

First Capital Mutual Fund Limited

Directors' Report

The Board of Directors of First Capital Mutual Fund Limited ("the fund" or "the Company") is pleased to present its annual report together with the annual audited financial statements of the Company for the financial year ended 30 June 2013.

Financial Performance - FY2013

The summary of financial performance for financial year ended 30 June 2013 along with a comparison with the corresponding period last year is as follows:

	2013 Rupees	2012 Rupees
Capital gain on sale of Investments-net	40,242,478	13,223,590
Income on Treasury Bills	5,785,729	13,168,053
Dividend Income	20,818,458	11,983,676
Profit on Bank Deposits	648,593	1,141,603
Unrealized Gain/(diminution) in value of investments at fair value through profit & loss – net	18,017,655	(5,492,939)
Liabilities Written Back	19,435	-
Operating Expenses	10,594,943	12,783,253
Taxation	132,934	659,966
Profit after tax	74,804,471	20,580,764
Net Assets Value ("NAV")	333,103,902	277,799,431
NAV per share	11.10	9.26
Earnings per share	2.49	0.69
Cash Dividend	15%	6.5%
Stock Dividend	3%	-
KSE 100 index	21,006	13,801

During the period under review, the fund recognized profit after tax of Rs.74.80 Million as compared to Rs. 20.58 Million in FY12. This translated into EPS of Rs.2.49 as against Rs. 0.69 in FY12, a growth of 260% YoY. The fund's NAV has grown by 20% (cum-dividend growth: 27%) as compared to a growth of 52% in KSE 100 index. The capital gain on sale of investments and dividend income has increased by 142% YoY in total. However, there is a decrease in the income on treasury bills and bank deposits of 55% YoY in total. Furthermore, operating expenses have decreased by 17.12% during the year.

During the year under review the fund has diverted its investments towards equity market. The fund followed a "Buy and Hold" strategy and a conservative approach was adopted while avoiding the high risk strategies. The fund's major focus was to remain invested in blue chip stocks with low risk levels that provide handsome dividend yields. However, some of these stocks provided meager capital appreciation, even negative return in shape of capital losses in some cases. During the FY13 major activity was also seen in tier-III stocks and loss making companies while fund remained aloof from these

First Capital Mutual Fund Limited

stocks. In view of managing the risk, a substantial portion of the fund's portfolio remained invested in treasury bills. The mix of investments during the period under review is shown below:

Quarter Ended	% of total assets	% of total assets
	Equity Instruments	Treasury Bills and Bank Deposits
30 June 2012	56%	44%
30 September 2012	80%	20%
31 December 2012	88%	12%
31 March 2013	75%	25%
30 June 2013	75%	25%
<i>Average</i>	75%	25%

Payment of Dividend

The Board of Directors of the fund in their meeting held on 22 July 2013, declared and recommended a 15% Cash Dividend and 3% Stock Dividend for the financial year 2013.

Equity Market Review

Fiscal year ending June, 2013 (FY13) has been one of the best years for Pakistan stocks. In the outgoing fiscal year the benchmark KSE-100 index gained 52% or 7,204pts. The change on the political front, 500bps reduction in the policy rate in last 24 months and incoming gov't stance on resolution of the energy crisis, both local and foreign investors flocked towards the bourse in large numbers. Pakistan FY13 return of 52% compares favorably with the last 10-years and 20-years average annual return of 28% and 18% respectively.

Overall, average daily volumes improved to 200mn shares during FY13 as compared to 129mn in FY12, while in value terms they reached Rs5.8bn or US\$58.1mn up 38% against Rs4.0bn or US\$44mn in the same period last year. At present, foreigners hold nearly US\$4bn worth of shares in Pakistan market, which is 30% of free-float (7% of market cap) as per the Central Bank statistics. On the back of historic political transition and with a hope of change in political canvas, foreigners in FY13 grossly put US\$1.6bn in the market and sold US\$1.0bn. This resulted in net foreign buy of US\$569mn (US\$358mn excluding ULEVER buyback) in FY13, which compares favorably against net selling of US\$190mn in FY12.

Treasury Bills

In FY13 treasury bills yielded not very attractive returns. Like previous years, challenging conditions like energy crisis, circular debt and deteriorating law and order situation kept affecting Pakistan's economic growth in FY13 too. On the external front, in spite of inflows of Coalition support fund (CSF), strong remittances and lower trade deficit, forex reserves remained under pressure during the year due to schedules IMF loan repayments. The headline CPI inflation dipped to record low of 7.4% in FY13 mainly because of lack of demand, substantial decline in consumer gas tariff and lack of electricity price increases. Due to low inflation, SBP reduced the discount rate by 300bps to 9% in 4 staggered stages. Resultantly, future returns on Treasury Bills are expected to be lower.

First Capital Mutual Fund Limited

Future Outlook

In FY14, Pak equities are set to sustain a new direction led by better institutional liquidity and increased risk appetite along with full-year result season to commence from mid-July 2013 onwards. Recent development on part resolution of the notorious circular debt to the tune of PKR 322-326bn out of total PKR 503bn, would set a milestone in the energy and Oil&Gas sector recovery leading to lift-up in the economic growth as well. This should positively benefit energy and Oil&Gas stocks (HUBC, KAPCO, NCPL, NCL, PKGP, PSO, PPL, OGDC) with better dividend announcements with June 2013 results on account of better cash positions of the stated companies.

The recent cut in policy rate by the SBP should also provide further support to corporate sector profits ahead (especially highly leveraged Cements, Textiles and few Fertilizers). However, new tax measures taken by the gov't in the budget FY14 i.e. increase in GST, FED, CDs and turnover taxes along with withdrawal of exemptions on taxes, decrease in subsidies and increase in tariff effective from Jul'13 onwards will fuel inflation ahead.

On-going negotiations with the IMF, on the other hand, for a new program of USD3.0-5.0bn should provide much-needed breather to the country's external account that in turn will provide support to PKR against the greenback (PKR depreciated by 5.5% in FY13). Construction and materials sector is expected to continue to outperform in FY14 because of a hike in their top line due to public sector development projects. The fertilizer sector may perform well, subject to resolution of the problem of severe gas shortage in the country. As far as Oil & Gas sector is concerned it is expected that this sector will also outperform because of the government plans to resolve the circular debt issue and some big companies are heavily involved in operational expansions and strategic expansion plans.

The monetary easing cycle initiated since Jul'11 has till date shaved off 500bps off the discount rate which now stands at 9%. That said, considering that inflation appears to have troughed out already while press reports point to IMF unease with the latest reduction in interest rates, it appears likely that the monetary easing cycle is at an end. It is expected that banks are poised to depict improved price performance going forward.

The fund is committed to providing consistent long term returns to its investors by investing in a blend of research based equity securities and market treasury bills.

Performance Rating

The fund has been assigned an MFR of 3 Star ranking (short term) and 2 Star ranking (long term) 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

The SECP vide its letter No. SCD/AMCW/FCMF/516/2013, dated 03 May 2013, has approved the conversion of First Capital Mutual Fund Limited into an open-end scheme in terms of Regulation 65 of the NBFC and NE Regulations, 2008. The SECP vide its letter No. SCD/AMCW/FCMFL/616/2013, dated 01

First Capital Mutual Fund Limited

July 2013, has extended the effective date for the conversion of First Capital Mutual Fund Limited into an open-end scheme to 30 July 2013.

