital changes	(2,212,032)	(5,560,106)	(537,606)	(1,400,536)
Decrease / (increase) in assets				
Investments at fair value through profit and loss	25,651,482	(23,501,736)	9,518,372	(24,984,205)
Receivable against sale of investments and other receivables	(349,559)	1,701,943	37,112	7,860,701
	25,301,923	(21,799,793)	9,555,484	(17,123,504)
(Decrease) / increase in liabilities				
Payable against purchase of investments and other liabilities	(468,131)	(6,231,911)	(218,941)	(5,987,150)
Cash generated from / (used) in operations	22,621,760	(33,591,810)	8,798,937	(24,511,190)
Remuneration paid to management company	(9,198,457)	(5,008,853)	(3,338,037)	-
Taxes paid	(828,269)	(1,778,206)	(52,181)	312,717
Dividend received	11,480,023	5,994,867	2,303,754	425,306
Net cash inflow / (outflow) from operations	24,075,057	(34,384,002)	7,712,473	(23,773,167)
Cash flows from financing activities				
Dividend paid	(18,216,105)	-	(67,615)	-
Net cash used in financing activities	(18,216,105)	-	(67,615)	-
Net (decrease)/increase in cash and cash equivalents	5,858,952	(34,384,002)	7,644,858	(23,773,167)
Cash and cash equivalents at the beginning of the period	5,655,579	36,186,688	3,869,673	25,575,853
Cash and cash equivalents at the end of the period	11,514,531	1,802,686	11,514,531	1,802,686

The annexed notes 1 to 9 form an integral part of this condensed financial information.



Condensed Interim Statement of Changes in Equity (un-audited)
For the Nine months and quarter ended March 31, 2013

	Share capital	Accumulated profit/(loss) Rupees	Total Rupees
Balance as at January 01, 2012	300,000,000	(52,273,413)	247,726,587
Total comprehensive income for the quarter ended March 31, 2012	-	30,225,530	30,225,530
Balance as at March 31, 2012	300,000,000	(22,047,883)	277,952,117
Balance as at July 01, 2011	300,000,000	(42,781,333)	257,218,667
Total comprehensive income for the nine months ended March 31, 2012	-	20,733,450	20,733,450
Balance as at March 31, 2012	300,000,000	(22,047,883)	277,952,117
Balance as at January 01, 2013	300,000,000	(11,264,912)	288,735,088
Total comprehensive income for the quarter ended March 31, 2013	-	12,053,594	12,053,594
Balance as at March 31, 2013	300,000,000	788,682	300,788,682
Balance as at July 01, 2012	300,000,000	(22,200,569)	277,799,431
Total comprehensive income for the nine months ended March 31, 2013	-	42,489,251	42,489,251
Final dividend for the year ended June 30, 2012 @ 6.5%	-	(19,500,000)	(19,500,000)
Balance as at March 31, 2013	300,000,000	788,682	300,788,682

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.



Condensed Interim Distribution Statement (Un-audited)
For the nine months and quarter ended March 31, 2013

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2013	2012	2013	2012
	(Rupees)		(Rupees)	
Accumulated loss brought forward				
Realized loss	(37,863,909)	(63,937,612)	(42,153,548)	(56,614,464)
Unrealized income	15,663,340	21,156,279	30,888,636	4,341,051
	<u>(22,200,569)</u>	<u>(42,781,333)</u>	<u>(11,264,912)</u>	<u>(52,273,413)</u>
Less: Final cash dividend for the year ended June 30, 2012 @ 6.5% (June 30, 2011: Nil)	(19,500,000)	-	-	-
Net income for the period	42,489,251	20,733,450	12,053,594	30,225,530
Accumulated income/(loss) carried forward	<u>788,682</u>	<u>(22,047,883)</u>	<u>788,682</u>	<u>(22,047,883)</u>
Accumulated income/(loss) comprises of:				
Realized loss	(28,120,531)	(51,727,470)	(28,120,531)	(51,727,470)
Unrealized income	28,909,213	29,679,587	28,909,213	29,679,587
	<u>788,682</u>	<u>(22,047,883)</u>	<u>788,682</u>	<u>(22,047,883)</u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

