

First Capital Mutual Fund Limited



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

**DECEMBER 31, 2009
(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	Salmaan Taseer (Chairman) Syed Kashan Hussain Kazmi (CEO) Omer Subhan Salamat Muhammad Naveed Tariq Mahmood Ali Athar Suhail Ahmad Ahmad Bilal
Chief Financial Officer	Muhammad Usman Sheikh
Audit Committee	Ahmad Bilal (Chairman) Muhammad Naveed Tariq Suhail Ahmad
Company Secretary	Shahzad Jawahar
Investment Committee	Syed Kashan Hussain Kazmi Omer Subhan Salamat Pardeep Kumar
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Adviser	Mazhar Law Associates Advocates & Solicitors
Custodian	Central Depository Company of Pakistan Limited ("CDC")
Asset Management Company	First Capital Investments Limited 103-C/II, Gulberg-III, Lahore
Registered / Head Office	103-C/II, Gulberg-III Lahore, Pakistan Tel: +92 42 35757591-4 Fax: +92 42 35757590, 35877920
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi Tel: + 92 21 111-000-322





DIRECTORS' REVIEW

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

Performance Review

Operating Results

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

All figures in Rs.

	December 31, 2009	December 31, 2008
Capital gain/(loss) on listed securities	48,526,332	(23,095,875)
Unrealized Gain / loss	894,993	(165,611,933)
Dividend income	4,949,646	5,345,591
Other income	1,375,004	780,575
Operating expenses	6,361,997	3,411,228
Net income/(loss)	48,889,013	(186,266,071)
Earnings / (Loss) per share	1.63	(6.21)
	December 31, 2009	June 30, 2009
Net assets value per share	8.41	6.78
KSE-100 Index	9,387	7,162

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

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

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

Market Outlook & Fund Strategy

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



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

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

Future Strategy

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

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

Performance rating

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

Declaration by Directors

As required under the Non Banking Finance Companies and Notified Entities Regulations, 2008 the Directors of Asset Management Company state that the financial statements of the fund for the six months ended 31 December 2009 give a true and fair view of the fund.

Renewal of License

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

Acknowledgement

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

For and on behalf of the Board

Lahore
February 22, 2010

Syed Kashan Hussain Kazmi
Chief Executive Officer



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **First Capital Mutual Fund Limited** (the "Fund") as at 31 December 2009 and the related condensed interim income statement, condensed interim cash flow statement, condensed interim statement of changes in equity, condensed interim statement of movement in reserves - per share and condensed interim distribution statement, for the six months period then ended ("the interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

The figures for the quarter ended 31 December 2009 in the condensed interim income statement have not been reviewed and we do not express a conclusion on them.

Place : Lahore
Date : 22 February 2010

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



**CONDENSED INTERIM STATEMENT OF
ASSETS & LIABILITIES**
AS AT DECEMBER 31, 2009

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

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

LAHORE

CHIEF EXECUTIVE

DIRECTOR



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

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

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

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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

	Six months ended	
	December 31, 2009 Rupees	December 31, 2008 Rupees
Cash flow from operating activities		
Profit / (loss) before taxation	49,383,978	(185,992,870)
Adjustment for:		
Dividend income	(4,949,646)	(5,345,591)
Remuneration to Asset Management Company	2,445,107	-
Unrealized (gain) / loss on revaluation of investments at fair value through profit or loss - net	(894,993)	165,611,933
	<u>(3,399,532)</u>	<u>160,266,342</u>
Operating profit / (loss) before working capital changes	<u>45,984,446</u>	<u>(25,726,528)</u>
Decrease / (increase) in current assets		
Investments in listed securities	19,495,657	38,158,263
Other receivables	(13,582,630)	83,404
	<u>5,913,027</u>	<u>38,241,667</u>
Decrease in current liabilities		
Trade and other payables	(182,409)	(378,146)
Cash generated from operations	<u>51,715,064</u>	<u>12,136,993</u>
Tax Paid		
	(404,842)	(105,944)
Remuneration paid to Asset Management Company		
	(4,144,100)	-
Dividend Received		
	5,454,546	7,069,941
Net cash generated from operating activities	<u>52,620,668</u>	<u>19,100,990</u>
Cash flow from financing activities		
Dividend paid	-	(340)
Net cash used in financing activities	<u>-</u>	<u>(340)</u>
Net increase in cash and cash equivalents	<u>52,620,668</u>	<u>19,100,650</u>
Cash and cash equivalents at the beginning of the period		
	7,954,436	8,752,079
Cash and cash equivalents at the end of the period	<u>60,575,104</u>	<u>27,852,729</u>