Workers' Welfare Fund

The Fund has not made provisions amounting to Rs. 5.599million against Workers' Welfare Fund liability; if the same were made the NAV per unit of the Fund would be lower by Rs. 0.19. For details investors are advised to read the Note 13 of the Annual Financial Statements of the Fund.

Changes in the Board of Directors

During the year there is no change in the board of directors of company.

Board Meetings during the year

Five meetings of the Board of Directors were held during the year. Attendance by each director is as under:

Name of Directors	No. of Meetings Attended
Mrs. Aamna Taseer	5
Mr. Shahzad Jawahar	5
Syed Ghazanfar Ali Bukhari	5
Syed Adnan Ali Zaidi	1
Mr. Imran Hafeez	5
Mr. Sulaiman Ahmed Saeed Al-Hoqani	-
Mr. Nadeem Hussain	2
Syed Etrat Hussain Rizvi (Alternate Director of Mr. Sulaiman Hoqani)	3

Trading of Directors

Details of trading in shares of the fund during the financial year, by the Directors, CEO, CFO, Company Secretary and their spouses and any minor children is given in Annexure-I.

Audit Committee

The Board of directors in compliance with the Code of Corporate Governance has established an Audit Committee. Five meetings of the Audit committee were held during the year. Attendance by each member is as under:

Audit Committee Member	Meetings Attended
Nadeem Hussain (Chairman)	5
Aamna Taseer (Member)	5
Syed Adnan Ali Zaidi (Member)	-

First Capital Mutual Fund Limited

There is no change in audit committee members during the year.

Investment Committee

The fund's core activities involve trading in listed equity securities. In addition to a prudent and proactive investment policy and strategy as discussed above, the fund has an investment committee for continuous monitoring and risk management. The investment committee members meet on a fortnightly basis. The following are the members of the investment committee:

Mr. Shahzad Jawahar	CEO/Director
Syed Ghazanfar Ali Bukhari	Fund Manager/Director
Syed Asad Abbas Ali Zaidi	CFO

Pattern of Shareholding

Pattern of shareholdings as required under section 236 of the Companies Ordinance, 1984, and Listing regulations is enclosed.

Auditors

The present Auditors, Messrs.' A.F Ferguson & Co., Chartered Accountants shall retire and are eligible to offer themselves for re-appointment. As required under the code of corporate governance, the audit committee has recommended the appointment of Messrs.' A.F Ferguson & Co., Chartered Accountants. The Board of Directors endorses the recommendation of the Audit Committee for the appointment of Messrs.' A.F Ferguson & Co., Chartered Accountants as the auditors of the Fund for the financial year ending June 30, 2014.

Good Governance and Best Business Practices

Practicing Governance means implementing and ensuring compliance with a comprehensive set of ethical principles, plus a team that is committed to these principles and ensures that all our business activities are conducted according to these principles.

The Board of Directors of the Fund is responsible to its shareholders for managing the business of the Fund in strict compliance with the regulatory requirements and sound internal controls. In other words, we have to live up to high standards that are independently verifiable. The board acknowledges the responsibility for the sound internal controls and is committed to upholding the highest standards of Code of Corporate Governance.

Related Party Transactions

The Fund has fully complied with the requirements on Related Party Transactions to the extent as contained in the listing regulations of stock exchanges and NBFC Rules and Regulations.

First Capital Mutual Fund Limited

Statement of Compliance in accordance with the Code of Corporate Governance

The Fund for the year ended 30 June 2013 has duly complied with the provisions of the relevant code for good governance. The Board of Directors has reviewed the Codes and hereby confirms that:

- 1) The financial statements, prepared by the management of the listed company, present its state of affairs, the results of its operations, cash flows and changes in equity, in a true & fair manner.
- 2) Proper Books of accounts of the Fund have been maintained.
- 3) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from have been adequately disclosed and explained.
- 5) The system of internal control is sound in design and has been effectively implemented and monitored.
- 6) The key operating and financial data of last six years is attached to this report.
- 7) There are no statutory payments on account of taxes, duties, levies and charges, which are outstanding and have not been disclosed in the accounts.
- 8) The fund is in compliance with the requirement of training programs for Directors.

Acknowledgment

The Board would like to take this opportunity to thank and appreciate all the shareholders for their continued support. The board also wishes to place on record its appreciation for the guidance and support extended by the Securities and Exchange Commission of Pakistan, Mutual Funds Association of Pakistan as well as the Stock Exchange(s). Finally, the board would like to express its admiration for the employees of the company for their commitment, hard work and co-operation throughout the year.

For and on behalf of the Board

Shahzad Jawahar

Chief Executive Officer/Director

Lahore: **22 July 2013**

**FIRST CAPITAL MUTUAL FUND
LIMITED**

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED JUNE 30, 2013**

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed statement of assets and liabilities of First Capital Mutual Fund Limited as at June 30, 2013 and the related income statement, distribution statement, cash flow statement, statement of changes in equity and statement of movement in equity and reserves – 'per share' together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the management company to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards, the requirements of the Companies Ordinance, 1984 and the Non Banking Finance Companies and Notified Entities Regulations, 2008. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Fund as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the statement of assets and liabilities and income statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Fund's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Fund;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the statement of assets and liabilities, income statement, distribution statement, cash flow statement, statement of changes in equity and statement of movement in equity and reserves – 'per share' together with the notes forming part

thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 in the manner so required and respectively give a true and fair view of the state of the Fund's affairs as at June 30, 2013 and of the income, its distributions, its cash flows, changes in equity and movement in equity and reserves – 'per share' and transactions for the year then ended; and

- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

We draw attention to note 1 to the financial statements which, inter-alia, states that as per the scheme of arrangement for the conversion of the company into an open-ended scheme, all the assets and liabilities of the company will be transferred to the open-ended scheme. Accordingly, the annexed financial statements are not prepared on the going concern basis. However, no adjustments are required as the assets and liabilities are stated at values at which these are expected to be realised or settled. Our opinion is not qualified in respect of this matter.

We also draw attention to note 13 to the accompanying financial statements which refers to an uncertainty relating to the future outcome of the litigation regarding contribution to the Workers' Welfare Fund which is currently pending adjudication at the Honourable High Court of Sindh. Our opinion is not qualified in respect of this matter.



Chartered Accountants

Lahore, July 22, 2013

Name of the engagement partner: Muhammad Masood

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of First Capital Mutual Fund Limited ('the Fund') to comply with the Listing Regulation No. 35 of the Karachi and Lahore Stock Exchanges, where the Fund is listed.

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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal controls covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Fund's corporate governance procedures and risks.

Further, Sub-Regulation (x) of Listing Regulation No. 35 of Karachi Stock Exchange (Guarantee) Limited requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2013.


Chartered Accountants**Lahore, July 22, 2013****Name of engagement partner: Muhammad Masood**

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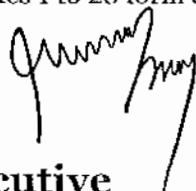
STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2013


	Note	2013 Rupees	2012 Rupees
ASSETS			
Current assets			
Bank balances	5	14,611,706	5,655,579
Investments at fair value through profit or loss	6	321,163,719	280,234,052
Receivable against sale of investments		-	12,322
Dividend, prepayments and other receivables	7	1,807,424	187,507
		337,582,849	286,089,460
Non-current assets			
Long-term deposit		137,500	137,500
TOTAL ASSETS		337,720,349	286,226,960
LIABILITIES			
Current liabilities			
Due to management company - an associated company	8	645,844	5,296,607
Payable against purchase of investments		-	16,514
Accrued expenses and other liabilities	9	903,306	721,629
Unclaimed dividend		3,067,297	1,784,244
Income tax payable		-	608,535
		4,616,447	8,427,529
NET ASSETS		333,103,902	277,799,431
SHARE HOLDER'S EQUITY			
Authorised 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	10	300,000,000	300,000,000
Undistributed income / (accumulated loss)		33,103,902	(22,200,569)
		333,103,902	277,799,431
Contingencies and commitments	13	333,103,902	277,799,431
Net assets value per share	12	11.10	9.26

The annexed notes 1 to 28 form an integral part of these financial statements.



