

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

REPORT OF THE MANAGER

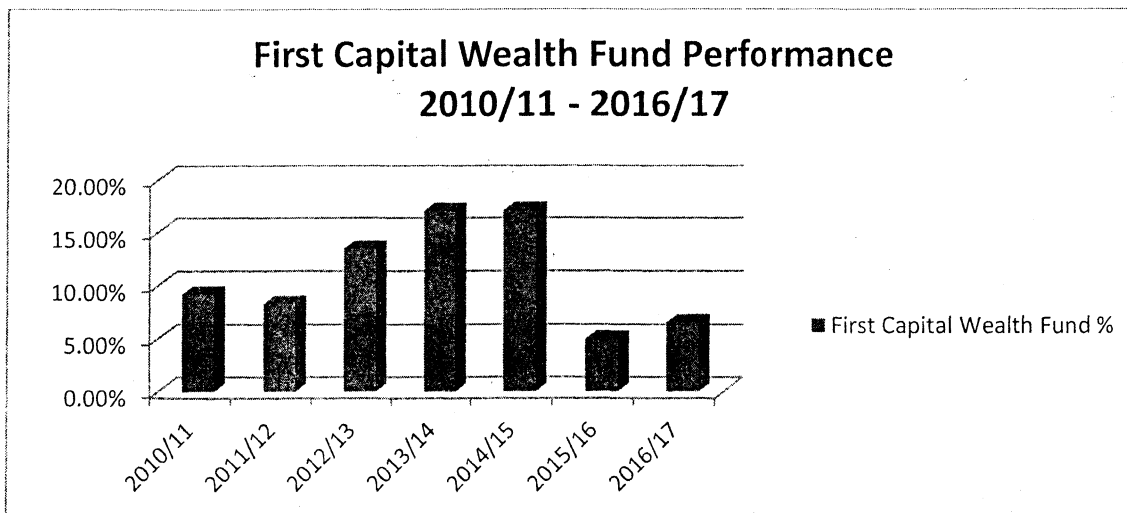
We have pleasure in presenting the unaudited Interim Financial Statements of First Capital Wealth Fund for six months ended 30 September 2016.

Fund Performance

First Capital Wealth Fund reported a net profit after tax of Rs. 85 Mn for the first half of the financial year 2016/17 compared to Rs.133 Mn in the correspondence period of the last year. The fund reported a return of 6.57% (annualised) for six months ended 30 September 2016 compared to 5.75% (annualised) return for the similar corresponding period of 2015/16.

The funds under management decreased to Rs. 1.9 Bn as at 30 September 2016 compared to Rs. 2.8 Bn at the commencement of the year. Net Capital redeemed by the unit holders for the period under review is Rs. 0.77 Bn. Number of units represent by the unit holders' funds as at 30 September 2016 is 1,653,280.

Total Return %

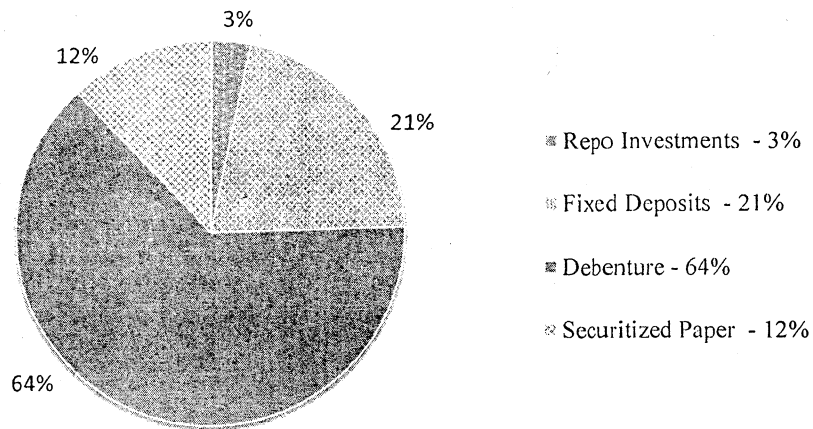


Period	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Return %	9.23%	8.33%	13.51%	17.08%	17.12%	5.01%	6.57%*

* Annualised 6 months' return

Asset Allocation as at 30 September 2016 (%)

The Fund maintained majority of its investments in Debentures (64%) with Fixed Deposits (21%), and Securitized Papers (12%) and Repo Investments comprising the remainder.



