

**EXIM BANK 1ST MUTUAL FUND
INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**



**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS
OF
EXIM BANK 1ST MUTUAL FUND**

Opinion

We have audited the financial statements of EXIM Bank 1st Mutual Fund, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects of the statement of financial position of EXIM 1st Mutual Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Key Audit Matters:

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

| Risk | Our response to the risk |
|---|--|
| <p>Valuation of Investments:</p> <p>The Fund's investment portfolio presented in the Statement of Financial Position at market</p> | <ul style="list-style-type: none"> Testing the key controls over identification, Measurement and management of valuation risk as well as evaluating the methodologies and input parameters used by the Fund in determining fair |



| | |
|--|---|
| <p>value Tk. 1,515,882,736 represents 93.71% of the total assets Tk. 1,617,572,414 and at cost value Tk. 1,537,424,862 represents 95.05% of the total assets Tk. 1,617,572,414 as at June 30, 2022. This is considered to be the key driver of the Fund's capital and revenue Performance.</p> <p>The market value of financial instruments that are traded in an active market is determined based on quoted market prices.</p> <p>Due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p> | <p>values.</p> <ul style="list-style-type: none">• Obtained year-end share holding positions from the fund and through directional testing assessed the completeness of the report;• Obtained the CDBL report and share portfolio and cross checked against each other to confirm status of financial instruments;• The market value per share of investment made in each company has been agreed to the DSE website• Assessing the adequacy of the disclosures in the financial statements against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations. |
| Note no. 5.00 & 6.00 to the financial statements | |
| <p>Dividend from investment:</p> <p>Dividend from investment Tk. 43,955,272 constitutes the majority portion 25.01% of the income generated from the fund.</p> | <p>We have tested the design and operating effectiveness of controls around the due and receivable recording process</p> <ul style="list-style-type: none">• Comparing observable inputs against independent sources and externally available market data.• Re-performing the calculations used to check Accuracy and correctness of information.• Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements |
| Note no. 16.00 to the financial statements | |
| <p>Liabilities for expenses:</p> <p>This account represents the Liabilities for expense Tk.1,127,088 balance payable to third parties throughout the next fiscal year. Some provisions, such as management fee and other fee, have lent to the fund. The rest are accounted for as vendors/suppliers and accrued liabilities.</p> | <p>We have tested the design and operating effectiveness of controls around the due and provisions recording process. We carried out the following audit procedures:</p> <ul style="list-style-type: none">• Obtained the provisions register and tested for completeness of credits recorded in the register on a sample basis.• Obtained a sample of bill payable recording process and cross check it with ledger.• Obtained a sample of provision create process and cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.• Obtained and discussed with management about their basis for provision and challenged their provision creation where appropriate.• Reviewed on a sample basis payment calculations owed to regulatory bodies. <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p> |
| Note no. 11.00 to the financial statements | |
| <p>Advance, Deposit & Prepayments:</p> <p>The fund has types of advance, deposit &</p> | <p>We have tested the maintaining effectiveness of the advance deposit and assets position held by the Fund from trusted sources. Additionally, we performed the following:</p> |





prepayments Tk.4,394,183 such as BSEC, DSE, CSE, AIT, Advance trustee fee-ICB & CDBL annual fees.

- Obtain BSEC, DSE, CSE, AIT, Advance trustee fee-ICB & CDBL annual fees and went through the terms and conditions of the agreement and assess imply able amount for advances.
- Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.

Note no. 10.00 to the financial statements

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Bangladesh Securities & Exchange Commission (Mutual Fund) Rule, 2001, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the (consolidated) financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Fund so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the investment was made as per Rule 56 of Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001; and
- e) the expenditure incurred and payments made were for the purpose of the Fund Business,
- f) the information and explanation required by us have been received and fund satisfactory.