Chief Executive





Director

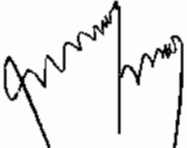
FIRST CAPITAL MUTUAL FUND LIMITED


INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
Income			
Capital gain on sale of investments - net		40,242,478	13,223,590
Unrealized appreciation/(diminution) on re-measurement of investments at fair value through profit and loss - net	6.1	18,017,655	(5,492,939)
Income on market treasury bills		5,785,729	13,168,053
Income on bank deposits		648,593	1,141,603
Dividend income		20,818,458	11,983,676
Liabilities written back		19,435	-
		<u>85,532,348</u>	<u>34,023,983</u>
Operating expenses			
Remuneration to management company	8	6,973,645	5,296,607
Fee to custodian - Central Depository Company of Pakistan Limited (CDC)		410,437	1,369,729
Auditors' remuneration	14	772,163	615,813
Fees and subscription	15	556,414	414,311
Legal and professional charges		262,998	204,667
Securities transaction cost		563,650	4,294,099
Printing and postage		823,496	493,432
Travelling expenses		135,662	-
Bank charges		31,471	94,595
Advances written off		65,007	-
		<u>10,594,943</u>	<u>12,783,253</u>
Income before taxation		<u>74,937,405</u>	<u>21,240,730</u>
Taxation	16	132,934	659,966
Income after taxation		<u>74,804,471</u>	<u>20,580,764</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>74,804,471</u>	<u>20,580,764</u>
Earnings per share	17	<u>2.49</u>	<u>0.69</u>

The annexed notes 1 to 28 form an integral part of these financial statements.

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Chief Executive

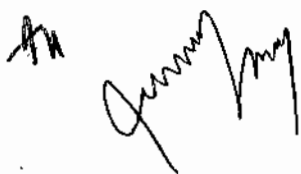

Director

FIRST CAPITAL MUTUAL FUND LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
Cash flows from operating activities			
Income before taxation		74,937,405	21,240,730
Adjustment for non-cash and other items:			
- Capital gain on sale of investments - net		(40,242,478)	(13,223,590)
- Unrealised (appreciation)/diminution in value of investments at fair value through profit or loss - net		(18,017,655)	5,492,939
- Income on market treasury bills		(5,785,729)	(13,168,053)
- Dividend income		(20,818,458)	(11,983,676)
- Liabilities written back		(19,435)	-
- Remuneration to management company		6,973,645	5,296,607
- Advances written off		65,007	-
Operating cash flows before working capital changes		(2,907,698)	(6,345,043)
Decrease / (increase) in assets			
Investments at fair value through profit and loss		23,116,195	(27,028,325)
Receivable against sale of investments and other receivables		(211,310)	3,520,334
		22,904,885	(23,507,991)
Increase / (decrease) in liabilities			
Payable against purchase of investments and other liabilities		184,598	(5,716,219)
Cash generated from / (used) in operations		20,181,785	(35,569,253)
Remuneration paid to management company		(11,624,408)	(5,008,853)
Taxes paid		(869,665)	(1,912,678)
Dividend received		19,485,362	11,959,675
Net cash inflow / (outflow) from operations		27,173,074	(30,531,109)
Cash flows from financing activities			
Dividend paid		(18,216,947)	-
Net increase / (decrease) in cash and cash equivalents		8,956,127	(30,531,109)
Cash and cash equivalents at the beginning of the year		5,655,579	36,186,688
Cash and cash equivalents at the end of the year	19	14,611,706	5,655,579

The annexed notes 1 to 28 form an integral part of these financial statements.



Chief Executive



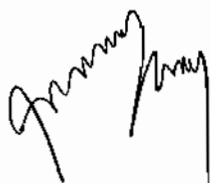
Director

FIRST CAPITAL MUTUAL FUND LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2013

	Share capital Rupees	(Accumulated loss) / undistributed income Rupees	Total Rupees
Balance as at July 01, 2011	300,000,000	(42,781,333)	257,218,667
Total comprehensive income for the year	-	20,580,764	20,580,764
Balance as at June 30, 2012	<u>300,000,000</u>	<u>(22,200,569)</u>	<u>277,799,431</u>
Total comprehensive income for the year	-	74,804,471	74,804,471
Final dividend for the year ended June 30, 2012 @ 6.5%	-	(19,500,000)	(19,500,000)
Balance as at June 30, 2013	<u>300,000,000</u>	<u>33,103,902</u>	<u>333,103,902</u>

The annexed notes 1 to 28 form an integral part of these financial statements.



Chief Executive



Director

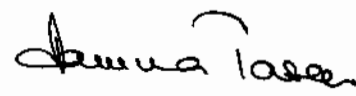
FIRST CAPITAL MUTUAL FUND LIMITED

STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE FOR THE YEAR ENDED JUNE 30, 2013

	2013 Rupees	2012 Rupees
Net assets value per share at the beginning of the year	9.26	8.57
Movement in net assets value per share from operating activities		
Capital gain on sale of investments - net	1.35	0.44
Unrealised appreciation / (diminution) in value of investments at fair value through profit or loss - net	0.60	(0.18)
Income on market treasury bills	0.19	0.44
Dividend income	0.69	0.40
Other operating income	0.02	0.04
Operating expenses	(0.36)	(0.45)
Net increase in net assets value per share from operating activities	2.49	0.69
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 as at June 30	11.10	9.26

The annexed notes 1 to 28 form an integral part of these financial statements.


Chief Executive


Director


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DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	2013 Rupees	2012 Rupees
(Accumulated loss) / undistributed income brought forward		
Realised loss	(37,863,909)	(63,937,612)
Unrealised income	15,663,340	21,156,279
	<u>(22,200,569)</u>	<u>(42,781,333)</u>
Final cash dividend for the year ended June 30, 2012 @ 6.5% (June 30, 2011: Nil)	(19,500,000)	-
Total comprehensive income for the year	74,804,471	20,580,764
Undistributed income / (accumulated loss) carried forward	<u>33,103,902</u>	<u>(22,200,569)</u>
Undistributed income / (accumulated loss) comprises of :		
Realised loss	(577,093)	(37,863,909)
Unrealised income	33,680,995	15,663,340
	<u>33,103,902</u>	<u>(22,200,569)</u>

The annexed notes 1 to 28 form an integral part of these financial statements.


Chief Executive


Director

FIRST CAPITAL MUTUAL FUND LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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, Fortress Stadium, 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 a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The objective 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 was 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. Accordingly, an approval for conversion into an open-end scheme effective from July 01, 2013 was granted by the SECP. However, an application for extension was filed with the SECP, which was duly approved and the date of conversion has been extended to July 30, 2013 and the open-end scheme would be formed from July 31, 2013 (the effective date).

