

**EXIM BANK 1ST MUTUAL FUND
INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



**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 2023, and the statement of profit or loss & 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 BANK 1ST MUTUAL FUND as at 30 June 2023, 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.

Emphasis of Matter

We would like to bring attention of the users of this report to the fact that Regent Spinning Mills Corporate Bond-2015 (referred to as "Note-6.03") has been considered non-performing. Therefore, the Bond Trustee along with the Asset Management Company representing bondholders is pursuing the recovery of the principal and interest from the bond's issuer (Regent Spinning Mills Limited).

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 value in Listed securities Tk. 1,215,873,123 represents 81.09% of the total assets Tk. 1,499,301,909 as at 30 June 2023. Unrealized Loss in Securities Tk.143,575,647. 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. See annexed report of date.</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 values. • Obtained year-end share holding positions from the fund and through directional testing assessed the completeness of the report; • Obtained the CDBL report (DPA6) and share portfolio and cross checked against each other to confirm status of financial instruments; • 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. 05 to the financial statements	
<p>Net Gain/(Loss) on sale of Trading securities:</p> <p>Net Gain on Sale of trading securities is Represents Tk. 73,743,106 which is 62.96% of the total income of Tk. 117,130,498 for the year ended 30 June 2023.</p>	<p>We have tested-</p> <ul style="list-style-type: none"> • Ledgers which is Electronic generated from brokerage house of respected dates of securities sales and buy • Buy and Sales rate checked with DSE website of respected dates.
Note no. 15.00 to the financial statements	
<p>Dividend Income:</p> <p>Dividend income of Tk. 37,576,595 represents 32.08% of the total income of Tk. 117,130,498 for the year ended 30 June 2023.</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. <p>Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements</p>
Note no. 16.00 to the financial statements	
<p>Management fee:</p> <p>Management fee of Tk. 18,742,832 represents 73.20% of the total expense of Tk 25,606,303 for the year ended 30 June 2023.</p>	<ul style="list-style-type: none"> • Management fee is calculated as per the Trust deed and prospectus @ 1.00% to 2.50% as per slab per annum of the weekly average NAV. • Tested some sample basis voucher with ledger balance. <p>Assessing the adequacy expense recognition, measurement and disclosures made in relation to the expense in the financial statements</p>
Expenditure of the financial statements	
<p>Advance Income Tax</p> <p>Advance income Tax of Tk. 10,654,625 shown as tax deducted from dividend and bank interest income for the year ended 30 June 2023.</p>	<ul style="list-style-type: none"> • We have tested ledger balances of figures deducted from the dividend & interest income. • Mutual Fund income was tax exempted as per SRO No-333-Ain/Aykor/2011 (dated 27.10.2011) under ITO 1984, Section 44(4)(b). The tax exemption of Mutual Fund income remains specified in the Income Tax Act



2023, Sixth Schedule, Part-1, Clause-10 (ka). In adherence to this law, the mutual fund has not made any tax provisions in its profit or loss statement and other comprehensive income.

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 expenditure incurred and payments made were for the purpose of the Fund Business, and
- e) the information and explanation required by us have been received and found satisfactory.

Place: Dhaka
Dated: August 13, 2023

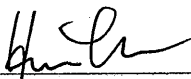
Harun-ur-Rashid FCA
Managing Partner, Enrolment No.312 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2308280312AS182928

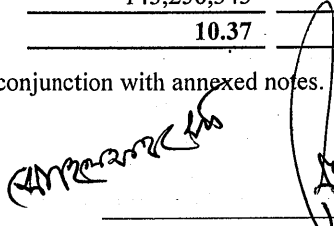


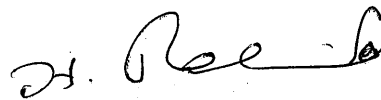
EXIM BANK 1ST MUTUAL FUND
Statement of Financial Position
As at June 30, 2023