Place: Dhaka,
Dated: 14 August, 2022

Md. Iqbal Hossain FCA
Partner, Enrolment No. (596) ICAB

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

DVC No.: 2208240596AS876649





EXIM BANK 1ST MUTUAL FUND
Statement of Financial Position
As at June 30, 2022

| Particulars | Notes | Amount in Taka | |
|---|-------|----------------------|----------------------|
| | | 30-Jun-22 | 30-Jun-21 |
| A Assets | | | |
| Investment in marketable securities-at fair value | 5 | 1,148,963,780 | 1,187,475,050 |
| Investment in non-listed securities-at fair value | 6 | 366,918,956 | 387,325,236 |
| Cash & Cash Equivalents | 7 | 72,012,472 | 115,163,538 |
| Preliminary & Issue Expenses | 8 | 4,887,009 | 5,331,393 |
| Other Receivables | 9 | 20,396,014 | 26,271,288 |
| Advance, Deposit & Prepayments | 10 | 4,394,183 | 4,111,494 |
| Total Asset | | 1,617,572,414 | 1,725,677,999 |
| B Liabilities | | | |
| Liabilities for Expenses | 11 | 1,127,088 | 959,664 |
| Unclaimed Dividend | 7.01 | 1,029,382 | - |
| Other Liabilities | 12 | 374,879 | 5,718,369 |
| Total Liabilities | | 2,531,350 | 6,678,032 |
| C Net Asset (A-B) | | 1,615,041,064 | 1,718,999,966 |
| D Equity | | | |
| Capital Fund | 13 | 1,432,563,430 | 1,432,563,430 |
| Dividend Equalization & TRR Reserve | | 77,981,382 | 77,981,382 |
| Unrealized Gain | | - | 98,751,551 |
| Retained Earnings | | 104,496,252 | 109,703,603 |
| Total Equity | | 1,615,041,064 | 1,718,999,966 |
| Net Asset Value (NAV)-At Cost | 14 | 1,636,583,190 | 1,620,248,415 |
| No. of Units | | 143,256,343 | 143,256,343 |
| | | 11.42 | 11.31 |
| Net Asset Value (NAV)-at Fair Value | 14 | 1,615,041,064 | 1,718,999,966 |
| No. of Units | | 143,256,343 | 143,256,343 |
| | | 11.27 | 12.00 |

These financial statements should be read in conjunction with annexed notes.


Asset Manager

Bangladesh RACE Management PCL



Trustee

Investment Corporation of Bangladesh

See annexed report of the date

Place: Dhaka

Date: August 14, 2022





Md. Iqbal Hossain FCA

Partner, Enrolment no. 596 (ICAB)

Zoha Zaman Kabir Rashid & Co.

Chartered Accountants



EXIM BANK 1ST MUTUAL FUND
Statement of Profit or Loss & other Comprehensive Income
For the year ended June 30, 2022

| Particulars | Notes | Amount in Taka | |
|--|-----------|--------------------|--------------------|
| | | 30-Jun-22 | 30-Jun-21 |
| A Income | | | |
| Net Profit on sale of Investment | 15 | 115,517,518 | 19,811,884 |
| Dividend from Investment | 16 | 43,955,272 | 35,134,263 |
| Financial Income | 17 | 16,248,916 | 19,510,794 |
| Total Income | | 175,721,706 | 74,456,941 |
| B Expenditure | | | |
| Management Fee | 18 | 21,056,823 | 19,426,021 |
| Amortization of Preliminary & Issue Exp. | 8 | 444,384 | 444,384 |
| Trustee Fee | 19 | 1,714,712 | 1,403,467 |
| BSEC Annual Fee | 20 | 1,432,563 | 1,432,563 |
| CDBL Charge | 21 | 263,758 | 390,201 |
| Custodian Fee | 22 | 1,615,135 | 1,379,446 |
| CSE Annual Fee | | 586,512 | 585,705 |
| DSE Annual Fee | | 586,512 | 585,705 |
| Bank Charge | | 80,891 | 110,084 |
| Audit Fee | | 58,500 | 45,000 |
| Expenses for Capital Market Stabilization Fund | 23 | 237 | - |
| Printing Publication & IPO expenses | | 688,917 | 373,741 |
| Total Expenditure | | 28,528,943 | 26,176,318 |
| C Net Profit before Provision (A-B) | | 147,192,762 | 48,280,623 |
| (Total Provision for VAT, Tax & write off)/ write back against erosion of fair value | | (44,957,856) | 238,945,060 |
| D Net Profit after Provision transferred to retained earnings | | 102,234,907 | 287,225,683 |
| E Earnings Per Unit (EPU) for the year | 24 | 0.71 | 2.00 |

These financial statements should be read in conjunction with annexed notes.