The entire undertaking of First Capital Mutual Fund Limited will be transferred to First Capital Mutual Fund (an open-end scheme) on the effective date. After completion of the conversion process, the Fund's name shall be struck off by the Registrar of Companies, Company Registration Office from the Register of Companies under section 439 of the Companies Ordinance, 1984 and the Fund will be dissolved automatically without the winding up process.

Since, it is expected that the Fund will not be able to continue as a 'going concern' atleast for the next twelve months, accordingly, these financial statements are not prepared on a 'going concern' basis. The management company has assessed that the conversion will not result in any impact on the carrying amounts of the assets and liabilities of the Fund as these are already stated at the amounts expected to be realised or settled.

2. Basis of preparation

2.1 Statement of compliance

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

2.2.1 Standards, amendments to published standards and interpretations that are effective in the current year and are relevant to the Fund

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2012 but are considered not to be relevant or to have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

2.2.2 Standards, amendments to published standards and interpretations that are not yet effective and have not been early adopted by the Fund

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or to have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements except for the following:

- IFRS 13, 'Fair value measurement' (effective for period beginning on or after January 01, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The Fund is yet to assess the full impact of the amendments.

3. Basis of measurement

3.1 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Fund's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgement was exercised in application of accounting policies principally relate to classification and valuation of investments (note 4.1 and 6).

3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

4 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below:

4.1 Investments at fair value through profit or loss

An investment is classified at fair value through profit or loss if it is held-for-trading or is designated as such upon initial recognition. Investments are designated at fair value through profit or loss if the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy.

Investments which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual patterns of short term profit taking are classified as held for trading or a derivative.

Investment in listed securities including investment in associated companies are classified as investments at fair value through profit or loss. These are securities that are acquired principally for the purpose of generating profit from short-term fluctuation in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges associate with the investment. After initial recognition, investments are measured at their fair value. Unrealised gains and losses on investments are recognized in income statement of the period. Transaction costs are expensed out immediately.

Fair values of these securities representing listed equity securities are determined by reference to the closing quoted market prices available at the stock exchange and that of debt securities through discounting of future cash flows to determine present value by using PKRV rates.

4.2 Taxation

4.2.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any. Any income, other than capital gain on stock and shares of a public company held for less than twelve months, derived by the Fund is exempt from tax if the Fund intends to distribute 90 percent or more of its accounting profit as reduced by capital gains, whether realised or unrealised, amongst its shareholders in accordance with the exemptions available under clauses 57(2) and 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

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

4.2.2 Deferred

Deferred tax is provided using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

The deferred tax asset on unused tax losses has not been recognized in these financial statements, as the Fund intends to continue availing the tax exemption in future years and management believes that tax benefit relating to carried forward tax losses would not be utilized.



4.3 Revenue recognition

4.3.1 Capital gains / (losses)

Realised capital gains / (losses) arising on sale of securities are included in the income statement in the period in which they arise.

4.3.2 Unrealised appreciation / (diminution)

Unrealised appreciation / (diminution) arising on the remeasurement of securities classified as ' financial assets at fair value through profit and loss' is included in the income statement in the period in which it arises.

4.3.3 Dividend

Dividend income on equity securities is recognized in the income statement when the right to receive the dividend is established.

4.3.4 Profit on bank deposits

Profit on bank deposits is recognized on an accrual basis.

4.4 Trade date accounting

Regular way purchases and sales of financial assets are recognized on the trade date - the date the Fund commits to purchase or sell the asset.

4.5 Financial instruments

All financial assets and liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument.

The Fund de-recognises a financial asset or a portion of a financial asset when, and only when, the Fund loses control of the contractual rights that comprise the financial asset or portion of the financial asset. While a financial liability or a part of a financial liability is de-recognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on recognition or de-recognition of financial assets and financial liabilities are stated in their respective notes.

4.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.7 Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of assets and liabilities at cost. Cash and cash equivalents comprise of saving accounts with banks.

5 Profit on balances in saving accounts ranges from 6% to 8.25% (2012: 5 % to 8.25%) per annum.

Investments at fair value through profit or loss

	2013	2012
	Rupees	Rupees
Invested equity securities	253,337,734	159,445,629
Market treasury bills	67,825,985	120,788,423
	<u>321,163,719</u>	<u>280,234,052</u>

Listed equity securities - at fair value through profit or loss

Name of the Investee Company	Number of shares			Balance as at June 30, 2013			Percentage in relation to				
	As at July 01, 2012	Purchases during the year	Bonus/right issue	Sales during the year	As at June 30, 2013	Carrying Value	Market Value	Appreciation/ (diminution)	Net assets of the company (with market value of investments)	Paid up capital of investee company (with face value of investments)	Market value of total investments of the company
											%
Investments in listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise											
Oil and Gas											
Pakistan Refinery Limited	1,500	13,500	-	15,000	-	-	-	-	-	-	-
National Refinery Limited	3,837	16,163	-	12,500	7,500	1,804,350	18,114	0.54	0.54	0.01	0.56
Oil and Gas Development Company Limited	67,000	33,000	-	100,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	29,000	67,500	26,900	81,000	42,400	8,758,937	13,584,112	4,825,175	4.08	0.02	4.23
Pakistan Oil Fields Limited	38,000	45,000	-	43,000	40,000	17,797,572	19,894,800	2,097,228	5.97	0.02	6.19
Pakistan Petroleum Limited	15,084	101,791	13,125	30,000	100,000	19,135,580	21,158,000	2,022,720	6.35	0.01	6.59
	<u>154,421</u>	<u>276,953</u>	<u>40,025</u>	<u>281,500</u>	<u>189,900</u>	<u>47,478,025</u>	<u>56,441,262</u>	<u>8,963,237</u>	<u>16.94</u>	<u>0.06</u>	<u>17.57</u>
Chemicals											
Chemtech Limited	40,000	-	-	40,000	-	-	-	-	-	-	-
Habib Corporation Limited	95,000	-	9,500	104,500	-	-	-	-	-	-	-
Plant Pakistan Limited	-	16,100	-	1,100	15,000	4,195,817	4,782,750	586,933	1.44	0.04	1.49
Invested capital	60,400	39,600	-	80,000	20,000	2,437,400	2,437,400	93,470	0.73	-	0.76
Al Fertilizer Bin Qasim Limited	10,000	20,000	-	30,000	30,000	1,252,200	1,126,200	(126,000)	0.34	-	0.35
Al Fertilizer Company Limited	167,000	33,000	-	-	200,000	22,333,160	21,486,000	(847,160)	6.45	0.02	6.69
Alma Fertilizer Company Limited	98,000	2,000	-	50,000	50,000	1,232,100	1,241,500	9,400	0.37	-	0.39
Al Pakistan Limited	10,000	10,000	-	9,912	10,088	1,558,639	1,678,946	120,307	0.50	0.01	0.52
Al Chemical Pakistan Limited	-	50,000	-	50,000	50,000	405,000	381,000	(24,000)	0.11	-	0.12
	<u>480,400</u>	<u>170,700</u>	<u>9,500</u>	<u>285,512</u>	<u>375,088</u>	<u>33,320,816</u>	<u>33,133,796</u>	<u>(187,020)</u>	<u>9.94</u>	<u>0.07</u>	<u>10.32</u>
Industrial Metals & Mining											
Al Steel Mills Limited - preference shares	9,500	-	-	-	4,500	95,000	76,095	(18,905)	0.05	-	0.02
	<u>9,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>95,000</u>	<u>76,095</u>	<u>(18,905)</u>	<u>0.02</u>	<u>-</u>	<u>0.02</u>
Construction and Materials											
Al Nobel Pakistan Limited	-	29,346	-	-	29,346	2,473,184	1,764,575	(708,609)	0.53	0.06	0.55
Al Cement Pakistan Limited	-	65,500	4,500	45,000	25,000	2,746,445	3,299,750	553,305	0.99	0.03	1.03
Al Khan Cement Company Limited	40,000	117,900	-	108,000	49,900	3,725,609	4,176,131	450,522	-	0.01	-
Al Cement Company Limited	-	350,000	-	150,000	200,000	2,057,500	2,658,000	600,500	0.80	0.02	0.83
Al Cement Limited	-	75,000	-	-	75,000	6,241,695	6,437,250	195,555	1.93	0.06	2.00
Al Large Pakistan Cement Limited	-	200,000	-	-	200,000	1,610,500	1,698,000	85,500	0.51	0.02	0.53
Al Dry Cement Company Limited	-	105,000	-	85,000	20,000	3,122,292	4,194,400	1,072,108	1.26	0.01	1.31
	<u>40,000</u>	<u>912,746</u>	<u>4,500</u>	<u>388,000</u>	<u>599,246</u>	<u>21,079,225</u>	<u>24,223,106</u>	<u>2,243,881</u>	<u>6.09</u>	<u>0.21</u>	<u>6.25</u>

