

**FIRST CAPITAL FIXED INCOME FUND
INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED 30 SEPTEMBER 2017**



First Capital

REPORT OF THE MANAGER

We have pleasure in presenting the unaudited Interim Financial Statements of First Capital Fixed Income Fund for six months ended 30 September 2017.

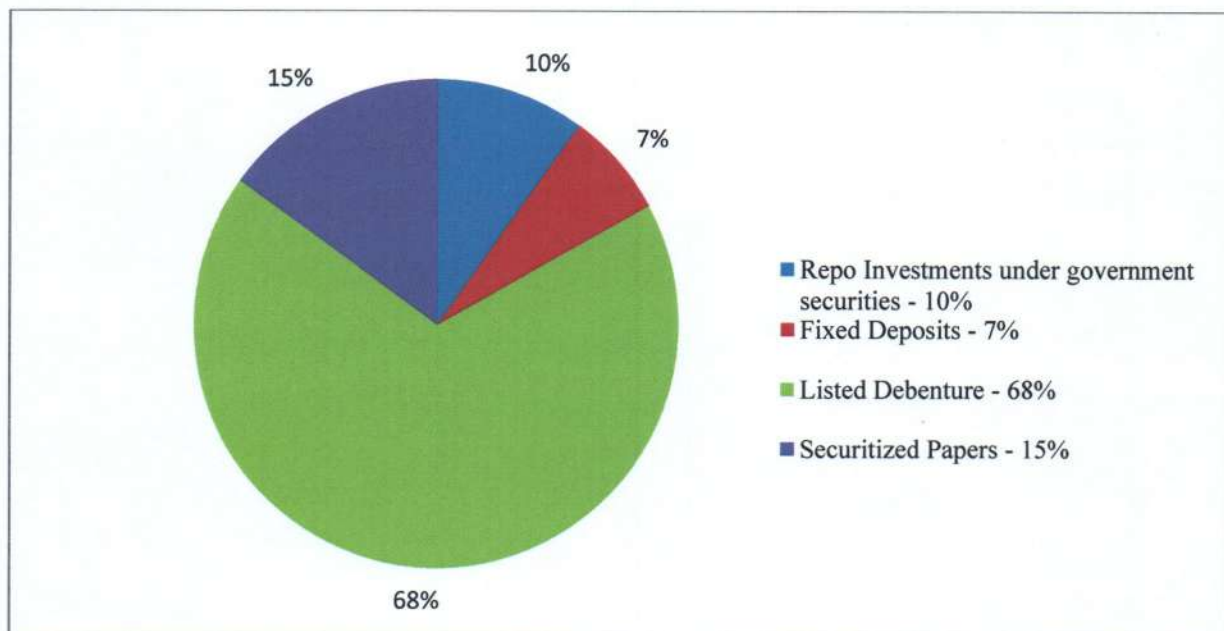
Fund Performance

First Capital Fixed Income Fund reported a net profit after tax of Rs. 24.75Mn for the first half of financial year 2017/18 compared to a net loss after tax of Rs. 0.26Mn in the corresponding period in the last year.

The fund reported a return of 11.94% (annualised) for six months ended 30 September 2017 compared to -0.17% (annualised) return for the similar corresponding period of 2016/17. The funds under management stand at Rs. 732.44Mn at the reporting date (31 March 2016 - Rs. 322.69Mn). Unit holders' funds represent 584,219 units as at 30 September 2017.

Asset Allocation as at 30 September 2017 (%)

The asset allocation of the Fund as at the reporting date is as follows.



Appreciations

We would like to extend our sincere gratitude to our valued unit holders for the confidence placed in us. We also place on record our appreciation for the unstinted support and cooperation extended by the Trustee, Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

FIRST CAPITAL ASSET MANAGEMENT LIMITED

No. 2, Deal Place, Colombo 3, Sri Lanka.

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Company Reg. No : PB 187

FIRST CAPITAL FIXED INCOME FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For Six months ended 30 September	2017	2016
	Unaudited	Unaudited
	Rs.	Rs.
Income	24,619,689	15,717,893
Direct expenses	(225)	-
Net trading income	24,619,464	15,717,893
Other Income	40,363	-
Gain/ (loss) on fair valuation of financial investments - held for trading	2,147,336	(14,499,766)
	26,807,163	1,218,127
Operating expenses	(1,811,865)	(1,178,528)
Profit before taxation	24,995,298	39,599
Income tax expenses	(249,398)	(302,600)
Profit/ (loss) for the period	24,745,900	(263,001)
Increase/ (decrease) in net assets attributable to unit holders	24,745,900	(263,001)

Figures in brackets indicate deductions

The notes form an integral part of these financial statements.