 Asset Manager

Bangladesh RACE Management PCL



Trustee

Investment Corporation of Bangladesh

See annexed report of the date

Place: Dhaka

Date: August 14, 2022





Md. Iqbal Hossain FCA

Partner, Enrolment no. 596 (ICAB)

Zoha Zaman Kabir Rashid & Co.

Chartered Accountants



EXIM BANK 1ST MUTUAL FUND
Statement of Changes in Equity
For the year ended June 30, 2022

Amount in Taka

| Particulars | Capital Fund | Dividend Equalization & TRR Reserve | Unrealized Gain | Retained Earnings | Total Equity |
|---------------------------------|----------------------|-------------------------------------|-----------------|--------------------|----------------------|
| Balance at July 01, 2021 | 1,432,563,430 | 77,981,382 | 98,751,551 | 109,703,603 | 1,718,999,966 |
| Unrealized Gain | - | - | (98,751,551) | - | (98,751,551) |
| Dividend Paid (2020-2021) | - | - | - | (107,442,257) | (107,442,257) |
| Net profit for the year | - | - | - | 102,234,907 | 102,234,907 |
| Balance at June 30, 2022 | 1,432,563,430 | 77,981,382 | - | 104,496,252 | 1,615,041,064 |

Statement of Changes in Equity
For the year ended June 30, 2021

| Particulars | Capital Fund | Dividend Equalization & TRR Reserve | Unrealized Gain | Retained Earnings | Total Equity |
|---------------------------------|----------------------|-------------------------------------|-------------------|--------------------|----------------------|
| Balance at July 01, 2020 | 1,432,563,430 | 77,981,382 | - | (177,522,080) | 1,333,022,732 |
| Net profit for the year | - | - | - | 287,225,683 | 287,225,683 |
| Unrealized Gain | - | - | 98,751,551 | - | 98,751,551 |
| Balance at June 30, 2021 | 1,432,563,430 | 77,981,382 | 98,751,551 | 109,703,603 | 1,718,999,966 |

Asset Manager
Bangladesh RACE Management PCL

Trustee

Investment Corporation of Bangladesh

See annexed report of the date

Md. Iqbal Hossain FCA
Partner, Enrolment no. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Place: Dhaka
Date: August 14, 2022







EXIM BANK 1ST MUTUAL FUND
Statement of Cash Flows
For the year ended June 30, 2022

| Particular | Amount in Taka | |
|--|----------------------|---------------------|
| | 30-Jun-22 | 30-Jun-21 |
| A. Cash Flows from Operating Activities: | | |
| Net Profit on sale of Investment | 115,517,518 | 19,811,884 |
| Dividend Income | 36,737,841 | 50,208,853 |
| Financial Income | 21,346,454 | 21,967,840 |
| Other Operating Expenses | (33,543,313) | (22,271,889) |
| Net Cash Flow from Operating Activities | 140,058,500 | 69,716,688 |
| B. Cash Flows from Investing Activities: | | |
| Net Investment in Securities | (76,796,691) | (77,814,042) |
| Net Cash used in Investing Activities | (76,796,691) | (77,814,042) |
| C. Cash Flows from Financing Activities: | | |
| Dividend Paid-(2020-2021) | (107,442,257) | - |
| Unclaimed Dividend | 1,029,382 | - |
| Net Cash from Financing Activities | (106,412,875) | - |
| D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C) | (43,151,066) | (8,097,354) |
| E. Opening Cash and Cash Equivalents | 115,163,538 | 123,260,892 |
| F. Closing Cash and Cash Equivalents (D+E) | 72,012,472 | 115,163,538 |
| Net Operating Cash Flow Per Unit (NOCFPU) | 0.98 | 0.49 |


Asset Manager
Bangladesh RACE Management PCL


Trustee
Investment Corporation of Bangladesh

See annexed report of the date


Md. Iqbal Hossain FCA
Partner, Enrolment no. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Place: Dhaka
Date: August 14, 2022





EXIM BANK 1ST MUTUAL FUND

Notes to the Accounts
For the year ended 30 June 2022

1. The fund and legal status

EXIM Bank 1st Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 29 November 2010 between EXIM Bank Limited as a 'Sponsor' and the Investment Corporation of Bangladesh (ICB) as a "Trustee". The Fund was registered under the Trust Act 1882 as well as under the Bangladesh Securities and Exchange Commission (BSEC) on 12 December 2010 vide registration code no. BSEC/Mutual Fund/2010/36 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001. The operations of the Fund was commenced on 16 July 2013 by listing with Dhaka and Chittagong Stock Exchanges.