LAHORE

CHIEF EXECUTIVE

DIRECTOR



**Condensed Interim Statement of Movement in
Equity and Reserves - Per Share (Un-audited)**
For the nine months and quarter ended March 31, 2013

	Nine Months ended		Three Months ended	
	March 31,		March 31,	
	2013	2012	2013	2012
	Rupees		Rupees	
Net assets value per share at the beginning of the period	9.26	8.57	9.62	8.25
Movement in net assets value per share from operating activities				
Capital gain/(loss) on sale of investments - net	0.51	0.07	0.24	(0.00)
Unrealized gain/(loss) on re-measurement of investments at fair value through profit or loss - net	0.44	0.28	(0.07)	0.84
Income on market treasury bills	0.12	0.32	0.01	0.12
Dividend income	0.60	0.35	0.30	0.17
Other operating income	0.01	0.03	0.00	0.01
Operating expenses	(0.26)	(0.35)	(0.08)	(0.10)
Net increase / (decrease) in net assets value per share from operating activities	1.42	0.72	0.40	1.04
Movement in net assets value per share from financing activities				
Final cash dividend for the year ended June 30, 2012 @ 6.5% (June 30, 2011: Nil)	(0.65)	-	-	-
Net assets value per share at the end of the period	<u>10.03</u>	<u>9.29</u>	<u>10.03</u>	<u>9.29</u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

LAHORE

CHIEF EXECUTIVE

DIRECTOR



Notes to the Condensed Interim Financial Information
(Un-audited)

For the nine months and quarter ended March 31, 2013

1 Legal status and nature of business

First Capital Mutual Fund Limited (the "Fund") was incorporated in Pakistan on January 08, 1995 as a public limited company under the Companies Ordinance, 1984, having registered office at 2nd Floor, Pace Shopping Mall, Lahore-Cantt., Lahore. The Fund commenced its operations on March 14, 1995. The Fund is listed on Karachi and Lahore Stock Exchanges. It is registered with the Securities and Exchange Commission of Pakistan (SECP) as an Investment Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (The NBFC Rules). The Fund is registered as Notified Entity under the Non Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations). The object of the Fund is to carry on the business of a close end mutual fund and to invest its assets in securities, which are listed or unquoted securities unless an application for listing of such securities has been accepted by the stock exchanges.

The Fund has an agreement with First Capital Investments Limited (the "Management Company"), an associated company, to provide asset management services. First Capital Investments Limited is duly licensed under the NBFC Rules to provide asset management services to closed-end funds only. The Central Depository Company of Pakistan Limited is the custodian of the Fund.

The Management Company has been assigned rating of "AM4+" by Pakistan Credit Rating Agency (PACRA). The Fund has been assigned long term credit rating at "2 Star", while normal credit rating has been assigned at "3 Star" by PACRA.

In accordance with Regulation 65(1) of the NBFC Regulations, an asset management company managing a closed-end fund shall, upon expiry of every five years from November 21, 2007 or the date of launch of the fund whichever is later, hold, within one month of such period, a meeting of the shareholders of a closed-end scheme to seek the approval of the shareholders (by special resolution) to convert the fund into an open-end scheme or revoke the closed-end scheme, subject to applicable provisions of the NBFC Regulations and the NBFC Rules. Accordingly, a meeting of the shareholders of the Fund was held on January 31, 2013 whereby the conversion of the Fund into an open-end scheme was duly approved through a resolution passed by the majority of the shareholders present in the meeting who were entitled to vote. In this regard, a formal application in due course shall be made by the Management Company to the SECP under Regulation 65(3) of the NBFC Regulations for SECP's final approval for conversion of the Fund into an open-end scheme. Since the Management Company believes that the conversion will be approved by the SECP, this condensed interim financial information has been prepared on a 'going concern' basis.