Name of the Investee Company	Number of shares			Balance as at June 30, 2013			Percentage in relation to				
	As at July 01, 2012	Purchases during the year	Bonus/right issue	Sales during the year	As at June 30, 2013	Carrying Value	Market Value	Appreciation/ (diminution)	Net assets of the company (with market value of investments)	Paid up capital of investee company (with face value of investments)	Market value of total investments of the company
							Rupees			%	
Pharmaceutical and Biotech											
Shares of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise											
SmithKline Pakistan Limited	-	14,000	1,000	5,000	10,000	657,114	1,213,300	556,186	0.36	-	0.38
Inteon Laboratories Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
	-	24,000	1,000	15,000	10,000	657,114	1,213,300	556,186	0.36	-	0.38
Industrial Engineering											
Shahi Tractors Limited	-	30,200	1,260	1,400	20,060	9,677,365	10,531,299	853,934	3.16	0.05	3.28
(Ordinary Shares of Rs 5 each)	-	5,400	-	-	5,400	1,165,670	1,104,300	(61,370)	0.33	0.01	0.34
at Tractors Limited	-	25,600	1,260	1,400	25,460	10,843,035	11,635,599	792,564	3.49	0.06	3.62
Automobile and Parts											
us Motor Company Limited	-	20,000	-	-	20,000	5,659,390	6,220,000	590,610	1.87	0.03	1.94
Suzuki Motor Company Limited	-	21,000	-	35,500	5,500	651,606	817,960	166,354	0.25	0.01	0.25
	-	41,000	-	15,500	25,500	6,380,996	7,037,960	756,964	2.12	0.04	2.19
ad Producers	-	47,000	-	22,000	25,000	2,730,155	3,519,350	789,095	1.06	-	1.10
ro Foods Limited	-	47,000	-	22,000	25,000	2,730,155	3,519,350	789,095	1.06	-	1.10
Personal Goods											
loon Textiles Mills Limited	11,090	10,000	-	16,500	4,590	393,359	565,160	175,800	0.17	0.02	0.18
him Fibres Limited	-	10,000	-	9,500	500	24,825	26,000	1,175	0.01	-	0.01
hat Chunian Limited	-	100,000	-	-	100,000	5,550,910	5,975,000	424,090	1.79	0.05	1.86
hat Mills Limited	50,000	115,000	-	165,000	-	-	-	-	-	-	-
	61,090	235,000	-	191,000	105,090	5,969,094	6,570,160	601,065	1.97	0.07	2.05
Fixed Line Telecommunication											
Asian Telecommunication Company Limited	250,000	569,000	-	305,000	514,000	10,217,343	11,405,660	1,188,317	3.42	0.01	3.55
akkiCall Telecom Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
	300,000	569,000	-	355,000	514,000	10,217,343	11,405,660	1,188,317	3.42	0.01	3.55
Electricity											
Power Company Limited	476,000	250,000	-	465,500	260,500	11,339,426	16,059,825	4,720,398	4.82	0.02	5.00
Addu Power Company Limited	44,000	90,500	-	34,500	100,000	5,168,330	6,188,000	1,019,670	1.86	0.01	1.93
hat Chunian Power Limited	-	188,002	-	88,000	100,002	2,818,936	3,307,066	488,130	0.99	0.03	1.03
hat Power Limited	-	144,000	-	44,000	100,000	2,643,080	3,349,000	705,920	1.01	0.03	1.04
Gen Power Limited	351,000	490,000	-	641,000	200,000	3,990,040	4,906,000	915,960	1.47	0.05	1.52
	871,000	1,162,502	-	1,273,000	760,502	25,959,612	32,809,891	7,850,278	10.15	0.14	10.53
Gas, Water and Multi-utilities											
Northern Gas Pipelines Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
Southern Gas Company Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
	-	20,000	-	20,000	-	-	-	-	-	-	-

Name of the Investee Company	Number of shares				Balance as at June 30, 2013			Percentage in relation to			
	As at July 01, 2012	Purchases during the year	Bonus/right issue	Sales during the year	As at June 30, 2013	Carrying Value	Market Value	Appreciation/ (diminution)	Net assets of the company (with value of investments)	Paid up capital of investee company (with face value of investments)	Market value of total investments of the company
							Rupees				%
Investments of listed companies - Fully paid ordinary shares of Rs 10 each unless stated otherwise											
Commercial Banks											
Industrial Bank Limited	-	96,500	2,950	-	99,450	6,686,789	6,816,393	129,604	2.05	0.01	2.12
Bank of Punjab Limited	57,500	85,000	-	116,230	26,270	409,205	399,829	(9,376)	0.13	-	0.12
Bank of Al-Falah Limited	673,148	16,852	-	215,000	475,000	8,112,573	8,654,500	541,927	2.60	0.04	2.69
Bank of Punjab Limited	57,500	50,000	-	5,500	102,000	2,964,885	2,773,380	(191,505)	0.83	0.01	0.86
Bank of Punjab Limited	-	70,000	29,859	-	99,859	1,010,463	1,272,204	261,741	0.38	0.02	0.40
Bank of Punjab Limited	-	53,687	6,313	1	59,999	592,461	563,391	(28,870)	0.17	0.01	0.18
Bank of Punjab Limited	-	25,000	-	-	25,000	2,673,550	2,981,000	307,450	0.89	-	0.93
Bank of Punjab Limited	3,200	10,000	960	14,100	-	-	-	-	-	-	-
Bank of Punjab Limited	110,000	203,000	32,250	-	345,250	13,955,904	14,196,680	239,775	4.56	0.02	4.42
Bank of Punjab Limited	93,900	26,500	-	70,000	50,400	3,967,881	5,422,032	1,454,151	1.53	-	1.69
Bank of Punjab Limited	995,248	636,539	72,272	420,831	1,283,228	49,374,311	43,079,319	(6,295,007)	12.93	0.11	13.41
Life Insurance											
Life Insurance Company Limited	8,500	23,500	-	32,000	-	-	-	-	-	-	-
Life Insurance Company Limited	2,062,318	-	-	56,500	2,095,818	18,052,362	15,043,635	(3,008,727)	4.52	6.69	4.68
Life Insurance Company Limited	2,070,818	23,500	-	88,500	2,095,818	18,052,362	15,043,635	(3,008,727)	4.52	6.69	4.68
Financial Services											
Capital Equities Limited - a related party	128,395	-	-	-	128,395	11,362,958	6,443,701	(5,219,257)	1.84	0.12	1.91
Capital Equities Limited	128,395	-	-	-	128,395	11,362,958	6,443,701	(5,219,257)	1.84	0.12	1.91
Capital Equities Limited	5,110,872	4,174,541	128,557	3,357,243	6,056,727	235,320,076	253,337,734	18,017,655	-	-	-
Capital Equities Limited	-	-	-	-	-	164,938,557	159,445,629	(5,492,929)	-	-	-