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

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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

	Six months ended	
	December 31, 2009	December 31, 2008
	Rupees	Rupees
(Accumulated loss) / Undistributed income brought forward		
Accumulated loss at 01 July - realized	(130,293,601)	(38,995,537)
Undistributed Income at 01 July - unrealized	33,599,382	76,600,190
	(96,694,219)	37,604,653
Total Comprehensive income / (loss) for six months ended 31 December 2009	48,889,013	(186,266,071)
Accumulated loss carried forward	(47,805,206)	(148,661,418)
Represented by:		
Accumulated loss at the end of the period - realized	(82,299,580)	(59,649,675)
Undistributed Income / (Accumulated loss) at the end of the period - unrealized	34,494,374	(89,011,743)
	(47,805,206)	(148,661,418)

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

LAHORE CHIEF EXECUTIVE DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

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

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

LAHORE CHIEF EXECUTIVE DIRECTOR



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

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

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

LAHORE CHIEF EXECUTIVE DIRECTOR



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

1 Status and nature of business

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

The Fund has an agreement with First Capital Investments Limited ("FCIL"), an associated company, to provide asset management services. First Capital Investments Limited is duly licensed under the NBFC Rules to provide asset management services to closed end funds only.

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

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

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

2 Basis for preparation

2.1 Statement of compliance

This condensed interim financial information is un-audited. However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan. This financial information has been prepared in accordance with the requirements of approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2009. This financial information has been presented in accordance with the requirements of International Accounting Standard "IAS 34, Interim Financial Reporting."

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



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

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

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

2.2 Initial application of a standard or an interpretation

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

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

2.3 Functional and presentation currency

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

3 Significant accounting policies

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

4 Estimates

The preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2009.

5 Financial risk management

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

Ordinary fully paid shares have a face value of Rs. 10/- each unless stated otherwise