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
A Assets			
Investment in marketable securities-at fair value	5	1,215,873,123	1,148,963,780
Investment in non-listed securities-at fair value	6	201,701,176	366,918,956
Cash & Cash Equivalents	7	48,201,285	72,012,472
Preliminary & Issue Expenses	8	4,442,624	4,887,009
Other Receivables	9	15,058,221	20,396,014
Advance, Deposit & Prepayments	10	14,025,481	4,394,183
Total Asset		1,499,301,909	1,617,572,414
B Liabilities			
Liabilities for Expenses	11	9,753,015	1,127,088
Unclaimed Dividend	7.01	1,880,450	1,029,382
Other Liabilities	12	2,231,548	374,879
Total Liabilities		13,865,013	2,531,350
C Net Asset (A-B)		1,485,436,897	1,615,041,064
D Equity			
Capital Fund	13	1,432,563,430	1,432,563,430
Dividend Equalization & TRR Reserve		77,981,382	77,981,382
Retained Earnings		(25,107,915)	104,496,252
Total Equity		1,485,436,897	1,615,041,064
Net Asset Value (NAV)-At Cost	14	1,644,581,427	1,636,583,190
No. of Units		143,256,343	143,256,343
		11.48	11.42
Net Asset Value (NAV)-at Fair Value	14	1,485,436,897	1,615,041,064
No. of Units		143,256,343	143,256,343
		10.37	11.27

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


Asset Manager
Bangladesh RACE Management PCL


Trustee
Investment Corporation of Bangladesh


Harun-ur-Rashid FCA
Managing Partner, Enrolment No. 312 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2308280312AS182928

Dhaka
Date: August 13, 2023

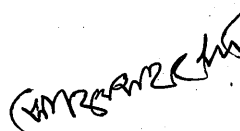





EXIM BANK 1ST MUTUAL FUND
Statement of Profit or Loss & other Comprehensive Income
For the year ended June 30, 2023

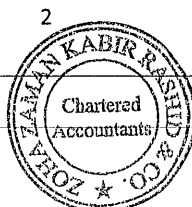
Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
A Income			
Net Profit on sale of Investment	15	73,743,106	115,517,518
Dividend from Investment	16	37,576,595	43,955,272
Financial Income	17	5,810,797	16,248,916
Total Income		117,130,498	175,721,706
B Expenditure			
Management Fee	18	18,742,832	21,056,823
Amortization of Preliminary & Issue Exp.	8	444,384	444,384
Trustee Fee	19	1,654,353	1,714,712
BSEC Annual Fee	20	1,432,563	1,432,563
CDBL Charge	21	244,131	263,758
Custodian Fee	22	1,438,233	1,615,135
CSE Annual Fee		586,512	586,512
DSE Annual Fee		586,512	586,512
Bank Charge		95,240	80,891
Audit Fee		57,500	58,500
Expenses for Capital Market Stabilization Fund	23	138,271	237
Printing Publication & IPO expenses		185,773	688,917
Total Expenditure		25,606,303	28,528,943
C Profit before Provision (A-B)		91,524,195	147,192,762
(Total Provision for VAT & write off)/ write back against erosion of fair value	24	(120,848,922)	(44,957,856)
D Net Profit after Provision transferred to retained earnings		(29,324,727)	102,234,907
Other Comprehensive Income:			
Unrealized gain/(loss)		-	-
Total Profit or Loss and Other Comprehensive Income		(29,324,727)	102,234,907
E Earnings Per Unit (EPU) for the year	25	(0.20)	0.71


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Dhaka
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EXIM BANK 1ST MUTUAL FUND
Statement of Changes in Equity
For the year ended June 30, 2023

Amount in Taka

Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2022	1,432,563,430	77,981,382	-	104,496,252	1,615,041,064
Dividend Paid- (2021-2022)	-	-	-	(100,279,440)	(100,279,440)
Net profit for the year	-	-	-	(29,324,727)	(29,324,727)
Balance at June 30, 2023	1,432,563,430	77,981,382	-	(25,107,915)	1,485,436,897

Statement of Changes in Equity
For the year ended June 30, 2022

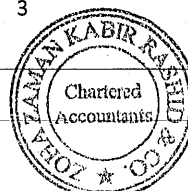
Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2021	1,432,563,430	77,981,382	98,751,551	109,703,603	1,718,999,966
Unrealized Gain	-	-	(98,751,551)	-	(98,751,551)
Dividend Paid- (2020-2021)	-	-	-	(107,442,257)	(107,442,257)
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

Asset Manager
Bangladesh RACE Management PCL

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Investment Corporation of Bangladesh