2 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, directives issued by the SECP and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified



under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34; 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

This condensed interim financial information is unaudited and are being submitted to the shareholders under section 245 of the Companies Ordinance, 1984 and are in accordance with the directives issued by Securities and Exchange Commission of Pakistan. Accordingly, the Directors of the Fund declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2013.

3. Significant accounting policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of annual published financial statements of the Fund for the year ended June 30, 2012.

	<u>Note</u>	<u>March 31, 2013</u>	<u>June 30, 2012</u>
		<u>Rupees</u>	<u>Rupees</u>
4 Investments at fair value through profit or loss			
Investment in shares	4.1	227,897,876	159,445,629
Investment in Market Treasury Bills	4.2	58,718,674	120,788,423
		<u>286,616,550</u>	<u>280,234,052</u>



4.1 Investment in shares
Ordinary fully paid shares have a face value of Rs. 10/- each, except as mentioned in below.

Sector/Name of the investee company	Holding as at July 01, 2012	Purchased during the Period	No. of Shares received during the Period	Sales during the Period	Holding as at March 31, 2013	Balance as at March 31, 2013		Market value as a percentage of net investments	Market value as a percentage of total assets	Percentage of paid up capital of the investee company
						Cost Carrying Value	Unrealized gain/ (loss)			
Oil and Gas Companies and Refineries										
Alcoch Refinery Limited	1,500	3,500		5,000		8,414,750	(157,722)	1.54		-
Oil Refinery Company Limited	6,037	16,163		15,000		2,492,599	2,492,599	1.06		0.02
Pakistan State Oil Company Limited	29,000	42,500	261,900	80,400		15,496,476	2,865,476	7.20		0.41
Pak Oil Fields Limited	38,000	25,000		25,000		14,633,652	17,237,940	6.01		0.02
Pakistan Petroleum Limited	15,094	138,544	40,025	104,800		11,191,600	12,284,700	4.76		0.28
	15,421	138,544	40,025	104,800	226,600	47,094,760	6,877,570	21.17	18.63	-
Chemicals										
Agriflex Limited	40,000			32,500		94,050	(8,150)	0.03		-
Aurif Habco Corporation Ltd	95,000		9,300	104,500		2,308,332	(40,227)	0.99		0.02
Chemical Pakistan Ltd	60,400	7,200		1,100		1,977,863	(1,162)	0.78		0.02
Fuji Fertilizer Co. Limited	10,000	20,000	25,100	30,000		1,282,200	(123,900)	0.44		0.01
Fuji Fertilizer Bin Qasim Limited	167,000	33,000		200,000		22,333,160	21,980,000	8.62		0.02
Falima Fertilizer Company Limited	98,000	2,000		100,000		2,464,200	2,256,000	0.86		0.79
ICI Pakistan Limited	10,000	8,000	9,912	8,088		1,223,639	1,121,644	0.44		0.39
Lette Pakistan FPA Limited		10,000				79,000	(200)	0.03		0.01
	480,400	104,800	9,500	68,612	526,088	37,883,270	39,282,432	15.00	13.36	-
Construction and Materials										
Alcoch Cement Pakistan Limited		89,500	4,500	25,000		4,152,888	971,812	1.77		1.58
Alcoch Cement Pakistan Limited		19,200		19,200		1,966,988	2,262,674	0.88		0.74
D.G.Chan Cement Company Limited	40,000	80,400		103,000		824,008	281,290	0.42		0.36
Fuji Cement Company Limited		150,000		150,000		1,205,988		0.47		-
Lucky Cement Company Limited		95,000		46,400		6,383,814	8,144,674	3.19		2.84
	40,000	405,246	4,500	324,400	125,346	13,268,895	2,857,951	6.31	5.63	-
Industrial Engineering										
Al-Ghazi Tractors Ltd		5,400	1,260	5,400		1,165,670	(22,652)	0.45		0.40
Milat Tractors Limited		14,000	1,260	19,260		6,551,515	7,138,893	2.80		2.49
		19,400	1,260	14,000	19,260	7,717,185	6,916,241	3.25	2.89	-
Automobile and Parts										
Pak Suzuki Motor Co. Ltd		15,000		6,000		865,109	16,441	0.35		0.31
Indus Motor Company Limited		32,300		6,000		5,864,199	460,737	2.04		1.81
		32,300	-	6,000	26,300	6,071,377	507,178	2.39	2.12	0.02
Personal Goods										
Gadon Textile Mills Ltd	11,090	10,000		16,500		333,359	509,490	0.20		0.18
Ibrahim Fibre Limited		10,000		10,000		498,506	470,000	0.18		0.16
Nasht Mills Limited	50,000	115,000		85,500		4,805,568	6,701,055	2.63		2.34
	61,090	135,000	-	102,000	94,000	5,695,433	7,680,545	3.01	2.88	-
Pharma and Bio Tech										
Hypocor Laboratories Ltd		10,000		10,000						
Ghaco Smithkline Ltd		10,000		10,000		664,472	783,200	0.31		0.27
		20,000	-	10,000	10,000	664,472	783,200	0.31	0	-
Fixed Line Telecommunication										
Pakistan Telecommunication Company Limited	250,000	175,000		305,000		1,992,814	2,436,000	0.96		0.85
WorldCall Telecom Ltd	300,000	175,000		355,000		1,992,804		0.96		0.85
		175,000	-	355,000	120,000	1,992,804	2,436,000	0.96	0.85	-



