

First Capital Mutual Fund Limited



First Capital Mutual Fund Limited



**CONDENSED FINANCIAL STATEMENT
FOR THE QUARTER ENDED**

**30 SEPTEMBER 2008
(Un-Audited)**



COMPANY INFORMATION

Board of Directors	Salmaan Taseer (Chairman) Kamran Hafeez (CEO) Omer Subhan Salamat* Muhammad Naveed Tariq Mahmood Ali Athar Muhammad Musharaf Khan Ahmad Bilal
Chief Financial Officer	Syed Kashan Kazmi
Audit Committee	Ahmed Bilal (Chairman) Muhammad Naveed Tariq Muhammad Musharaf Khan
Company Secretary	Amir Mahmood
Investment Committee	Kamran Hafeez Syed Kashan Kazmi Pardeep Kumar
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Adviser	Mazhar Law Associates Advocates & Solicitors
Custodian	Central Depository Company of Pakistan Limited ("CDC")
Investment Advisers	First Capital Investments Limited 103-C/II, Gulberg-III, Lahore
Registered Office / Head Office	103-C/II, Gulberg-III Lahore, Pakistan Tel: +92 42 5757591-4 Fax: +92 42 5757590, 5877920
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, 5689021

* Khawaja Khalil Shah resigned and Mr. Omer Subhan Salamat is appointed as Director subject to approval of Securities and Exchange Commission of Pakistan.





DIRECTORS' REVIEW

The Directors of First Capital Mutual Fund Limited ("the fund") are pleased to present the quarterly financial statements for the period ended September 30, 2008.

Performance Review

Operating Results

The operating results for the first quarter of FY08/09 are summarized as follows:

All figures are in Rs.

	30 September 2008	30 September 2007
Net loss on sale of listed securities	(29,095,875)	(1,437,877)
Unrealized loss	(78,336,417)	(11,255,283)
Dividend income	2,630,933	2,796,350
Other income	433,088	909,996
Operating expenses	1,853,914	2,417,916
Net loss for the period	(100,373,501)	(11,409,331)
Earnings per share	(3.35)	(0.38)
Net assets value per share	7.91	11.25
KSE-100 Index	9,179.68	12,289.03

During the first quarter of FY08/09, your Fund has incurred a net loss of Rs. 100.37 million against net loss of Rs. 11.41 million in the corresponding period last year. Unrealized loss stood at 78.336 million against unrealized loss of 11.255 million in the same period last year. The obvious reason behind is the steep turn down of capital market. KSE-100 index has exhibited a decline of 3,1093 points (25.03%) during the period under review, This catastrophic capital market situation led the key stake holders to take the unorthodox decision of imposing floor at 9144 index level on August 27. Dampening macroeconomic variables, worsen law and order situation, domestic liquidity crunch, and fears of global recession have contributed significantly in prevailing deteriorated market situation .



Dividend income depicted a flat pattern; other income declined by 52.40% due to high exposure in the market. Operating expenses have declined by 23% due to lower investment adviser remuneration on the back of decreased average annual NAV.

NAV has declined by 29.75% during the period from Rs. 11.25 per share at 30 June 2008 to Rs. 7.91 per share at 30 September 2008.

Market Outlook & Future Strategy

We continue to back our decision to remain exposed in the market for capitalizing this opportunity. The respite in the market has been witnessed in the midst of the quarter, which has been supported by the resignation of President Musharraf, smooth occurrence of presidential election and complete transfer of power to newly elected democratic government. Nonetheless, the rambling domestic and exogenous factors which mostly emanates from global financial turmoil, permeation of global commodity price crisis, worst ever domestic economic indicators and unprecedented political events are adversely affecting the performance of the market. This compelled the key stake holders of the market to take unusual decisions like setting 1% downside lock and 10% upside lock and setting market floor. These decisions proved to virtually freeze market with a thin activity mostly done in off the market transactions. However this has protected our market from the massive down fall as it occurred in the global markets.

We reckon that the reversal of commodities cycle including the steep decline of international oil prices coupled with the newly elected Government's initiatives and assistance from external financial institutions/countries can provide much needed financial breather space to the country.