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Date: August 13, 2023


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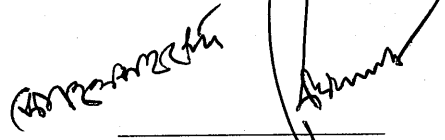





EXIM BANK 1ST MUTUAL FUND
Statement of Cash Flows
For the year ended June 30, 2023

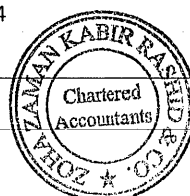
Particular	Amount in Taka	
	30-Jun-23	30-Jun-22
A. Cash Flows from Operating Activities:		
Net Profit on sale of Investment	73,743,106	115,517,518
Dividend Income	40,188,575	36,737,841
Financial Income	12,109,863	21,346,454
Other Operating Expenses	(24,310,621)	(33,543,313)
Net Cash Flow from Operating Activities	101,730,923	140,058,500
B. Cash Flows from Investing Activities:		
Net Investment in Securities	(26,113,738)	(76,796,691)
Net Cash used in Investing Activities	(26,113,738)	(76,796,691)
C. Cash Flows from Financing Activities:		
Dividend Paid-(2021-2022)	(100,279,440)	(107,442,257)
Unclaimed Dividend	851,067	1,029,382
Net Cash from Financing Activities	(99,428,373)	(106,412,875)
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(23,811,187)	(43,151,066)
E. Opening Cash and Cash Equivalents	72,012,472	115,163,538
F. Closing Cash and Cash Equivalents (D+E)	48,201,285	72,012,472
Net Operating Cash Flow Per Unit (NOCFPU)	0.71	0.98


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Dhaka
Date: August 13, 2023


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EXIM BANK 1ST MUTUAL FUND

Notes to the Accounts

For the year ended June 30, 2023

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 (Rules) 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 (Rules) 2001, Trust Deed and other applicable laws and regulations.

3.2 Basis of measurement

These financial statements have been prepared on a going concern and accrual basis under historical cost convention and initial fair value for identical asset using trade date accounting 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.

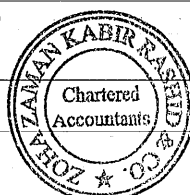
3.4 Use of estimates and judgments

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 2022 to 30 June 2023.





3.6 Taxation

The income of the Fund is exempted from Income Tax as per Bangladesh Gadget, Act no. 12 of the year 2023 approved by The President of The Peoples Republic of Bangladesh dated June 22, 2023

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.

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.

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:

Total NAV = VA - LT

NAV per unit = Total NAV / 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 of Mutual Fund Bidhimala 2001 and in case of provision write back.

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 IFRS-15 and Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

4.9 Statement of cash flows

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





5.00 Investment in marketable securities-at fair value
Capital Market Securities-Listed

5.01

Amount in Taka	
30-Jun-23	30-Jun-22
1,215,873,123	1,148,963,780
<u>1,215,873,123</u>	<u>1,148,963,780</u>

5.01 Capital Market Securities-Listed

Sector/Category	Amount in Taka				
	No. of Shares	Cost Value	Fair Value (30 June 2023)	Required (Provision)/ Excess	Fair Value (30 June 2022)
Bank	22,816,852	428,346,916	402,556,921	(25,789,995)	402,733,471
Cement	66,591	36,511,179	17,746,502	(18,764,678)	13,884,224
Food and Allied	197,500	111,512,450	102,443,250	(9,069,200)	107,341,250
Fuel and Power	221,688	9,069,256	7,537,392	(1,531,864)	8,313,300
Insurance	65,748	4,334,513	3,618,492	(716,021)	360,432
Miscellaneous	403,497	88,684,495	75,796,324	(12,888,170)	55,098,448
NBFI	833,783	70,738,601	50,961,495	(19,777,107)	55,019,479
Pharma	1,259,646	497,634,542	470,121,508	(27,513,034)	416,008,246
Tannery	9,235	10,866,732	9,390,148	(1,476,584)	12,522,827
Telecommunication	264,135	101,750,085	75,701,091	(26,048,994)	77,682,104
Total	26,138,675	1,359,448,769	1,215,873,123	(143,575,647)	1,148,963,780

6.00 Investment in non-listed securities

BSEC approved Non-listed Unit Fund (Category A)
BSEC approved investment in private equity of non-listed company (Category B)
BSEC approved Bond (Category C)