Sector/Name of the investee company	Holding as at July 01, 2012	Purchased during the Period	No. of Shares received during the Period	Sales during the Period	Holding as at March 31, 2013	Balance as at March 31, 2013		Market value as a percentage of net investments	Market value as a percentage of total assets	Percentage of paid up capital of the investee company
						Cost Carrying Value	Unrealized gain/ (loss)			
Electricity										
Hub Power Company Limited	476,000	250,000		250,000		20,719,861	23,923,760	9.38		8.35
Kot Addu Power Company Limited	44,000	60,500		10,500		4,276,229	4,927,480	1.93		1.72
Nasht Chunian Power Ltd		110,002		89,500		1,189,139	448,127	0.47		0.41
Pak GenPower Ltd	351,000	440,000		484,000		5,247,069	6,038,010	2.37		2.11
Nasht Power Limited	871,000	80,000		34,000		755,550	3,159,440	0.45		0.40
		946,502	-	885,002	953,502	31,239,822	37,229,669	14.60	12.99	0.01
Gas Water and Multiutilities										
Sul Northern Gas Pipelines Limited		10,000		10,000		202,475	(41,075)	0.06		0.06
Sul Southern Gas Company Limited		20,000		10,000		202,475	(41,075)	0.06		0.06
		29,500	-	10,000	32,450	1,957,498	1,912,328	0.75	0.67	-
Banks										
Allied Bank Limited		29,500	2,960	41,000		1,581,055	1,944,740	0.76		0.68
Akbar Bank Limited	57,500	66,000		30,000		254,601	286,600	0.10		0.09
The Bank of Punjab	673,148	16,832		5,500		8,112,673	7,175,200	2.81		2.50
Bank Alfalah Limited		53,688	6,312	59,998		592,262	524,981	0.21		0.18
Fayal Bank Limited	3,200	10,000	900	4,200		1,658,093	1,875,971	0.74		0.65
MCB Bank Limited	110,000	105,000	32,250	247,250		9,640,914	9,647,695	3.78		3.37
National Bank of Pakistan	93,900	26,500		90,400		7,116,953	7,427,264	2.91		2.59
United Bank Limited	995,248	356,540	42,412	295,701		32,444,429	32,118,329	12.60		11.21
	8,500	25,500	42,412	32,000	1,098,499	32,444,429	32,118,329	12.60	11.21	0.01
Non Life Insurance										
Adanque Insurance Company Limited		25,500		32,000		18,328,862	16,494,176	6.47		5.78
Shahen Insurance Company Limited	2,020,818	23,500		58,000		18,526,862	16,494,176	6.47		5.73
		23,500	-	58,000	2,053,318	18,526,862	16,494,176	6.47	5.73	6.79
Financial Services										
First Capital Equities Limited	128,395					11,382,658	6,145,701	2.41		2.14
Enpro Foods Ltd	128,395					11,382,658	6,145,701	2.41		2.14
		35,000	-	19,000	16,000	1,220,128	2,034,080	0.80	0.80	-
		35,000	-	19,000	16,000	1,220,128	2,034,080	0.80	0.80	-
Industrial metals and Mining										
Meehan Steel	9,500			9,500		95,000	76,000	0.03		0.03
	9,500	-	-	9,500	9,500	95,000	76,000	0.03	0.03	0.01
Total	5,111,072	2,404,242	97,897	2,212,013	5,393,898	215,272,412	227,897,876	89	89	80