Barring it, the prolong floor mechanism can hurt the essence of the free market and ultimately loosening out the investor's confidence and trust. All stakeholders have been exerting all efforts for landing out the market safely, which create the hopes of comprehensive bail out rescue package. Nonetheless, the out look of equities asset class across the globe is negative due to the major signs of recession which has been witnessed in the massive free fall of the major developed and emerging markets.

We expect that subsequent to the introduction of market stability/opportunity fund, provision of liquidity in the capital markets and removal of floor, the downfall of our market shall be relatively restricted.



Acknowledgement

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

For and on behalf of the Board

LAHORE

October 29, 2008

KAMRAN HAFEEZ

Chief Executive Officer



**CONDENSED STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 SEPTMEBER 2008**

	Note	(Un-Audited) 30 September 2008 Rupees	(Audited) 30 June 2008 Rupees
ASSETS			
Non current asset			
Long term deposit		137,500	137,500
Current assets			
Investments at fair value through profit or loss	4	219,792,915	336,536,857
Dividend and other receivables		2,236,536	3,142,669
Bank balances		26,904,830	8,752,079
Total assets		249,071,781	348,569,105
Liabilities			
Current liabilities			
Due to investment adviser - an associated company		8,685,973	7,436,075
Trade and other payables		1,917,079	2,442,382
Provision for taxation		1,237,577	1,085,996
Total liabilities		11,840,629	10,964,453
Net assets		237,231,151	337,604,652
Share capital and reserves			
Authorized share capital 35,000,000 (2008: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital		300,000,000	300,000,000
Undistributed income		(62,768,849)	37,604,652
Contingencies and commitments	5	-	-
		237,231,151	337,604,652

The annexed notes from 1 to 9 form an integral part of these condensed financial statements.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

First Capital Mutual Fund Limited



**CONDENSED INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Note	July to Sept 2008 Rupees	July to Sept 2007 Rupees
Income			
Capital loss on listed securities		(23,095,875)	(1,437,877)
Unrealized loss on listed securities	4	(78,336,417)	(11,255,283)
Dividend income		2,630,933	2,796,350
Other income		433,088	909,996
		<u>(98,368,271)</u>	<u>(8,986,815)</u>
Operating expenses			
Listing, regulatory and central depository company fee		317,529	174,171
Remuneration to the investment adviser	6	1,249,898	1,798,430
Securities and transaction cost		257,277	383,685
Custodian fee		28,945	60,000
Bank charges		-	1,630
		<u>1,853,649</u>	<u>2,417,916</u>
Net loss before taxation		<u>(100,221,920)</u>	<u>(11,404,731)</u>
Provision for taxation			
- Taxation		151,581	4,600
Net loss for the period		<u>(100,373,501)</u>	<u>(11,409,331)</u>
Earnings per share - basic		<u>(3.35)</u>	<u>(0.38)</u>

The annexed notes from 1 to 9 form an integral part of these condensed financial statements.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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First Capital Mutual Fund Limited



**CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	July to Sept 2008 Rupees	July to Sept 2007 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(100,221,920)	(11,404,731)
Adjustment for:		
Dividend income	(2,630,933)	(2,796,350)
Unrealized loss due to change in fair value of listed securities	78,336,417	11,255,283
	<u>75,705,484</u>	<u>8,458,933</u>
Operating loss before working capital changes	<u>(24,516,436)</u>	<u>(2,945,798)</u>
Decrease in current assets		
Investments in listed securities	38,407,525	9,986,703
Other receivables	68,764	4,230,767
	<u>38,476,289</u>	<u>14,217,470</u>
Increase/(decrease) in current liabilities		
Due to investment adviser - an associated company	1,249,898	1,798,430
Trade and other payables	(525,303)	(965,198)
	<u>724,595</u>	<u>833,232</u>
Cash generated from operations	<u>14,684,448</u>	<u>12,104,904</u>
Tax Paid	(55,105)	(133,207)
Dividend Received	3,523,408	1,508,225
Net cash generated from operating activities	<u>18,152,751</u>	<u>13,479,922</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(27,301,128)
Net cash used in financing activities	<u>-</u>	<u>(27,301,128)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>18,152,751</u>	<u>(13,821,206)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>8,752,079</u>	<u>50,812,785</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>26,904,830</u>	<u>36,991,579</u>

The annexed notes from 1 to 9 form an integral part of these condensed financial statements.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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**CONDENSED DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Jul - Sept 2008 Rupees	July - Sept 2007 Rupees
Undistributed income brought forward	37,604,652	80,280,534
Loss for the period	(100,373,501)	(11,409,331)
Undistributed income carried forward	<u>(62,768,849)</u>	<u>68,871,203</u>

The annexed notes from 1 to 9 form an integral part of these condensed financial statements.