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 WEALTH FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For Six months ended 30 September	2016 Unaudited Rs.	2015 Unaudited Rs.
Income	90,144,902	200,522,858
Direct expenses	(9,639,977)	(7,813,694)
Net trading income	<u>80,504,925</u>	<u>192,709,164</u>
Other income	267,110	2,344,158
Gain/ (Loss) on fair valuation of financial investments - held for trading	<u>26,778,644</u>	<u>(38,373,060)</u>
	107,550,679	156,680,262
Administration and other operating expenses	(16,776,913)	(22,738,655)
Profit before taxation	<u>90,773,766</u>	<u>133,941,607</u>
Income tax expenses	(6,245,134)	(877,996)
Profit for the period	<u>84,528,632</u>	<u>133,063,611</u>
Other comprehensive income	-	-
Total comprehensive income	<u>84,528,632</u>	<u>133,063,611</u>
Increase in net assets attributable to unit holders	<u>84,528,632</u>	<u>133,063,611</u>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

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

As at	30.09.2016 Unaudited Rs.	31.03.2016 Audited Rs.
Assets		
Cash at banks	2,348,229	4,325,240
Financial investments - held for trading	1,820,676,303	2,224,931,978
Financial investments - loans and receivables	63,078,799	848,395,979
Tax receivables	13,901,857	14,193,296
	1,900,005,188	3,091,846,493
Total Assets		
Liabilities		
Payables under repurchase agreements - government securities	16,122,745	306,627,176
Creditors and accruals	2,361,048	3,655,878
Total Liabilities	18,483,793	310,283,054
Unit holders' funds		
Net assets attributable to unit holders	1,881,521,395	2,781,563,439
Total unit holders' funds and liabilities	1,900,005,188	3,091,846,493
Net asset per unit	1,138.05	1,200.22

The notes form an integral part of these financial statements.

The Managing Company of First Capital Wealth 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.



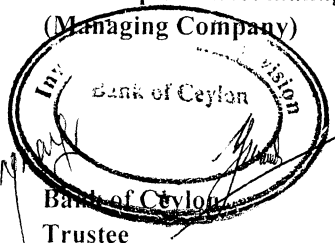
Mangala Jayashantha
Chief Financial Officer
First Capital Asset management Limited
(Managing Company)



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



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



FIRST CAPITAL WEALTH FUND
STATEMENT OF CHANGES IN UNIT HOLDERS' FUNDS

	Unit holders' Capital Rs.	Retained Earnings Rs.	Unit holders' Funds Rs.
Balance as at 01 April 2015 (Audited)	2,136,016,214	32,998,887	2,169,015,101
Capital infused	2,013,713,879	-	2,013,713,879
Capital redeemed	(533,523,831)	-	(533,523,831)
Increase in net assets attributable to unit holders	-	133,063,611	133,063,611
Balance as at 30 September 2015	<u>3,616,206,262</u>	<u>166,062,498</u>	<u>3,782,268,760</u>
Balance as at 01 April 2016 (Audited)	2,528,423,814	253,139,625	2,781,563,439
Capital infused	604,126,466	-	604,126,466
Capital redeemed	(1,370,715,321)	-	(1,370,715,321)
Increase in net assets attributable to unit holders	-	84,528,632	84,528,632
Dividends paid	-	(217,981,821)	(217,981,821)
Balance as at 30 September 2016	<u>1,761,834,959</u>	<u>119,686,436</u>	<u>1,881,521,395</u>

Figures in brackets indicate deduction.

The notes form an integral part of these financial statements.

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

For Six months ended 30 September	2016 Unaudited Rs.	2015 Unaudited Rs.
Cash flows from operating activities		
Profit before taxation	90,773,766	133,941,607
Adjustment for :		
Loss on fair value of financial investments - held for trading	(26,778,644)	38,373,060
Operating profit before working capital changes	<u>63,995,122</u>	<u>172,314,667</u>
(Increase)/ decrease in financial investments - held for trading	431,034,319	(1,415,691,500)
(Increase)/ decrease in loans and receivables	785,317,180	(416,804,983)
(Decrease) in accruals and other payables	(1,294,830)	(1,205,389)
Increase/ (decrease) in payables under repurchase agreements	(290,504,431)	436,213,681
Cash generated flows from/ (used in) operations	<u>988,547,360</u>	<u>(1,225,173,524)</u>
Tax paid	(5,953,695)	(14,302,844)
Net cash flows from/ (used in) operating activities	<u>982,593,665</u>	<u>(1,239,476,368)</u>
Net cash flows from/(used in) investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Capital infused by unit holders (net)	(766,588,855)	1,480,190,048
Dividend paid	(217,981,821)	(240,207,800)
Net cash flows from/ (used in) financing activities	<u>(984,570,676)</u>	<u>1,239,982,248</u>
Net cash inflows/ (outflows) for the period	<u>(1,977,011)</u>	<u>505,880</u>
Cash and cash equivalents at the beginning of the period	4,325,240	3,370,683
Cash and cash equivalents at the end of the period	<u>2,348,229</u>	<u>3,876,563</u>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

FIRST CAPITAL WEALTH FUND
NOTES TO THE FINANCIAL STATEMENTS

1. The number of Units represented by unitholders' funds as at 30 September 2016 is 1,653,280.
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.