As provided in Trust Deed, Bangladesh RACE Management PCL, an asset management company, is the Fund Manager. Bangladesh RACE Management PCL was incorporated as a private limited company under Companies Act 1994 on March 2008.

EXIM Bank 1st Mutual Fund is a close-end Mutual Fund of ten years' tenure. The objectives of the Fund are to provide regular dividend to the investors by investing the Fund both in capital and money market instruments. The Fund consists of 143,256,3434 units of BDT 10 each. The units of the Fund are transferable.

2. Objectives

The objective of EXIM Bank 1st Mutual Fund is to provide attractive dividends to its unit-holders by earning superior risk adjusted return from a diversified investment portfolio.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) and as per requirements of the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001, Trust Deed and other applicable laws and regulations.

3.2 Basis of measurement

These financial statements have been prepared on a going concern basis under historical cost convention in accordance with generally accepted accounting principles.

3.3 Functional and presentational currency

These financial statements are presented in BDT, which is also the Fund's functional and presentational currency.

3.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.





Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.5 Reporting period

These financial statements are prepared for the period from 01 July 2021 to 30 June 2022.

3.6 Taxation

The income of the Fund is exempted from Income Tax as per SRO No. 333-Act/Income Tax/2011 dated 10 November 2011, under Section 44(4) clause (b) of Income Tax Ordinance, 1984; hence no provision for tax is required.

4. Significant accounting policies

The accounting policies set out below have been applied throughout the period presented in these financial statements.

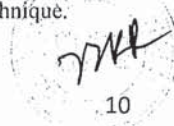
4.1 Investment policy

The investment policy of the Fund as summarised below has been set in accordance with Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 including amendments if any:

- (i) as per Rule 55 (02) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 as amended, at least 60% of total assets of the Fund is to be invested in capital market out of which at least 50% will be in listed securities;
- (ii) as per fifth schedule, no term loan and advance shall be given from the mutual fund.
- (iii) as per fifth schedule not more than 10% of total assets of one scheme of a mutual fund shall be invested in one company's share.
- (iv) as per fifth schedule not more than 15% of paid-up capital of a company's share shall be invested from all schemes of a mutual fund.
- (v) as per fifth schedule not more than 20% of one or group of companies' share, debenture or other securities shall be invested from all schemes of a mutual fund.
- (vi) as per fifth schedule not more than 25% in one sector/industry's share, debenture or other securities shall be invested from all scheme of a mutual fund.
- (vii) as per fifth schedule investment or loan from one scheme to another scheme shall not be made under one asset management company.
- (viii) as per fifth schedule a mutual fund shall not make any loan for investment purpose.
- (ix) as per fifth schedule, no expenses shall be charged in year more than 4% of weekly average NAV annually.
- (x) As per trust deed (clause: 3.2.22) In the event the weight-age of shares exceed the limits laid down in the Offer Document or in the Bidhimala for the relative movement in the market prices of the investments including subscription of right shares or through any disinvestments, the Asset Management Company shall make its best endeavors to bring the exposure within the prescribed limits within six months of the event. But in any case the Asset Management Company shall not invest further in such Securities or sectors while the deviation exists.

4.2 Valuation Policy

Fair Value is a market-based measurement. It is to estimate the price at which an orderly transaction to sell the assets or to transfer the liability would take place between market participants at the measurement date under current market condition. As per IFRS-13, EXIM Bank 1st Mutual Fund (the fund) adopts the assumption the market participants would use when pricing the assets, including assumptions about risk (a) the risk inherent in a particular valuation technique used to measure fair value (such as pricing model); and (b) the risk inherent in quoted price/input to the valuation technique.


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(i) For Capital Market Securities-Listed:

The Capital Market Securities-Listed are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of Valuation i.e., on June 30, 2022 as per IFRS-13 Fair Value Measurement, Capital Market Securities-Listed (Mutual Fund) are valued considering the quoted market price and last disclosed NAV on June 30, 2022 by the methodology provided by BSEC vide directive no. SEC/CMRRCD/2009/193/172 dated June 30, 2015.