- Al-Ghazi Tractors Limited's shares have a face value of Rs. 5 per share.
- Net assets are as defined in Regulation 66 of Non Banking Finance Companies and Notified Entities Regulations, 2008.
- The percentage in relation to the investee company's paid up capital has been calculated with reference to the number of shares held in that investee company.

Date of Issue	Term	Face Value	Cost				Market Value			Percentage in relation to		
			Opening as at July 01, 2012	Purchase during the Period	Matured/Sold during the Period	Closing as at March 31, 2013	As at March 31, 2013	Market Value as percentage of net assets	Market Value as percentage of total investments	Effective Rate of Return		
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%		
19.04.2012	3 Months	15,900,000	15,837,881	15,837,881	-	-	-	-	-	-		
03.05.2012	3 Months	24,660,000	24,452,203	24,452,203	-	-	-	-	-	-		
17.05.2012	3 Months	26,200,000	25,862,162	25,862,162	-	-	-	-	-	-		
31.05.2012	3 Months	9,450,000	9,286,237	9,286,237	-	-	-	-	-	-		
14.06.2012	3 Months	21,100,000	20,641,609	20,641,609	-	-	-	-	-	-		
28.06.2012	3 Months	25,370,000	24,708,331	24,708,331	-	-	-	-	-	-		
26.07.2012	3 Months	17,880,000	-	17,406,180	-	-	-	-	-	-		
06.09.2012	3 Months	10,500,000	-	10,257,450	-	-	-	-	-	-		
20.09.2012	3 Months	10,000,000	-	9,770,000	-	-	-	-	-	-		
18.10.2012	3 Months	10,000,000	-	9,783,000	-	-	-	-	-	-		
29.11.2012	3 Months	10,000,000	-	9,791,000	-	-	-	-	-	-		
13.12.2012	3 Months	10,000,000	-	9,791,000	-	-	-	-	-	-		
24.01.2013	3 Months	10,000,000	-	9,797,080	-	-	-	-	-	-		
07.02.2013	3 Months	10,000,000	-	9,795,000	-	-	-	-	-	-		
07.02.2013	3 Months	15,000,000	-	14,713,080	-	-	-	-	-	-		
21.02.2013	3 Months	10,000,000	-	9,792,000	-	-	-	-	-	-		
07.03.2013	3 Months	14,300,000	-	14,001,130	-	-	-	-	-	-		
Total		250,360,000	120,788,423	187,587,053	58,098,290	58,718,674	19,52	20,49	9.00	9.09		

5. Contingencies and commitments

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been 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 is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010 the Ministry filed its response against the constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

Subsequent to the year ended June 30, 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance through the Finance Act 2006 and the Finance Act 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company believes that the Fund is not liable to contribute to WWF and hence no provision has been recognised by the Fund. The aggregate unrecognised amount of WWF as at March 31, 2013 amounted to Rs 4.955 million including Rs 0.849 million for the current period (June 30, 2012: Rs 4.105 million).