Net assets are as defined in Regulation 86 of Non-Banking Finance Companies and Notified Entities Regulations, 2008

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

Market treasury bills

Date of Issue	Term	Face value	As at July 01, 2012	Cost			Market Value	Percentage in relation to	
				Purchases during the year	Sales during the year	As at June 30, 2013		Market Value as percentage of net assets	Market Value as percentage of total investments
Rupees							%		
19-Apr-12	3 Months	15,900,000	15,837,881	-	15,837,881	-	-	-	-
3-May-12	3 Months	24,660,000	24,452,203	-	24,452,203	-	-	-	-
17-May-12	3 Months	26,200,000	25,862,162	-	25,862,162	-	-	-	-
31-May-12	3 Months	9,450,000	9,286,237	-	9,286,237	-	-	-	-
14-Jun-12	3 Months	21,100,000	20,641,609	-	20,641,609	-	-	-	-
28-Jun-12	3 Months	26,370,000	24,708,331	-	24,708,331	-	-	-	-
26-Jul-12	3 Months	17,880,000	-	17,406,180	17,406,180	-	-	-	-
6-Sep-12	3 Months	10,500,000	-	10,257,450	10,257,450	-	-	-	-
20-Sep-12	3 Months	10,000,000	-	9,770,000	9,770,000	-	-	-	-
18-Oct-12	3 Months	10,000,000	-	9,783,000	9,783,000	-	-	-	-
29-Nov-12	3 Months	10,000,000	-	9,791,000	9,791,000	-	-	-	-
13-Dec-12	3 Months	10,000,000	-	9,791,000	9,791,000	-	-	-	-
24-Jan-13	3 Months	10,000,000	-	9,797,080	9,797,080	-	-	-	-
7-Feb-13	3 Months	10,000,000	-	9,795,000	9,795,000	-	-	-	-
12-Feb-13	3 Months	15,000,000	-	14,713,080	14,713,080	-	-	-	-
21-Feb-13	3 Months	10,000,000	-	9,792,000	9,792,000	-	-	-	-
14-Mar-13	3 Months	14,300,000	-	14,001,130	14,001,130	-	-	-	-
4-Apr-13	3 Months	10,000,000	-	9,788,000	9,788,000	-	-	-	-
18-Apr-13	3 Months	10,200,000	-	9,983,760	9,983,760	9,983,760	10,172,225	3.05	3.17
2-May-13	3 Months	25,550,000	-	25,008,340	25,008,340	25,008,340	25,392,428	7.62	7.91
16-May-13	3 Months	18,000,000	-	17,618,400	17,618,400	17,618,400	17,826,855	5.35	5.55
30-May-13	3 Months	14,625,000	-	14,316,413	14,316,413	14,316,413	14,434,477	4.33	4.49
Total - June 30, 2013		328,735,000	120,788,423	201,611,833	255,473,343	66,926,913	67,825,985	20.35	21.12
Total - June 30, 2012					119,414,175		120,788,423		

		2013 Rupees	2012 Rupees
7	Dividend, prepayments and other receivables		
	Dividend receivable	1,520,603	187,507
	Advance tax refundable	75,458	-
	Receivable from management company - note 7.1	211,363	-
		<u>1,807,424</u>	<u>187,507</u>

7.1 Receivable from management company

	Conversion cost receivable - note 7.1.1	78,000	-
	Other receivables	133,363	-
		<u>211,363</u>	<u>-</u>

7.1.1 Conversion costs include all costs of conversion of First Capital Mutual Fund Limited into an open-end scheme, including preparation, execution and registration of constitutive document, registration of the open-end scheme as a notified entity, approval of the SECP for publication of the offering documents and other such ancillary matters. These have been charged to the management company on behalf of First Capital Mutual Fund (the open-end scheme) in terms of conditions imposed by SECP while granting approval to the conversion to be undertaken.

		2013 Rupees	2012 Rupees
8	Due to management company - an associated company		
	Balance as at July 01	5,296,607	5,008,853
	Remuneration for the year - note 8.1	6,011,765	5,296,607
	Punjab Sales tax on management company's remuneration - note 8.2	961,880	-
		<u>12,270,252</u>	<u>10,305,460</u>
	Less: Payments made during the year	<u>(11,624,408)</u>	<u>(5,008,853)</u>
		<u>645,844</u>	<u>5,296,607</u>

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the asset management company of a closed end fund is entitled to a remuneration during the first five years of the closed end 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. In the current year, the management company has charged remuneration at the rate of two percent of the average annual net assets of the Fund.

8.2 During the current year, the Provincial Government of Punjab levied Punjab Sales Tax at the rate of 16% on the remuneration of the management company through the Punjab Sales Tax on Services Act, 2012 effective from July 1, 2012.

		2013 Rupees	2012 Rupees
9	Accrued expenses and other liabilities		
	Fee to custodian - CDC - note 9.1	42,045	24,040
	Auditors' remuneration	475,000	425,500
	Annual fee to SECP - note 9.2	290,261	251,589
	Legal and professional charges	18,000	18,000
	Other payables	78,000	2,500
		<u>903,306</u>	<u>721,629</u>

9.1 The custodian is entitled to a monthly remuneration for services rendered to the Fund under the provisions of a Custodian Services Agreement in accordance with the tariff specified therein.

9.2 This represents annual fee at the rate of 0.095 percent of the average annual net assets of the Fund payable to SECP under Regulation 62 read with Schedule 2 of the NBFC Regulations.

10 Issued, subscribed and paid up capital

2013	2012		2013	2012
Number of shares			Rupees	Rupees
<u>30,000,000</u>	<u>30,000,000</u>	Fully paid ordinary shares of Rs 10/- each issued for cash	<u>300,000,000</u>	<u>300,000,000</u>

	2013	2012
	Shareholding	Shareholding
10.1 Ordinary shares of the Fund held by associated undertakings are as follows:		
First Capital Investment Limited	7,357,380	6,962,380
First Capital Securities Corporation Limited	-	2,806,500
Al-Hoqani Securities & Investment Corporation	6,000,000	6,000,000

11 Pattern of shareholding

Shareholding pattern of the Fund as at June 30, 2013 is as follows:

Category	Number of Shareholders	Shareholding amount	% of Total
Individuals	1,958	7,862,084	26.21
Associated company	2	13,357,380	44.52
Directors	7	2,481,650	8.27
Banks/DFIs & NBFIs	4	2,775,020	9.25
Public limited companies	26	524,366	1.75
Others	1	2,999,500	10.00
	<u>1,998</u>	<u>30,000,000</u>	<u>100.00</u>

Shareholding pattern of the Fund as at June 30, 2012 is as follows:

Category	Number of Shareholders	Shareholding amount	% of Total
Individuals	1,976	6,093,907	20.31
Associated company	4	15,768,880	52.56
Directors	7	2,471,150	8.24
Banks/DFIs & NBFIs	6	161,444	0.54
Public limited companies	12	4,283,636	14.28
Others	16	1,220,983	4.07
	<u>2,021</u>	<u>30,000,000</u>	<u>100.00</u>

Am

	2013 Rupees	2012 Rupees
12 Net assets value per share		
Total net assets	<u>333,103,902</u>	<u>277,799,431</u>
Total number of shares in issue	<u>30,000,000</u>	<u>30,000,000</u>
Net assets value per share - Rupees	<u>11.10</u>	<u>9.26</u>

13 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 light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the ground that MUFAP is not an aggrieved party.