(ii) For Capital Market Securities-Non listed:

Capital Market Securities-Non listed (Unit Fund) are valued at the repurchase price which is enforceable on June 30, 2022 declared by respective AMC and this is also a quoted price as per IFRS-13 Capital Market Securities-Non listed (Bond) are valued at fair value by applying the methodology as per IFRS-13 using Present Value technique under Income approach and in compliance with Rules 58 of Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001. For the fiscal year 2021-2022, a provision has been taken against "The Regent Corporate Bond-2015" due to COVID-19 pandemic related uncertainty in timely repayment of the Bond's receivables.

(iii) For Non-Listed Private Equity -BSEC approved:

The Fund has invested in the equity of a non-listed company. Which is regulated by Bangladesh Bank and other is regulated by Bangladesh Securities and Exchange Commission.

The investment in shares of Multi Securities and Services Limited has been approved by BSEC vide letter no. SEC/MF & SOV/MF-02/2009/783 dated November 04, 2015. The company is regulated by BSEC and is a going concern and has been paying dividends. Using prudence and conservative principal of accounting this investment is also held at cost.

4.3 Dividend Policy

As per Rule 66 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 as amended, the Fund is required to distribute its profit in the form of dividend in cash to its unit holders an amount which shall not be less than 70% of annual profit during the year, net of provisions and net of negative retained earnings brought forward balance.

4.4 Cash & cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and fixed deposits.

4.5 Net asset value calculation

NAV per unit is being calculated using the following formula:

$$\text{Total NAV} = \text{VA} - \text{LT}$$

$$\text{NAV per unit} = \text{Total NAV} / \text{No. of units outstanding.}$$

VA: Value of all securities in vault + Value of all securities placed in lien + Cash in hand and bank balances + Value of all securities receivables + receivables of proceeds of sale of investments + Dividend receivable, net tax + Interest receivable, net of tax + Issue expenses amortised on that date + Printing, publication and stationery expenses amortised on date.

LT: Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as trustee fee + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping fee.





4.6 Provisions

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting period. Provision for market unrealised loss shall be made in accordance with the rule 3(d) of 6th schedule and in case of provision write back it shall be vice versa. As per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rule-2019, the BSEC has introduced concept of Risk Based Capital Adequacy to the capital market and in relation there is a requirement to build up Total Risk Requirement (TRR). As AMC, Bangladesh RACE Management PCL has built up adequate TRR on Balance Sheet as prudent risk management. Further in interest of unitholders the dividend equalization reserve may be used to enhance a period's dividend payout using this reserve built up in previous period

4.8 Revenue recognition

Gains/losses arising on sale of investment are included in the Profit and Loss Statement on the date at which the transaction takes place. Dividend and interest income are recognised as per BAS-18 and Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001.

4.9 Statement of cash flows

Cash flows from operating activities have been presented under direct method.



EXIM BANK 1ST MUTUAL FUND
Notes to the Financial Statements
For the year ended June 30, 2022

| | | Amount in Taka | |
|--|------|----------------------|----------------------|
| | | 30-Jun-22 | 30-Jun-21 |
| 5.00 Valuation of Marketable Investment at Fair Value | | | |
| Capital Market Securities-Listed | 5.01 | 1,148,963,780 | 1,187,475,050 |
| | | 1,148,963,780 | 1,187,475,050 |