Sector / name of investee company	Holding at the beginning of the period		No. of shares		Sales during the period		Holding as at end of the period		Balances as at 31 December 2009			Market value as a percentage of net assets		Paid up capital as a percentage of investee company		Market value as a percentage of total investments	
	Purchase during the period	Bonus/rights received during the period	No. of shares	Sales during the period	Holding as at end of the period	Cost / carrying value	Market value	Unrealized gain/(loss)	Rupees		Market value as a percentage of net assets	Paid up capital as a percentage of investee company	Market value as a percentage of total investments				
									Rupees	Rupees							
Mediaba	-	-	-	-	200,000	510,820	490,000	(20,820)	-	-	0.19	0.38	0.28				
Investment Companies / Banks	-	-	-	-	200,000	510,820	490,000	(20,820)	-	-	0.19	0.38	0.28				
First Capital Equities Limited	120,500	-	-	-	120,500	10,919,710	9,749,630	(1,170,080)	-	-	3.86	0.11	5.50				
Arif Habib Securities Limited	210,000	-	-	-	210,000	8,224,800	8,669,600	643,770	-	-	3.52	0.05	5.00				
Jahangir Siddiqui Company Limited	174,317	-	-	-	174,317	4,280,586	4,209,900	(70,786)	-	-	1.67	0.02	2.37				
JS Investments Limited	354,000	-	-	-	354,000	5,932,784	4,482,254	(1,450,530)	-	-	0.39	0.10	0.96				
Commercial Banks	564,877	732,000	-	-	692,377	944,300	23,384,842	24,319,510	(1,045,522)	-	3.84	0.28	13.72				
Bank Al-Jahad	224,518	-	-	-	224,518	557,518	-	-	-	-	-	-	-				
National Bank of Pakistan Limited	204,100	237,500	-	-	319,100	9,306,644	9,110,325	(286,319)	-	-	3.61	0.01	5.14				
The Bank of Punjab	55,350	536,000	-	-	478,350	6,779,864	6,604,850	(175,014)	-	-	2.62	0.01	3.73				
MCB Bank Limited	34,095	156,900	-	-	194,995	2,860,000	2,860,000	-	-	-	-	-	-				
Habib Bank Limited	10,000	10,000	-	-	20,000	200,000	200,000	-	-	-	-	-	-				
Habib Bank Limited	22,100	70,100	-	-	101,200	1,094,554	1,094,554	-	-	-	-	-	-				
KASB Bank Limited	864,500	73,000	-	-	150,000	1,500,000	1,500,000	-	-	-	-	-	-				
Faysal Bank Limited	-	355,000	-	-	355,000	3,640,815	4,095,000	454,185	-	-	1.62	0.03	2.31				
Sonari Bank Limited	-	457,000	-	-	457,000	3,070,000	3,070,000	-	-	-	-	-	-				
Arif Habib Bank Limited	-	120,000	-	-	120,000	1,308,940	1,340,000	31,060	-	-	0.53	0.04	0.76				
Allied Bank Limited	-	235,600	-	-	235,600	-	-	-	-	-	-	-	-				
Insurance Companies	1,506,663	3,615,100	157,054	4,693,317	565,500	21,126,263	21,150,175	23,912	839	0.09	11.93	-	-				
Shayekh Insurance Company Limited	98,100	153,900	30,142	40,918	241,224	5,487,229	5,659,115	161,886	224	1.21	3.19	-	-				
Admiral Insurance Company Limited	51,420	248,000	-	-	263,920	35,500	4,211,141	4,377,150	166,089	1.74	0.03	2.47	-				
EFU Life Assurance Company Limited	38,800	13,197	-	-	51,997	-	-	-	-	-	-	-	-				
EFU Life Assurance Limited	9,000	-	-	-	9,000	-	-	-	-	-	-	-	-				
Pakistan Reinsurance Company Limited	18,100	91,000	30,142	43,000	66,000	2,243,267	1,729,600	(620,667)	0.68	0.02	0.97	-					
Textile Composite	216,420	506,097	30,142	408,935	342,724	11,951,637	11,759,865	(192,772)	4.66	1.26	6.63	-	-				
Nishat Mills Limited	243,000	270,000	-	-	388,000	125,000	8,253,763	8,737,500	483,737	3.46	0.05	4.93	-				
Nishat Chaman Limited	-	379,500	104,000	122,500	361,000	5,492,254	7,653,200	2,160,946	3.03	0.29	4.32	-					
Wahid Textile Mills Limited	-	16,000	-	-	16,000	6,000	208,200	222,000	13,800	0.09	0.02	0.13	-				
Messord Textile Mills Limited	-	16,000	-	-	16,000	6,000	208,200	222,000	13,800	0.09	0.02	0.13	-				
Azgard Nare Limited	215,416	310,000	-	-	350,416	175,000	3,692,307	3,638,250	(54,057)	1.44	0.04	2.05	-				
Synthetic & Rayon	458,416	1,030,500	104,000	925,916	675,000	17,646,524	20,250,950	2,604,426	8.03	0.40	11.42	-	-				
Imrahim Fibers Limited	61,000	61,000	-	-	61,000	2,106,726	2,233,820	127,094	0.89	0.02	1.26	-	-				
Sugar & Allied Industries	24,800	61,000	-	-	61,000	2,106,726	2,233,820	127,094	0.89	0.02	1.26	-	-				
Haseeb Waqas Sugar Mills Limited	24,800	-	-	-	24,800	-	-	-	-	-	-	-	-				
Cement	100,000	425,000	-	525,000	-	-	-	-	-	-	-	-	-				
Fajal Cement Company Limited	-	35,000	-	-	35,000	-	-	-	-	-	-	-	-				
Attock Cement Pakistan Limited	-	41,512	-	-	41,512	-	-	-	-	-	-	-	-				
Dewan Cement Limited	-	540,000	-	-	30,000	876,336	976,800	100,464	0.39	0.01	0.55	-	-				
D.G.Khan Cement Company Limited	-	150,000	-	-	150,000	-	-	-	-	-	-	-	-				
Kohat Cement Company Limited	-	200,000	-	-	200,000	-	-	-	-	-	-	-	-				
Maple Leaf Cement Factory Limited	161,500	288,500	-	-	35,000	2,228,205	2,316,400	90,195	0.92	0.01	1.31	-	-				
Lucky Cement Company Limited	447,578	1,638,500	-	-	2,021,078	65,000	3,104,541	3,295,200	190,659	1.31	0.02	1.86	-				