LAHORE CHIEF EXECUTIVE DIRECTOR

**CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Issued, subscribed and paid up share capital	Accuulated (loss) Unappropriated Profit	Total
	Rupees		
Balance as at June 30, 2007	300,000,000	80,280,534	380,280,534
Loss for the period	-	(11,409,331)	(11,409,331)
Balance as at September 30, 2007	<u>300,000,000</u>	<u>68,871,203</u>	<u>368,871,203</u>
Balance as at June 30, 2008	300,000,000	37,604,652	337,604,652
Loss for the period	-	(100,373,501)	(100,373,501)
Balance as at September 30, 2008	<u>300,000,000</u>	<u>(62,768,849)</u>	<u>237,231,151</u>

The annexed notes from 1 to 9 form an integral part of these condensed financial statements.

LAHORE CHIEF EXECUTIVE DIRECTOR



**CONDENSED STATEMENT OF MOMENT IN RESERVES -
PER SHARE (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Jul - Sept 2008 Rupees	July - Sept 2007 Rupees
Net assets per share as at July 01	11.25	12.68
Net loss from transactions in listed securities	(0.77)	(0.05)
Unrealized loss on listed securities	(2.61)	(0.38)
Net profit for the period excluding net loss from sale of listed securities and unrealized loss on listed securities	0.04	0.04
Net loss for the period - per share	(3.34)	(0.38)
Net assets per share as at September, 30	<u>7.91</u>	<u>12.30</u>

The annexed notes from 1 to 9 form an integral part of these condensed financial statements.

LAHORE CHIEF EXECUTIVE DIRECTOR

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008**

1 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 object of the Fund is to carry on the business of a close-ended 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 exchange.

The Fund has an agreement with First Capital Investment Limited, an associated company, to act as its Investment Adviser. First Capital Investment Limited is duly licensed under the NBFC Rules to provide asset management services to closed end funds only.

Central Depository Company of Pakistan Limited is the custodian of the Fund. Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of "AM4+" and fund rating of "4 Star" to the Investment Adviser and the Fund respectively.

2 These condensed financial statements are un-audited 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.

These condensed financial statements have been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Statements".