5.01 Capital Market Securities-Listed

| Sector/Category | Amount in Taka | | | | |
|-------------------|-------------------|----------------------|------------------------------|------------------------------------|------------------------------|
| | No. of Shares | Cost Value | Fair Value (30 June 2022) | Required (Provision)/ Excess | Fair Value (30 June 2021) |
| Bank | 21,268,324 | 419,290,128 | 402,733,471 | (16,556,657) | 367,124,307 |
| Cement | 66,591 | 36,511,179 | 13,884,224 | (22,626,956) | 22,258,082 |
| Food and Allied | 197,500 | 111,512,450 | 107,341,250 | (4,171,200) | 95,905,890 |
| Fuel and Power | 221,688 | 9,069,256 | 8,313,300 | (755,956) | 123,442,921 |
| Insurance | 7,311 | 73,110 | 360,432 | 287,322 | 16,306,537 |
| Miscellaneous | 388,997 | 62,801,799 | 55,098,448 | (7,703,352) | 31,683,000 |
| Mutual Funds | - | - | - | - | 8,863,538 |
| NBFI | 817,025 | 70,739,464 | 55,019,479 | (15,719,985) | 29,196,657 |
| Pharma | 1,190,644 | 349,880,277 | 416,008,246 | 66,127,969 | 384,984,748 |
| Tannery | 23,515 | 16,531,751 | 12,522,827 | (4,008,924) | 9,204,677 |
| Telecommunication | 264,135 | 101,750,085 | 77,682,104 | (24,067,981) | 98,504,693 |
| Total | 24,445,730 | 1,178,159,499 | 1,148,963,780 | (29,195,719) | 1,187,475,050 |

6.00 Valuation of Non-listed Investment at Fair Value

| | | | |
|---|------|--------------------|--------------------|
| Capital Market Securities-Non Listed | 6.01 | 289,653,593 | 310,059,873 |
| Non-Listed Private Equity-BSEC approved | 6.02 | 77,265,363 | 77,265,363 |
| | | 366,918,956 | 387,325,236 |

6.01 Capital Market Securities-Non Listed

| Particulars | Amount in Taka | | | |
|---|------------------|------------------------------|------------------------------------|------------------------------|
| | Cost Value | Fair Value (30 June 2022) | Required (Provision)/ Excess | Fair Value (30 June 2021) |
| Second ICB Unit Fund | - | - | - | 394,482 |
| Third ICB Unit Fund | - | - | - | 229,681 |
| Fourth ICB Unit Fund | - | - | - | 122,275 |
| Sixth ICB Unit Fund | - | - | - | 1,278,892 |
| Eighth ICB Unit Fund | - | - | - | 529,122 |
| HFAML Unit Fund | 3,000,000 | 3,598,570 | 598,570 | 3,573,629 |
| ICB AMCL Second NRB Unit Fund | - | - | - | 530,604 |
| Capital Market Securities-Non Listed (Unit Fund) | 3,000,000 | 3,598,570 | 598,570 | 6,658,684 |

Investment in Non Listed Securities (Bond):

| | | | | |
|--|--------------------|--------------------|------------------|--------------------|
| Best Holding Ltd. Convertible Bond | 56,000,000 | 56,000,000 | - | 61,756,240 |
| Regent Spinning Mills Corporate Bond-2015 | 30,000,000 | 30,000,000 | - | 64,000,000 |
| Premier Bank Ltd. Corporate Bonds | 193,000,000 | 200,055,023 | 7,055,023 | 177,644,949 |
| Capital Market Securities-Non Listed (Bond) | 279,000,000 | 286,055,023 | 7,055,023 | 303,401,189 |
| Total of Unit Fund and Bond | 282,000,000 | 289,653,593 | 7,653,593 | 310,059,873 |



| Amount in Taka | |
|----------------|-----------|
| 30-Jun-22 | 30-Jun-21 |

6.02 Non Listed Private Equity-BSEC approved

| Particulars | Amount in Taka | | | Fair Value (30 June 2021) |
|---|-------------------|------------------------------|------------------------------------|------------------------------|
| | Cost Value | Fair Value (30 June 2022) | Required (Provision)/ Excess | |
| Multi Securities & Services Limited | 77,265,363 | 77,265,363 | - | 77,265,363.26 |
| Total of BSEC approved Private Equity Investment | 77,265,363 | 77,265,363 | - | 77,265,363 |
| Net Provision Taken (5.01+6.00+6.01) | | | (21,542,126) | 98,751,551 |

7.00 Cash and Cash Equivalents :

Bank balance with Operational Account:

| | | |
|-------------------------------|------------|------------|
| EBL-1011360230190 | 3,299 | 3,237 |
| EXIM Bank-03913100024554 | 10,765,534 | 23,242,318 |
| Dhaka Bank-2011520000015 | 5,619,817 | - |
| One Bank -0123000000733 | 38,287,612 | 353,581 |
| Padma Bank -0113000082177 | 12,465,497 | 36,308,525 |
| Southeast Bank -0013100000010 | 3,703,059 | 55,117,094 |