15



First Capital Mutual Fund Limited

First Capital Mutual Fund Limited



Sector / name of investee company	Holding at the beginning of the period		No. of shares		Sales during the period		Holding as at end of the period		Balances as at 31 December 2009			Market value as a percentage of net assets		Paid up capital as a percentage of investee company		Market value as a percentage of total investments	
	Purchase during the period	Bonus/rights received during the period	No. of shares	Sales during the period	Holding as at end of the period	Cost / carrying value	Market value	Unrealized gain/(loss)	Rupees		Market value as a percentage of net assets	Paid up capital as a percentage of investee company	Market value as a percentage of total investments				
									Rupees	Rupees							
Refinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attock Refinery Limited	15,000	99,500	-	-	114,500	-	-	-	-	-	-	-	-	-	-	-	-
Boscor Pakistan Limited	45,000	54,200	-	-	99,200	-	-	-	-	-	-	-	-	-	-	-	-
National Refinery Limited	19,700	-	-	-	19,700	-	-	-	-	-	-	-	-	-	-	-	-
Power Generation and Distribution	79,700	153,700	-	-	233,400	-	-	-	-	-	-	-	-	-	-	-	-
Hyo Power Company Limited	-	198,557	-	-	194,795	6,034,827	6,054,229	19,402	2.40	0.02	3.41	-	-				
Kohinoor Power Company Limited	-	140,000	-	-	140,000	-	-	-	-	-	-	-	-				
Nishat Power Limited	-	118,500	-	-	118,500	1,506,289	1,506,505	2,216	0.60	0.03	0.85	-	-				
Koi-Atdu Power Company Limited	-	183,000	-	-	80,000	103,000	5,423,753	4,724,610	(699,143)	1.87	0.01	2.66	-				
Oil & Gas Marketing Companies	-	641,057	224,762	416,295	12,964,869	12,287,344	(677,525)	4.87	0.06	6.93	-	-	-				
Pakistan State Oil Company Limited	21,500	138,100	-	-	118,600	42,000	12,676,062	12,492,480	(183,582)	4.95	0.02	7.05	-				
Shell Pakistan Limited	-	30,043	-	-	30,043	-	-	-	-	-	-	-	-				
Attock Petroleum Limited	-	40,005	-	-	18,505	6,821,402	6,432,708	(388,694)	2.55	0.03	3.63	-	-				
Oil & Gas Exploration Companies	21,500	205,148	-	-	170,143	60,305	19,497,464	18,925,188	(572,276)	7.50	0.06	10.67	-				
Ona Energy Limited	105,100	182,800	-	-	297,600	60,510	12,599,422	13,963,893	1,364,471	5.54	0.03	7.88	-				
Ona Gas Exploration Company Limited	210,700	295,000	-	-	445,700	-	-	-	-	-	-	-	-				
Pakistan Petroleum Limited	53,950	194,400	14,010	188,140	66,220	11,955,100	12,554,650	599,550	4.98	0.01	7.08	-					
Sun He International Gas Pipelines Limited	-	40,000	-	-	40,000	-	-	-	-	-	-	-	-				
Automobile Assembler	371,750	652,300	14,010	911,330	126,730	24,554,822	26,519,543	1,964,021	10.52	0.03	14.98	-	-				
Indus Motor Company Limited	-	37,413	-	-	22,413	15,000	2,979,925	2,947,800	(32,125)	1.17	0.02	1.66	-				
Pakistan Suzuki Motor Company Limited	-	33,500	-	-	33,500	-	-	-	-	-	-	-	-				
Honda Atlas Cars Limited	-	26,844	-	-	26,844	-	-	-	-	-	-	-	-				
Automobile Parts & Accessories	-	97,757	-	-	82,757	15,000	2,979,925	2,947,800	(32,125)	1.17	0.02	1.66	-				
General Tyre & Rubber Company Limited	-	25,000	-	-	25,000	-	-	-	-	-	-	-	-				
Cable & Electric Goods	110,000	-	-	-	110,000	-	-	-	-	-	-	-	-				
Pak Elektron Limited	110,000	-	-	-	110,000	-	-	-	-	-	-	-	-				
Transport	17,400	22,000	-	-	17,400	-	-	-	-	-	-	-	-				
Pakistan International Container Terminal Limited	-	22,000	-	-	22,000	-	-	-	-	-	-	-	-				
Pakistan National Shipping Corporation Limited	17,400	-	-	-	17,400	-	-	-	-	-	-	-	-				
Technology & Communication	389,200	569,000	-	547,000	405,000	8,120,169	7,148,250	(971,919)	2.83	0.01	4.03	-	-				
Pakistan Telecommunication Company Limited	16,200	20,000	-	-	36,200	-	-	-	-	-	-	-	-				
Nescom Technologies Limited	-	575,000	-	-	575,000	1,495,575	1,219,000	(276,575)	0.48	0.15	0.69	-	-				
TRG Pakistan Limited	468,200	1,155,000	-	-	583,200	9,615,744	8,367,250	(1,248,494)	3.32	0.16	4.72	-	-				
Fertilizer	91,415	257,700	-	394,115	45,000	8,141,24											