**FIRST CAPITAL FIXED INCOME FUND
STATEMENT OF FINANCIAL POSITION**

As at	30.09.2017 Unaudited Rs.	31.03.2017 Audited Rs.
Assets		
Cash at bank	186,988	465,886
Financial investments - held for trading	605,056,315	217,886,253
Financial investments - loans and receivables	123,510,175	102,190,517
Taxes receivable	715,822	660,112
Other Receivable	3,744,910	1,904,077
Total assets	<u>733,214,210</u>	<u>323,106,845</u>
Liabilities		
Payable under repurchase agreements - government securities	200,225	-
Creditors and accruals	577,142	415,902
Total liabilities	<u>777,367</u>	<u>415,902</u>
Unit holders' funds		
Net assets attributable to unit holders	732,436,843	322,690,943
	<u>732,436,843</u>	<u>322,690,943</u>
Total unit holders' funds and liabilities	<u>733,214,210</u>	<u>323,106,845</u>
Net assets per unit	1,253.70	1,184.76

The notes form an integral part of these financial statements.

The Management Company of First Capital Fixed Income Fund is responsible for the preparation and presentation of these Financial Statements in accordance with the Sri Lanka Accounting Standards.

Approved by the Fund Management Company and the Trustee on 8 December 2017.



Mangala Jayashantha
Chief Financial Officer
First Capital Asset Management Limited
Fund Management Company

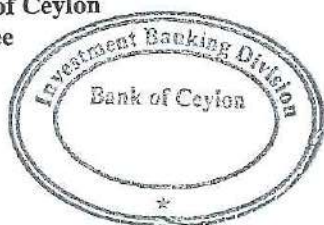


Dilshan Wirasekara
Director / Chief Executive Officer
First Capital Asset Management Limited
Fund Management Company



Dinesh Schaffter
Managing Director
First Capital Asset Management Limited
Fund Management Company

Bank of Ceylon
Trustee



**FIRST CAPITAL FIXED INCOME FUND
STATEMENT OF CHANGES IN UNIT HOLDERS' FUNDS**

For Six months ended 30 September 2017

	Unit holders' Capital Rs.	Retained Earnings Rs.	Unit holders' Funds Rs.
Balance as at 01 April 2016 (Audited)	270,150,000	33,059,138	303,209,138
Capital infused during the period	-	-	-
Capital withdrawals made during the period	-	-	-
Decrease in net assets attributable to unit holders	-	(263,001)	(263,001)
Balance as at 30 September 2016 (Unaudited)	<u>270,150,000</u>	<u>32,796,137</u>	<u>302,946,137</u>
Balance as at 01 April 2017 (Audited)	270,150,000	52,540,943	322,690,943
Capital infused during the period	385,000,000	-	385,000,000
Capital withdrawals made during the period	-	-	-
Increase in net assets attributable to unit holders	-	24,745,900	24,745,900
Balance as at 30 September 2017 (Unaudited)	<u>655,150,000</u>	<u>77,286,843</u>	<u>732,436,843</u>

Figures in brackets indicate deduction.

The notes form an integral part of these financial statements.

**FIRST CAPITAL FIXED INCOME FUND
STATEMENT OF CASH FLOWS**

For Six months ended 30 September

	2017 Unaudited Rs.	2016 Unaudited Rs.
Cash flows from operating activities		
Profit before taxation	24,995,298	39,599
Adjustment for :		
Gain/ (loss) on fair value of financial investments - held for trading	(2,147,336)	14,499,766
Operating profit before working capital changes	22,847,961	14,539,365
Increase in financial investments - held for trading	(385,022,725)	(3,987,979)
Increase in financial investments - loans and receivables	(21,319,658)	(10,230,104)
Increase in other receivables	(1,840,833)	-
Increase in payable under repurchase agreements	200,225	-
Increase/ (decrease) in creditors and accruals	161,240	(112,792)
Cash generated flows from/ (used in) operations	(384,973,790)	208,490
Tax paid	(305,108)	(419,201)
Net cash flows from/ (used in) operating activities	(385,278,898)	(210,711)
Net cash flows from/(used in) investing activities	-	-
Cash flows from financing activities		
Capital infused by unit holders (Net)	385,000,000	-
Net cash flows from/ (used in) financing activities	385,000,000	-
Net increase/ (decrease) in cash and cash equivalents	(278,898)	(210,711)
Cash and cash equivalents at the beginning of the period	465,886	309,759
Cash and cash equivalents at the end of the period	186,988	99,048

Figures in brackets indicate deductions.

The Notes form an integral part of these financial statements.

**FIRST CAPITAL FIXED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS**

1. The number of Units represented by unitholders' funds as at 30 September 2017 is 584,219.
2. The above figures are subject to audit. The same accounting policies as in the Audited Financial Statements for the year ended 31 March 2017 have been followed in the preparation of the above financial statements.
3. There have been no material commitment and contingent liabilities as at the reporting date which require disclosures in the financial statements (No commitment and contingent liabilities as at 31 March 2017).
4. There have been no material events after the reporting period which require adjustments/disclosures in the financial statements.