Restricted Cash (IPO & Dividend Accounts):

| | | |
|---------------------------------|-------------------|--------------------|
| BRAC Bank-1505202008828001 | - | - |
| Southeast Bank- 13100000259 | - | 36,885 |
| Bank Asia -04936000126 | 123 | 12,790 |
| Bank Asia-04936000145 (2018-19) | 191,895 | 189,620 |
| Bank Asia-04936000160 (2020-21) | 975,635 | - |
| | 72,012,472 | 115,264,050 |

Less: Unclaimed Cash Dividend from Previous year 7.01

| | | |
|--|-------------------|--------------------|
| | - | 100,512 |
| | 72,012,472 | 115,163,538 |

7.01 Unclaimed Dividend:

| | | |
|----------------|------------------|----------------|
| Year 2020-2021 | 975,635 | - |
| Year 2018-2019 | 53,624 | 51,350 |
| Year 2017-2018 | 123 | 12,630 |
| Year 2016-2017 | - | 36,532 |
| | 1,029,382 | 100,512 |

8.00 Preliminary and Issue Expenses :

| | | |
|--------------------------------------|------------------|------------------|
| Opening balance | 5,331,393 | 5,775,777 |
| Less: Amortization during the period | 444,384 | 444,384 |
| | 4,887,009 | 5,331,393 |

9.00 Other Receivables :

| | | |
|-----------------------------|-------------------|-------------------|
| Interest Receivable | 6,299,067 | 11,396,605 |
| Dividend Receivable | 7,799,659 | 582,228 |
| Receivable from Brokerhouse | 6,297,288 | 14,292,455 |
| | 20,396,014 | 26,271,288 |

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| | | Amount in Taka | |
|---|-------|----------------------|----------------------|
| | | 30-Jun-22 | 30-Jun-21 |
| 9.01 Dividend Receivable : | | | |
| Aftab Auto Ltd. | | - | 83,360 |
| Dhaka Bank Limited | | - | 70,399 |
| Export Import Bank of Bangladesh Ltd. | | 2,311,793 | 254,414 |
| Heidelbrug Cement Bangladesh Ltd. | | 173,137 | 139,856 |
| One Bank Limited | | - | 34,199 |
| National Credit and Commerce Bank Limited | | 2,683,350 | - |
| Standard Bank Limited | | 354,000 | - |
| The City Bank Limited | | 199,008 | - |
| Southeast Bank Ltd. | | 640,283 | - |
| Berger Paints Bangladesh Limited | | 28,700 | - |
| Union Bank Limited | | 112,169 | - |
| Social Islami Bank Limited | | 4,736 | - |
| AB Bank Limited | | 126,080 | - |
| Bata Shoe Company (BD) Limited | | 23,088 | - |
| Multi Securities & Services Ltd. | | 1,143,317 | - |
| | | 7,799,659 | 582,228 |
| 10.00 Advances, Deposits and Prepayments : | | | |
| Advance Income Tax | | 831,355 | 729,772 |
| Advance Security deposit | | 500,000 | 500,000 |
| Prepayments | 10.01 | 3,062,828 | 2,881,723 |
| | | 4,394,183 | 4,111,494 |
| 10.01 Prepayments : | | | |
| Annual fee-BSEC | | 1,432,563 | 1,432,563 |
| Trustee fee- ICB | | 928,576 | 853,471 |
| Annual fee - DSE | | 295,666 | 295,666 |
| Annual fee - CSE | | 295,666 | 295,666 |
| CDBL Annual Fee | | 110,356 | 4,356 |
| | | 3,062,828 | 2,881,723 |
| 11.00 Liabilities for expenses: | | | |
| Audit Fee | | 40,500 | 40,500 |
| Management Fee | | 46,460 | - |
| Custodian Fee | | 715,028 | 631,664 |
| Printing & Publication & IPO Expenses | | 325,100 | 287,500 |
| | | 1,127,088 | 959,664 |
| 12.00 Other Liabilities: | | | |
| Liabilities for Tax & VAT | | 374,879 | 5,718,369 |
| | | 374,879 | 5,718,369 |
| 13.00 Capital Fund: | | | |
| Size of Fund Capital | | | |
| 143,256,343 Units of Taka 10 each | | 1,432,563,430 | 1,432,563,430 |
| | | 1,432,563,430 | 1,432,563,430 |
| 14.00 Net Asset Value (NAV): | | | |
| Total Net Assets Value at Cost | | 1,636,583,190 | 1,620,248,415 |
| Number of unit | | 143,256,343 | 143,256,343 |
| Per Unit NAV at Cost | | 11.42 | 11.31 |
| a. Total Net Assets Value at Cost | | 1,636,583,190 | 1,620,248,415 |
| b. (Unrealized loss) or Unrealized Gain | | (21,542,126) | 98,751,551 |
| Total Net Assets Value at Fair Value (a+b) | | 1,615,041,064 | 1,718,999,966 |
| Number of unit | | 143,256,343 | 143,256,343 |
| Per Unit NAV at Fair Value | | 11.27 | 12.00 |