Subsequently, clarifications were 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. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Other mutual funds to whom notices were issued by the FBR also took up the matter with FBR for their withdrawal.

Further, a fresh Constitutional Petition has been filed with the Honourable High Court of Sindh by a CIS / mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds / voluntary pension funds being pass-through vehicles / entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The proceedings of the Honourable Court in this matter have concluded and the Honourable Court has reserved its decision.

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, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. 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 June 30, 2013 amounted to Rs 5.603 million (including Rs 1.499 million for the current year).

	2013 Rupees	2012 Rupees
14 Auditors' remuneration		
Statutory audit	425,000	375,000
Half year review	225,000	175,000
Certification and other services	70,000	50,000
Out of pocket expenses	<u>52,163</u>	<u>15,813</u>
	<u>772,163</u>	<u>615,813</u>

15 Fees and subscription

Listing and regulatory expenses		266,153	162,722
Annual fee to SECP	- note 15.1	<u>290,261</u>	<u>251,589</u>
		<u>556,414</u>	<u>414,311</u>

15.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay an annual fee to the Securities and Exchange Commission of Pakistan, of an amount equal to 0.095 percent of its average annual net assets.

	2013	2012
	Rupees	Rupees
16 Taxation		
Current		
- For the year	-	1,189,425
- Prior year	<u>132,934</u>	<u>(529,459)</u>
	<u>132,934</u>	<u>659,966</u>

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 year 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.

	2013	2012
	Rupees	Rupees
17 Earnings per share		
Net income attributable to ordinary shareholders	<u>74,804,471</u>	<u>20,580,764</u>
	Number of Shares	
Weighted average number of ordinary shares	<u>30,000,000</u>	<u>30,000,000</u>
	2013	2012
	Rupees	Rupees
Earnings per share	<u>2.49</u>	<u>0.69</u>

17.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2013 (2012: Nil).

18 Transactions with connected persons

Connected persons include First Capital Investments Limited (FCIL) being the management company, Central Depository Company of Pakistan Limited (CDC) being the custodian of the Fund, First Capital Equities Limited (FCEL) and Al-Hoqani Securities & Investment Corporation (Pvt.) Limited.

Transactions with connected persons are in the normal course of business and on arm's length basis. Details of transactions and balances with connected persons are as follows:

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	2013 Rupees	2012 Rupees
18.1 Transactions during the year		
First Capital Investments Limited - management company		
Remuneration for the year	<u>6,973,645</u>	<u>5,296,607</u>
Al-Hoqani Securities & Investment Corporation (Pvt.) Limited		
Purchase of investments	<u>-</u>	<u>8,973,519</u>
Sale of investments	<u>-</u>	<u>14,453,294</u>
First Capital Equities Limited		
Purchase of investments	<u>28,733,734</u>	<u>414,041</u>
Sale of investments	<u>23,862,413</u>	<u>-</u>
Central Depository Company of Pakistan Limited - Custodian		
Custodian fee	<u>342,937</u>	<u>1,302,229</u>
Annual fee	<u>67,500</u>	<u>67,500</u>
18.2 Balances outstanding at the year end		
First Capital Investments Limited - management company		
Remuneration payable	<u>645,844</u>	<u>5,296,607</u>
Receivables	<u>211,363</u>	<u>-</u>
Shares in issue (No. of shares: June 30, 2013: 7,357,380; June 30, 2012: 6,962,380)	<u>73,573,800</u>	<u>69,623,800</u>
Al-Hoqani Securities & Investment Corporation (Pvt.) Limited		
Shares in issue (No. of shares: June 30, 2013: 6,000,000; June 30, 2012: 6,000,000)	<u>60,000,000</u>	<u>60,000,000</u>
First Capital Equities Limited		
Shares in issue (No. of shares: June 30, 2013: Nil; June 30, 2012: 3,735,330)	<u>-</u>	<u>37,353,300</u>
Investment in listed equity securities (No. of shares: June 30, 2013: 128,395; June 30, 2012: 128,395)	<u>6,143,701</u>	<u>11,362,957</u>
Central Depository Company of Pakistan Limited - Custodian		
Custodian fee payable	<u>42,045</u>	<u>24,040</u>
Long term deposit	<u>137,500</u>	<u>137,500</u>
19 Cash and cash equivalents		
Bank balances	<u>14,611,706</u>	<u>8,655,500</u>

20 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

20.1 Credit risk

Credit risk represents the risk of a loss that would be recognized at the reporting date if counterparties failed completely to perform as contracted. Credit risk arises from deposits with banks and credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments and accrued income on bank deposits. For banking relationships, credit ratings and other factors are evaluated. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled vide delivery vs. payment through Central Depository Company of Pakistan Limited (the custodian). The risk of default is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarizes the credit rating quality of the Fund's bank balances as at June 30:

	2013 Rupees	2012 Rupees
Bank balances by rating category		
Faysal Bank Limited	AA	AA
Habib Metropolitan Bank	AA+	AA+
MCB Bank Limited	AAA	AA+
NIB Bank	AA-	AA-

20.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2013 Rupees	2012 Rupees
Bank balances	14,611,706	5,655,579
Investment at fair value through profit or loss	321,163,719	280,234,052
Receivable against sale of investments	-	12,322
Dividend, prepayments and other receivables	1,807,424	187,507
Long term deposit	137,500	137,500
	<u>337,720,349</u>	<u>286,226,960</u>

20.1.2 Concentration of credit risk

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

20.2 Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short-term in nature and are restricted to the extent of available liquidity and significant assets of the Fund are readily disposable in the market. The investment advisor manages the liquidity risk by maintaining maturities of financial assets and liabilities and investing a major portion of the Fund's assets in highly liquid financial assets.

The following are the contractual maturities of financial liabilities as on June 30, 2013 :

	Carrying amount	One month to three months	Three months to one year	More than one year
Rupees				
Due to management company - an associated company	645,844	645,844	-	-
Accrued expenses and other liabilities	903,306	903,306	-	-
Unclaimed dividend	3,067,297	3,067,297	-	-
	<u>4,616,447</u>	<u>4,616,447</u>	<u>-</u>	<u>-</u>

The following are the contractual maturities of financial liabilities as on June 30, 2012 :

	Carrying amount	One month to three months	Three months to one year	More than one year
Rupees				
Due to management company - an associated company	5,296,607	5,296,607	-	-
Payable against purchase of investments	16,514	16,514	-	-
Accrued expenses and other liabilities	721,629	721,629	-	-
Unclaimed dividend	1,784,244	1,784,244	-	-
Income tax payable	608,535	608,535	-	-
	<u>8,427,529</u>	<u>8,427,529</u>	<u>-</u>	<u>-</u>

20.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices (caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market) will effect the Fund's income or the value of its holdings of financial instruments. The investment advisor manages the market risk by monitoring exposure on listed securities by following the directives issued by the Securities and Exchange Commission of Pakistan.