6. Taxation

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 if not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the shareholders. The Fund has not recorded a provision for taxation in respect of income relating to the current period as the Fund intends to distribute at least 90 percent of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its shareholders.

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.

7. Transactions with connected persons

Connected persons include First Capital Investments Limited being the Management Company, Central Depository Company of Pakistan Limited being the Custodian, First Capital Securities Corporation Limited being the holding company of the Management Company, Al-Hoqani Securities & Investment Corporation (Pvt.) Limited and First Capital Equities Limited being the beneficial owner of more than ten percent capital of the Fund and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at agreed rates and terms.

Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations.



Details of the transactions carried out by the Fund with connected persons and balances with them as at the end of the period are as follows:

(Unaudited) Nine months ended	
March 31, 2013	March 31, 2012
Rupees	

7.1 Transactions during the period:

First Capital Investments Limited - Management Company

Remuneration for the period	4,377,137	3,893,474
Sales tax on remuneration for the period	700,340	-

First Capital Equities Limited

Purchase of investments	16,325,659	-
Sale of investments	14,208,198	-
Commission	33,229	-

Central Depository Company of Pakistan Limited - Custodian

Custodian fee	225,577	1,205,416
Annual fee	50,625	-

7.2 Balances outstanding at the period / year end:

First Capital Investments Limited - Management Company

Remuneration payable	1,175,627	5,296,607
Shares in issue (No. of shares: March 31, 2013: 7,012,880; June 30, 2012: 6,962,380)	70,128,800	69,623,800

First Capital Equities Limited

Shares in issue (No. of shares: March 31, 2013: 3,735,330; June 30, 2012: 3,735,330)	37,353,300	37,353,300
Investment in listed equity securities (No. of shares: March 31, 2013: 128,395; June 30, 2012: 128,395)	6,143,701	11,362,957

Central Depository Company of Pakistan Limited - Custodian

Custodian fee payable	19,902	24,040
Prepaid annual fee	16,875	33,750
Long term deposit	137,500	137,500



8 Date of authorization for issue

This financial information were authorized for issue on April 26, 2013 by the board of directors of the fund.

9. Corresponding figures

Corresponding figures have been re-arranged wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

Lahore

Chief Executive

Director



**Condensed Interim Income & Expenditure
In Relation to Management Company (Un-audited)**
For the nine months and quarter ended March 31, 2013

	Nine Months Ended		Quarter Ended	
	March 31,		March 31,	
	2013	2012	2013	2012
	Rupees		Rupees	
INCOME				
Asset management fee	4,377,137	3,893,474	1,504,288	1,317,458
Unrealized (loss)/gain on remeasurement of investments at fair value through profit or loss	887,613	646,320	215,440	292,998
	5,264,750	4,539,794	1,719,728	1,610,456
EXPENDITURES				
Operating expenses	(9,945,845)	(8,655,203)	(3,505,938)	(2,541,016)
Finance cost	(5,511)	(2,639)	(1,419)	(191)
OPERATING LOSS	(4,686,606)	(4,118,048)	(1,787,629)	(930,751)
Other income / charges	630,535	180,724	2,966	121,346
Share of Profit/ (loss) from associates	9,380,475	4,675,013	2,673,725	6,697,944
Dividend Income	280,072	-	-	-
PROFIT BEFORE TAXATION	5,604,476	737,689	889,062	5,888,539
Taxation	(21,885)	281,330	(7,365)	260,499
Share of taxation from associates	(29,167)	(160,995)	-	(117,343)
PROFIT AFTER TAXATION	5,553,424	858,024	881,697	6,031,695
Earnings per share- Basic and Diluted	0.49	0.08	0.08	0.53

Lahore

Chief Executive

Director