| | Amount in Taka | |
|--|--------------------|-------------------|
| | 30-Jun-22 | 30-Jun-21 |
| 15.00 Net profit on sale of investment: | | |
| Net profit on sale of investment | 117,821,948 | 46,000,191 |
| Less: Loss on sale of Investment | 2,304,430 | 26,188,307 |
| Total | 115,517,518 | 19,811,884 |
| 16.00 Dividend from investment: | | |
| Listed securities | 40,881,144 | 32,498,180 |
| Non-Listed securities | 3,074,128 | 2,636,083 |
| | 43,955,272 | 35,134,263 |
| 17.00 Financial Income: | | |
| Interest Income from Corporate Bonds | 13,370,313 | 14,959,721 |
| Interest Income from Bank Accounts | 2,878,603 | 4,551,073 |
| | 16,248,916 | 19,510,794 |
| 18.00 Management fee: | 21,056,823 | 19,426,021 |
| 19.00 Trustee fee: | 1,714,712 | 1,403,467 |
| <p>Investment Corporation of Bangladesh (ICB) the trustee of the fund is entitled to get an annual trusteeship fee @0.10% of the net asset value per annum, payable semi-annually in advance basis during the entire life of the Fund as per Trust Deed.</p> | | |
| 20.00 BSEC annual fee: | 1,432,563 | 1,432,563 |
| <p>Annual fee paid to BSEC as per Rules 11 (1) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001.</p> | | |
| 21.00 CDBL Charge: | 263,758 | 390,201 |
| <p>CDBL charge paid to Central Depository Bangladesh Limited (CDBL) as per Annexure A-1 of CDBL Bye Laws (3.7).</p> | | |
| 22.00 Custodian fee: | 1,615,135 | 1,379,446 |
| <p>Investment Corporation of Bangladesh (ICB) the custodian of the fund is entitled to receive a safekeeping fee @ 0.10% on the balance of securities calculated on average month end value per annum as per Trust Deed.</p> | | |
| 23.00 Expenses for Capital Market Stabilization Fund | 237 | - |
| <p>In compliance with BSEC Rule-SEC/SRMIC/165-2020/part-1/166 unpaid/ unclaimed dividend with accrued interest has been transferred to BSEC Capital Market Stabilization Fund. This figure had been accrued as income in previous period but balance was not transferred to operation accounts, now full amount of unclaimed dividend and accrued interest transferred to CMSF fund as per new circular.</p> | | |
| 24.00 Earnings Per Unit (EPU): | | |
| Net profit after (provision)/writeback of unrealize loss | 102,234,907 | 287,225,683 |
| Number of unit | 143,256,343 | 143,256,343 |
| Earnings Per Unit (EPU) | 0.71 | 2.00 |



| Amount in Taka | |
|----------------|-----------|
| 30-Jun-22 | 30-Jun-21 |

25.00 Events after the Reporting Period:

The Trustee of the Fund has approved dividend for the year ended June 30, 2022 at the rate of 7.00% on the capital fund of Taka 1,432,130.00 in the form of cash and the record date will be on September 06, 2022, at the meeting held on August 14, 2022.

26.00 Others:

- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- Figures and name of previous year have been rearranged wherever considered necessary, to conform with the current year's presentation.

Asset Manager
Bangladesh RACE Management PCL

Trustee
Investment Corporation of Bangladesh (ICB)

Place: Dhaka
Date: August 14, 2022