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

20.3.1 Currency risk

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

20.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the balance sheet date, the interest rate profile of the Fund's significant interest bearing financial instruments was as follows:

	2013	2012	2013	2012
	%	%	Rupees	Rupees
	Effective interest rate		Carrying amount	
Financial assets				
Fixed rate instruments				
- Bank balances	6.00% to 8.25%	5.00% to 8.25%	14,611,706	5,655,579
- Market treasury bills	9.27% to 9.31%	11.72% to 11.76%	67,825,985	120,788,423

20.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Fund is exposed to equity price risk because of investments held by the Fund and classified on the statement of assets and liabilities at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks in accordance with the risk investment guidelines approved by the investment committee. The Fund's constitutive document/ NBFC Regulations also limit individual equity securities to no more than 10% of net assets, or issued capital of the investee company and sector exposure limit to 25% of net assets.

In case of 5% increase in the KSE 100 Index on June 30, 2013, net income and net assets of the Fund would increase by Rs 12,666,887 (2012: Rs 7,972,281) as a result of gains on equity securities at fair value through profit and loss.

In case of 5% decrease in the KSE 100 Index on June 30, 2013, net income and net assets of the Fund would decrease by Rs 12,666,887 (2012: Rs 7,972,281) as a result of losses on equity securities at fair value through profit and loss.

The analysis is based on the assumption that the equity index had increased/ decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index on the basis of three years data. This represents management's best estimate of a reasonable possible shift in KSE 100 Index having regard to historical volatility of the index. The composition of the Fund's investment portfolio and the correlation, thereof, to the KSE Index is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2013 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 index.

20.4 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all the financial assets and financial liabilities approximate their fair values.

Effective 01 January 2009 the Fund adopted the amendments to IFRS 7 for financial instruments that are measured in the statement of assets and liabilities at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The following table presents the Fund's assets and liabilities that are measured at fair value at June 30, 2013:

	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through profit or loss				
- Listed equity securities	253,337,734	-	-	253,337,734
- Market treasury bills	67,825,985	-	-	67,825,985
Total assets	321,163,719	-	-	321,163,719
Total liabilities	-	-	-	-

The following table presents the Fund's assets and liabilities that are measured at fair value at June 30, 2012:

	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through profit or loss				
- Listed equity securities	159,350,629	-	95,000	159,445,629
- Market treasury bills	120,788,423	-	-	120,788,423
Total assets	280,139,052	-	95,000	280,234,052
Total liabilities	-	-	-	-

20.5 Capital management

The Fund's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Fund defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Fund's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (ii) to provide an adequate return to shareholders.

The Fund manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Fund may adjust the amount of dividends paid to shareholders or issue new shares.

Neither there were any changes in the Fund's approach to capital management during the year nor the Fund is subject to externally imposed capital requirements.

20.6 Financial instruments by category

	Loans and receivables	Assets at fair value		Total
		through profit or loss	Available for sale	
As at June 30, 2013				
Rupees				
Assets				
Bank balances	14,611,706	-	-	14,611,706
Investments at fair value through profit or loss	-	321,163,719	-	321,163,719
Dividend, prepayments and other receivables	1,807,424	-	-	1,807,424
Long term deposit	137,500	-	-	137,500
	<u>16,556,630</u>	<u>321,163,719</u>	<u>-</u>	<u>337,720,349</u>

As at June 30, 2013				
Financial liabilities at amortized cost Rupees				
Liabilities				
Due to management company - an associated company				645,844
Accrued expenses and other liabilities				903,306
Unclaimed dividend				3,067,297
				<u>4,616,447</u>

	Loans and receivables	Assets at fair value		Total
		through profit or loss	Available for sale	
As at June 30, 2012				
Rupees				
Assets				
Bank balances	5,655,579	-	-	5,655,579
Investments at fair value through profit or loss	-	280,234,052	-	280,234,052
Receivable against sale of investments	12,322	-	-	12,322
Dividend, prepayments and other receivables	187,507	-	-	187,507
Long term deposit	137,500	-	-	137,500
	<u>5,992,908</u>	<u>280,234,052</u>	<u>-</u>	<u>286,226,960</u>

As at June 30, 2012				
Financial liabilities at amortized cost Rupees				
Liabilities				
Due to management company - an associated company				5,296,607
Payable against purchase of investments				16,514
Accrued expenses and other liabilities				721,629
Unclaimed dividend				1,784,244
Income tax payable				608,535
				<u>8,427,529</u>

21 Particulars of the Investment Committee and the Fund Manager

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

S. No.	Name	Designation	Qualification	Experience in years
1	Shahzad Jawahar	Chief Executive Officer	ACIS	17 Years
2	Syed Asad Abbas Zaidi	CFO	MBA	8 Years
3	Syed Ghazanfar Ali Bukhari	Chief Investment Officer / Fund Manager	MA Economics	13 Years

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

22 Attendance at meetings of Board of Directors

The Board meetings were held on August 18, 2012, October 24, 2012, January 10, 2013, February 23, 2013 and April 26, 2013. Information in respect of attendance by the directors in the meetings is given below:

Name of Director	Number of meetings attended	Leave Granted	Meetings not attended
Aamna Taseer	5	-	-
Nadeem Hussain	2	3	-
Syed Adnan Ali Zaidi	1	0	1st,2nd,4th and 5th
Sheikh Sulaiman Ahmad Saeed Al-Hoqani	-	-	1st,2nd,3rd,4th and 5th
Shahzad Jawahar	5	-	-
Imran Hafeez	5	-	-
Syed Ghazanfar Ali Bukhari	5	-	-
Syed Etrat Hussain Rizvi (alternate director of Al-Hoqani)	3	2	-
		2013	2012
		%	%

23 Top ten brokerage commission by percentage

Broker's Name

First Capital Equities Limited	11.52	6.76
Axis Global Limited	11.36	9.26
Ismail Iqbal Securities (Pvt.) Limited	9.81	7.02
Invest & Finance Securities Limited	9.32	4.08
Taurus Securities	9.00	-
Topline Securities (Pvt.) Limited	8.32	-
BMA Capital Management Limited	7.81	7.19
Arif Habib Limited	7.34	7.14
Aqeel Karim Dhedhi Securities Limited	6.63	-
Msmaniar Financials (Pvt.) Limited	5.10	-
Next Capital Limited	4.31	6.11
Pearl Securities Limited	1.70	11.08
Global Securities (Pvt.) Limited	1.48	4.27
Aziz Fida Hussain & Co. (Pvt.) Limited	-	10.82

24 As the Fund is a closed-end mutual fund managed by the asset management company, there are no employees of the Fund as at June 30, 2013 (2012: Nil).

25 Non - adjusting events after the balance sheet date

The Board of Directors have announced and approved to distribute 15% cash dividend (2012: 6.5%) and 3% bonus shares (2012: Nil) to the members of the Fund.

The Fund will be converted into an open-end scheme on July 31, 2013 as more fully explained in note 1 and accordingly will become a defunct company with no shareholders subsequent to that date; accordingly, the dividend has been approved by the directors.

These financial statements do not reflect this appropriation.

26 Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangement has been made.

27 Date of authorization for issue

These financial statements were authorized for issue on July 22, 2013 by the Board of Directors of the Fund.

28 General

Figures have been rounded off to the nearest Rupee.



Chief Executive



Director