Sector / name of investee company	Holding at the beginning of the period	Purchase during the period	No. of shares Bonus Rights received during the period	Sales during the period	Holding as at end of the period	Balance as at 31 December 2009		Market value as a percentage of net assets	Percentage of Paid up capital of the investee company	Market value as a percentage of total investments
						Cost / carrying value	Market value			
Pharmaceuticals						Rupees	Rupees			
GlaxoSmithKline Pakistan Limited	-	12,500	-	12,500	-	-	-	-	-	-
Chemical										
ICI Pakistan Limited	-	97,500	-	72,400	25,500	4,359,513	4,296,495	1.70	0.02	2.42
Nimr Resins Limited	60,000	-	-	60,000	-	-	-	-	-	-
Discoon Dyechem Limited	470,000	25,000	-	495,000	-	-	-	-	-	-
Shara Peroxide Limited	32,500	77,000	-	109,500	-	-	-	-	-	-
Engo Polymer & Chemical Limited	115,000	172,000	-	287,000	-	-	-	-	-	-
Lotte Pakistan PTA Limited (formerly Pakistan PTA Limited)	-	875,000	-	575,000	300,000	2,186,280	2,340,000	0.93	0.02	1.32
Paper & Board										
Packages Limited	677,500	1,246,800	-	1,968,900	365,500	6,565,793	6,645,495	2.64	0.04	3.75
Miscellaneous										
Tot-Pack Films Limited	9,000	53,500	-	31,200	31,300	5,325,085	4,507,200	1.79	0.04	2.54
	9,000	53,500	-	31,200	31,300	5,325,085	4,507,200	1.79	0.04	2.54
	30,000	-	-	30,000	-	-	-	-	-	-
Total	5,136,774	12,997,659	305,206	13,927,830	4,518,009	176,394,225	177,299,718	70.30	2.86	100.00

30 June 2009

6.1 Net assets are as defined in Regulation 66 of Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

6.3 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.



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

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

8 Contingencies and commitments

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

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

	Six months ended	
	Un-audited	Un-audited
	December 31, 2009	December 31, 2008
	Rupees	Rupees
9 Gain / (Loss) per share		
Gain / (loss) attributable to ordinary shareholders	Rupees 48,889,013	(186,266,071)
Weighted average number of shares	Shares 30,000,000	30,000,000
Gain / (loss) per share - basic & diluted	Rupees 1.63	(6.21)



Six months ended	
Un-audited December 31, 2009 Rupees	Un-audited December 31, 2008 Rupees

10 Transactions with related parties and connected persons

The transactions with related parties and connected persons are as follows:

**First Capital Investment Limited
- Asset Management Company**

Remuneration to Asset Management Company	2,445,107	2,293,048
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**Central Depository Company of Pakistan Limited
-custodian of the Fund**

Custodian fee	664,039	56,491
Custodian fee payable	57,325	-

11 Date of authorization for issue

This condensed interim financial information was authorized for issue on 22 February 2010 by the board of directors of the fund.

12 General

Figures have been rounded off to the nearest rupee.

LAHORE

CHIEF EXECUTIVE

DIRECTOR



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

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

LAHORE

CHIEF EXECUTIVE

DIRECTOR