

**FIRST CAPITAL EQUITY FUND  
INTERIM FINANCIAL STATEMENTS  
FOR SIX MONTHS ENDED 30 SEPTEMBER 2016**

## REPORT OF THE MANAGER

We have pleasure in presenting the unaudited Interim Financial Statements of First Capital Equity Fund for six months ended 30 September 2016.

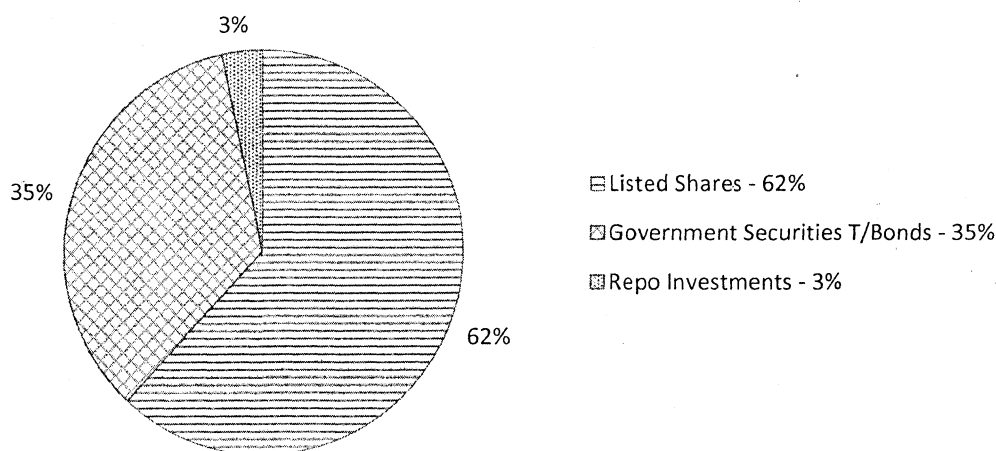
### Fund Performance

First Capital Equity Fund reported net profit after tax of Rs. 6.8 Mn for the first half of the financial year 2016/17.

The fund reported a return of 10.61% for six months ended 30 September 2016. The funds under management increased to Rs. 77 Mn compared to Rs. 54 Mn at the beginning of the year. Capital infused by the Unit holders for the period under review is Rs. 16.3 Mn. Unit holders' funds represent 72,264 units as at 30 September 2016.

### Asset Allocation as at 30 September 2016 (%)

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 EQUITY FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For Six months ended 30 September	2016 Unaudited Rs.
<b>Income</b>	<b>3,339,968</b>
Direct expenses	(121,316)
<b>Net trading income</b>	<u><b>3,218,652</b></u>
Gain on fair valuation of financial investments - held for trading	4,195,857
	<u><b>7,414,509</b></u>
Administration and other operating expenses	(455,566)
<b>Profit before taxation</b>	<u><b>6,958,943</b></u>
Income tax expenses	(150,588)
<b>Profit for the period</b>	<u><b>6,808,355</b></u>
<b>Increase in net assets attributable to unit holders</b>	<u><b>6,808,355</b></u>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

**FIRST CAPITAL EQUITY FUND  
STATEMENT OF FINANCIAL POSITION**

As at	30.09.2016 Unaudited Rs.	31.03.2016 Audited Rs.
<b>Assets</b>		
Cash at bank	480,429	2,604,030
Financial investments - held for trading	81,045,822	17,857,739
Financial investments - loans and receivables	2,788,234	33,541,236
Tax receivables	115,029	69,471
<b>Total Assets</b>	<b>84,429,514</b>	<b>54,072,476</b>
<b>Liabilities</b>		
Payable under repurchase agreements	7,309,185	-
Creditors and accruals	420,206	445,789
<b>Total Liabilities</b>	<b>7,729,391</b>	<b>445,789</b>
<b>Unit holder's funds</b>		
<b>Net assets attributable to unit holders</b>	<b>76,700,123</b>	<b>53,626,687</b>
<b>Total unit holders' funds and liabilities</b>	<b>84,429,514</b>	<b>54,072,476</b>
<b>Net assets per unit</b>	<b>1,061.39</b>	<b>959.60</b>

The notes form an integral part of these financial statements.

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

Approved by the Managing Company and the Trustee on 16 December 2016.



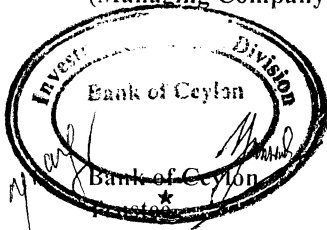
Mangala Jayashantha  
Chief Financial Officer  
First Capital Asset management Limited  
(Managing Company)



Dinesh Schaffter  
Managing Director  
First Capital Asset management Limited  
(Managing Company)



Manjula Mathews (Ms.)  
Chairperson  
First Capital Asset management Limited  
(Managing Company)



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

For Six months ended 30 September 2016

	Unit holders' Capital Rs.	Retained Earnings Rs.	Unit holders' Funds Rs.
<b>Balance as at 01 April 2016 (Audited)</b>	<b>55,850,708</b>	<b>(2,224,021)</b>	<b>53,626,687</b>
Capital infused during the period	16,315,081	-	16,315,081
Capital withdrawals made during the period	(50,000)	-	(50,000)
Increase in net assets attributable to unit holders	-	6,808,355	6,808,355
<b>Balance as at 30 September 2016 (Unaudited)</b>	<b><u>72,115,789</u></b>	<b><u>4,584,334</u></b>	<b><u>76,700,123</u></b>

Figures in brackets indicate deduction.

The notes form an integral part of these financial statements.

**FIRST CAPITAL EQUITY FUND  
STATEMENT OF CASH FLOWS**

For Six months ended 30 September

2016  
Unaudited  
Rs.

<b>Cash flows from operating activities</b>	
Profit before taxation	6,958,943
Adjustment for :	
Gain on fair value of financial investments - held for trading	(4,195,857)
<b>Operating profit before working capital changes</b>	<u>2,763,086</u>
Increase in financial investments - held for trading	(58,992,226)
Decrease in financial investments - loans and receivables	30,753,004
Increase payable under repurchase agreements	7,309,185
Decrease in creditors and accruals	(25,583)
<b>Cash generated flows from/ (used in) operations</b>	<u>(18,192,534)</u>
Tax paid	(196,148)
<b>Net cash flows from/ (used in) operating activities</b>	<u>(18,388,682)</u>
<b>Net cash flows from/ (used in) investing activities</b>	<u>-</u>
<b>Cash flows from financing activities</b>	
Capital infused by unit holders (Net)	16,265,081
<b>Net cash flows from/ (used in) financing activities</b>	<u>16,265,081</u>
<b>Net cash inflows/ (outflows) for the period</b>	<u>(2,123,601)</u>
Cash and cash equivalents at the beginning of the period	2,604,030
<b>Cash and cash equivalents at the end of the period</b>	<u>480,429</u>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

**FIRST CAPITAL EQUITY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**

1. The number of Units represented by unitholders' funds as at 30 September 2016 is 72,264.
2. The above figures are subject to audit. The same accounting policies as in the Audited Financial Statements for the year ended 31 March 2016 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 2016).
4. There have been no material events after the reporting period which require adjustments/disclosures in the financial statements.