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

4. Investments at fair value through profit or loss

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

SECTOR/NAME OF COMPANY	NUMBER OF SHARES/CERTIFICATES										BALANCE AS AT 30, SEPTEMBER 2008										PERCENTAGE IN RELATION TO									
	Holds at the beginning of the period*		Purchased during the period		Bonus/ Shares received during the period		Sales during the period		Holds at the end of the period		Cost		Carrying Amount		Market Value		Unrealized gain/(Loss)		Own net assets		Number of shares of investee company		Total Investment							
											Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	At Cost	At Market Value	%	%	At Cost	At Market Value	%	%				
Investment Companies / Banks	96,400	10,000	-	-	-	-	-	96,400	10,000	1,091,248	14,002,220	15,785,500	15,785,500	983,280	0.46	6.65	0.33	7.18	0.46	6.65	0.11	0.33	0.33	7.18	0.11	0.33				
First Capital Equities Limited										1,091,248	14,002,220	15,785,500	983,280	0.46	6.65	0.33	7.18	0.46	6.65	0.11	0.33	0.33	7.18	0.11	0.33					
Jehangir Sadique Company Limited										7,432,600	5,301,500	3,323,200	(1,978,900)	3.13	1.40	0.01	2.28	3.13	1.40	0.01	0.01	2.28	1.51	0.01	2.28					
Commercial Banks	86,500	75,800	300,000	-	-	-	67,600	318,900	15,473,028	13,675,889	13,675,889	9,965,625	(3,710,274)	6.52	4.20	0.04	4.75	6.52	4.20	0.04	0.04	4.75	4.53	0.04	4.75					
Bank Al Fakh Limited										17,420,655	17,045,071	11,674,010	(5,371,061)	7.34	4.92	0.01	5.35	7.34	4.92	0.01	0.01	5.35	5.31	0.01	5.35					
National Bank of Pakistan										16,505,825	10,729,089	8,770,125	(1,938,944)	6.96	3.70	0.01	5.07	6.96	3.70	0.01	0.01	5.07	3.99	0.01	5.07					
United Bank of Pakistan										3,735,333	3,279,051	2,689,338	(679,713)	1.57	1.14	0.00	1.15	1.57	1.14	0.00	0.00	1.15	1.23	0.00	1.15					
MCB Bank Limited										3,695,050	3,025,185	2,007,525	(1,017,610)	1.64	0.85	0.00	1.20	1.64	0.85	0.00	0.00	1.20	0.91	0.00	1.20					
NB Bank Limited										3,821,081	2,904,974	2,106,438	(498,536)	1.61	0.89	0.01	1.17	1.61	0.89	0.01	0.01	1.17	0.96	0.01	1.17					
Habib Bank Limited										2,755,800	1,918,575	1,302,300	(616,275)	1.16	0.55	0.00	0.85	1.16	0.55	0.00	0.00	0.85	0.59	0.00	0.85					
Bank Al-Habib Limited										5,225,740	5,011,951	3,636,384	(1,375,567)	2.20	1.62	0.02	1.60	2.20	1.62	0.02	0.02	1.60	1.75	0.02	1.60					
Allied Bank Limited										8,825,750	9,021,500	4,082,000	(4,939,500)	3.72	1.72	0.03	2.71	3.72	1.72	0.03	0.03	2.71	1.86	0.03	2.71					
Insurance Companies	10,000	10,000	-	-	1,000	-	-	11,000	1,676,000	1,628,000	1,628,000	818,950	(809,050)	0.79	0.95	0.07	0.58	0.79	0.95	0.07	0.07	0.58	0.37	0.07	0.58					
Adiajee Insurance Company Limited										5,225,740	5,011,951	3,636,384	(1,375,567)	2.20	1.62	0.02	1.60	2.20	1.62	0.02	0.02	1.60	1.75	0.02	1.60					
E F U General Insurance Company Limited										1,676,000	1,628,000	818,950	(809,050)	0.79	0.95	0.07	0.58	0.79	0.95	0.07	0.07	0.58	0.37	0.07	0.58					
Central Insurance Company Limited										1,676,000	1,628,000	818,950	(809,050)	0.79	0.95	0.07	0.58	0.79	0.95	0.07	0.07	0.58	0.37	0.07	0.58					
Tobacco Companies	70,000	100,000	-	-	-	-	100,000	41,512	596,188	418,328	418,328	410,969	(7,360)	0.25	0.17	0.01	0.18	0.25	0.17	0.01	0.01	0.18	0.19	0.01	0.18					
Nishtar Mills Limited										596,188	418,328	410,969	(7,360)	0.25	0.17	0.01	0.18	0.25	0.17	0.01	0.01	0.18	0.19	0.01	0.18					
Cement	214,055	11,500	-	-	-	-	150,000	64,065	6,406,781	4,300,653	2,516,080	(1,794,573)	2.70	1.06	0.03	1.97	2.70	1.06	0.03	0.03	1.97	1.14	0.03	1.97						
Fauji Cement Company Limited										6,406,781	4,300,653	2,516,080	(1,794,573)	2.70	1.06	0.03	1.97	2.70	1.06	0.03	0.03	1.97	1.14	0.03	1.97					
Dewan Cement Limited										1,286,505	1,126,195	664,355	(461,840)	0.54	0.28	0.00	0.39	0.54	0.28	0.00	0.00	0.39	0.30	0.00	0.39					
D.G.Maan Cement Company Limited										1,286,505	1,126,195	664,355	(461,840)	0.54	0.28	0.00	0.39	0.54	0.28	0.00	0.00	0.39	0.30	0.00	0.39					
Lucky Cement Company Limited										9,360,795	7,585,485	4,988,765	(2,586,720)	3.95	2.11	0.03	2.87	3.95	2.11	0.03	0.03	2.87	2.27	0.03	2.87					
Refinery	4,133	30,000	-	-	-	-	30,000	4,955,100	3,416,700	3,416,700	3,416,700	(83,300)	2.09	1.44	0.01	1.52	2.09	1.44	0.01	0.01	1.52	1.55	0.01	1.52						
National Refinery Limited										4,955,100	3,416,700	3,416,700	(83,300)	2.09	1.44	0.01	1.52	2.09	1.44	0.01	0.01	1.52	1.55	0.01	1.52					
Pakistan Refinery Limited										3,416,700	3,416,700	3,416,700	(83,300)	2.09	1.44	0.01	1.52	2.09	1.44	0.01	0.01	1.52	1.55	0.01	1.52					
Tobacco	320,000	23,000	-	-	-	-	320,000	10,579,200	9,152,000	9,152,000	6,667,200	(2,294,800)	4.46	2.89	0.03	3.25	4.46	2.89	0.03	0.03	3.25	3.12	0.03	3.25						
Pakistan Tobacco Company Limited										10,579,200	9,152,000	6,667,200	(2,294,800)	4.46	2.89	0.03	3.25	4.46	2.89	0.03	0.03	3.25	3.12	0.03	3.25					
Power Generation and Distribution	40,000	220,000	-	-	-	-	40,000	13,233,200	14,583,600	14,583,600	9,740,000	(4,843,600)	5.68	4.11	0.02	4.06	5.68	4.11	0.02	0.02	4.06	4.43	0.02	4.06						
Power Generation and Distribution The Hub Power Company Limited										13,233,200	14,583,600	9,740,000	(4,843,600)	5.68	4.11	0.02	4.06	5.68	4.11	0.02	0.02	4.06	4.43	0.02	4.06					
Oil & Gas Marketing Companies	40,000	220,000	-	-	-	-	40,000	11,114,418	11,114,418	11,114,418	3,363,732	(7,750,686)	5.33	4.69	0.00	3.88	5.33	4.69	0.00	0.00	3.88	5.06	0.00	3.88						
Pakistan State Oil Company Limited										11,114,418	11,114,418	3,363,732	(7,750,686)	5.33	4.69	0.00	3.88	5.33	4.69	0.00	0.00	3.88	5.06	0.00	3.88					
Oil & Gas Exploration Companies	40,000	220,000	-	-	-	-	40,000	11,114,418	11,114,418	11,114,418	3,363,732	(7,750,686)	5.33	4.69	0.00	3.88	5.33	4.69	0.00	0.00	3.88	5.06	0.00	3.88						
Pak Oil Fields Limited										11,114,418	11,114,418	3,363,732	(7,750,686)	5.33	4.69	0.00	3.88	5.33	4.69	0.00	0.00	3.88	5.06	0.00	3.88					
Oil & Gas Development Company Limited	40,000	220,000	-	-	-	-	40,000	11,114,418	11,114,418	11,114,418	3,363,732	(7,750,686)	5.33	4.69	0.00	3.88	5.33	4.69	0.00	0.00	3.88	5.06	0.00	3.88						

SECTOR/NAME OF COMPANY	NUMBER OF SHARES/CERTIFICATES				BALANCE AS AT 30, SEPTEMBER 2007				PERCENTAGE IN RELATION TO				
	Holdings at the beginning of the period	Purchased during the period	Bonus/ Rights received during the period	Sales during the period	Holdings at the end of the period	Carrying Amount	Market Value	Unrealized gain/(Loss)	Own net assets		Total Investment		
									Cost	At Market Value	At Cost	At Market Value	
Pakistan Petroleum Limited	99,500	-	9,950	-	109,450	24,476,005	21,194,982	(3,281,013)	11.22	8.93	0.01	8.17	9.64
Mari Gas Company Limited	25,300	-	-	-	25,300	7,962,416	3,404,874	(3,414,295)	3.38	1.44	0.07	2.44	1.55
Engineering	20,000	-	2,000	-	22,000	1,925,440	651,420	(683,180)	0.81	0.27	0.04	0.59	0.30
Armanah Assembler	6,190	-	-	2,900	3,390	1,024,017	465,787	(192,383)	0.43	0.20	0.00	0.31	0.22
Pakistan Suzuki Motor Company Limited	14,700	-	-	9,400	5,300	1,656,197	444,087	(190,800)	0.70	0.19	0.01	0.51	0.20
Technology & Communication	415,000	200,000	-	300,000	315,000	17,428,950	9,822,500	(2,239,306)	7.35	4.18	0.01	5.35	4.51
Pakistan Telecommunication Company Limited	425,000	25,000	-	450,000	88,000	10,541,520	5,016,000	(3,544,640)	4.44	2.11	0.15	3.23	2.28
TRG Pakistan Limited	88,000	-	-	-	88,000	898,750	595,650	(287,850)	0.40	0.25	0.03	0.29	0.27
Neisat Technologies Limited	15,000	-	-	-	15,000	898,750	595,650	(287,850)	0.40	0.25	0.03	0.29	0.27
Eye Television Network	85,654	15,000	-	-	100,654	26,977,285	18,162,008	(9,600,494)	11.37	7.86	0.05	8.28	8.28
Enigo Chemicals Limited	105,000	103,200	-	100,000	108,200	12,646,334	14,142,990	(3,322,990)	5.39	4.56	0.02	3.88	4.92
Fauji Fertilizer Company Limited	29,500	500,000	-	-	529,500	18,066,540	12,082,010	(3,940,867)	7.62	5.08	0.06	5.54	5.49
Pharmaceuticals	18,800	-	-	-	18,800	1,538,780	736,960	(824,112)	0.65	0.31	0.11	0.47	0.34
Highnoon Laboratories (Pakistan) Limited	70,000	-	-	-	70,000	14,375,200	8,893,300	(2,406,600)	6.08	3.75	0.05	4.41	4.04
ICI Pakistan Limited	700,500	-	-	-	790,500	4,363,560	1,693,765	(688,125)	1.84	0.71	7.15	1.34	0.77
Nimic Industries Chemicals Limited	10,000	-	-	-	10,000	3,144,400	1,770,000	(415,700)	1.33	0.75	0.04	0.96	0.81
BOC Pakistan Limited	56,800	200	-	-	59,000	13,713,370	9,026,410	(1,190,950)	5.78	3.80	0.20	4.21	4.11
Miscellaneous	4,272,694	1,692,200	12,950	-	3,965,944	325,803,444	298,729,332	(78,338,417)	359,338,657	(71,011,930)			
TI-Pack Films Limited													
Total													

30 June 2008

4.1 Nimic Industrial Chemicals Limited's shares have a face value of Rs 5 per share

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

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

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

5 Contingencies and commitments

These are same as reported in the annual financial statements of the Fund for the year ended 30 June 2008.

July - Sept 2008	July - Sept 2007
Rupees	Rupees

6 Remuneration to the investment adviser

Average annual net assets after charging remuneration of Investment Adviser and annual fee to SECP

249,979,588	359,686,000
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Remuneration @ 2% of annual average net assets

1,249,898	1,798,430
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7 Transactions with related parties and connected persons

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

July - Sept 2008	July - Sept 2007
Rupees	Rupees

Associates

Fee to investment adviser

1,249,898	1,798,430
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8 Date of authorisation for issue

These financial statements were authorised for issue on 29 October 2008 by the board of directors.

9 General

- Figures have been rounded off to the nearest rupee.

LAHORE

CHIEF EXECUTIVE

DIRECTOR



**CONDENSED PROFIT AND LOSS ACCOUNT
IN RELATION TO THE INVESTMENT ADVISER (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Jul - Sept 2008 Rupees	July - Sept 2007 Rupees
INCOME		
Investment advisory fee	1,850,464	2,547,687
Unrealized (loss)/gain on remeasurement of investments at fair value through profit or loss	<u>(34,470)</u>	<u>21,544</u>
	1,815,994	2,569,231
EXPENDITURES		
Operating expenses	4,093,811	2,320,921
Finance cost	<u>27,477</u>	<u>-</u>
OPERATING (LOSS)/PROFIT	<u>(2,305,294)</u>	<u>248,310</u>
Other income/charges	1,189,529	(2,111)
Share of loss from associates	<u>(10,022,192)</u>	<u>(1,140,473)</u>
LOSS BEFORE TAXATION	<u>(11,137,957)</u>	<u>(894,274)</u>
Taxation	(369,510)	25,045
Share of taxation from associates	<u>15,158</u>	<u>460</u>
LOSS AFTER TAXATION	<u>(10,783,605)</u>	<u>(919,779)</u>
Earnings per share- Basic and Diluted	<u>(2.84)</u>	<u>(0.24)</u>