6.01

3,431,116

3,598,570

6.02

134,270,060

77,265,363

6.03

64,000,000

286,055,023

201,701,176

366,918,956

6.01 BSEC approved Non-listed Unit Fund (Category A):

Particulars	No of Quantity	Amount in Taka			
		Cost Value	Fair Value (30 June 2023)	Required (Provision)/ Excess	Fair Value (30 June 2022)
HFAML Unit Fund	356,294	3,000,000	3,431,116	431,116	3,598,570
Total of BSEC approved Non-listed Unit Fund (Category A)	356,294	3,000,000	3,431,116	431,116	3,598,570

6.02 BSEC approved investment in private equity of non-listed company (Category B):

Particulars	No of Quantity	Amount in Taka			
		Cost Value	Fair Value (30 June 2023)	Required (Provision)/ Excess	Fair Value (30 June 2022)
Best Holding Limited	861,538	57,004,697	57,004,697	-	-
Multi Securities & Services Limited	2,057,040	77,265,363	77,265,363	-	77,265,363
Total of BSEC approved investment in private equity of non-listed company (Category B)	2,918,578	134,270,060	134,270,060	-	77,265,363

6.03 BSEC approved Bond (Category C):

Particulars	No of Quantity	Amount in Taka			
		Cost Value	Fair Value (30 June 2023)	Required (Provision)/ Excess	Fair Value (30 June 2022)
Best Holding Ltd. Convertible Bond	-	-	-	-	56,000,000
Regent Spinning Mills Corporate Bond-2015	8	80,000,000	64,000,000	(16,000,000)	30,000,000
Premier Bank Ltd. Corporate Bonds	-	-	-	-	200,055,023
Total of BSEC approved Bond (Category C)	8	80,000,000	64,000,000	(16,000,000)	286,055,023

Net Provision Taken (5.01+6.01+6.02+6.03)

(159,144,530)

(21,542,126)



Amount in Taka	
30-Jun-23	30-Jun-22

***** 6.04 Investment in non-listed securities**

As on June 30, 2023 the Fund held a total of Tk 201,701,176 in non-listed securities. Each of these investments have been made by the Fund post regulatory (BSEC) approval. There are three categories of such investments (A) BSEC approved Non-listed Unit Fund; (B) BSEC approved investment in private equity of non-listed company; (C) BSEC approved Bond. The Category (A) investments are valued at the repurchase price which is enforceable on June 30, 2023 declared by respective AMC and this is also a quoted price as per IFRS-13. The investments in Category (B) are held at cost price as the underlying companies are going concerns. The valuation of Category (C) investments 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.

Category A for BSEC approved non-listed unit fund:

Investments are valued at the repurchase price which is enforceable on June 30, 2023 declared by respective AMC.

Category B. For Non-Listed Private Equity -BSEC approved (Multi Securities & Services Limited & The Best Holdings Limited):

The Fund has invested in the equity of three non-listed private companies (private equity investments), namely the (i) Multi Securities & Services Limited, which are regulated; the Multi Securities & Services Limited is regulated by Bangladesh Securities and Exchange Commission, and the quasi-regulators the Dhaka Stock Exchange and the Chittagong Stock Exchange. There is a third investment in this category, namely (ii) the pre-IPO placement equity of Best Holdings Limited. We comment in more detail on each of these three investments below:

(i) Multi Securities and Services Limited: The Fund has investment in equity of private company Multi Securities and Services Limited (MSSL) which 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 going concern and has been paying dividend regularly. Using prudence and conservative principal of accounting this investment is also held at cost by the Fund for a total investment amount of Tk. 77,265,363

(ii) The Best Holdings Limited: The Fund has investments in the pre-IPO equity of private company the Best Holdings Limited (BHL). The private equity holdings are the result of the conversion of the Fund's holdings in the Best Holdings Limited Corporate Bond, a capital market security which was approved by the Bangladesh Securities & Exchange Commission vide its consent BSEC/CI/DS-47/2015/80, February 14, 2017 to raise capital through institutional private placement. The Trustee of the Bond is well reputed Green Delta Insurance Company Limited. Background of the conversion is as follows: In consideration of the Covid-19 pandemic related significant business loss suffered by the Hospitality sector in which Best Holdings Limited (BHL) operates, the Financial Instructions Division of the Ministry of Finance of the Government of Bangladesh vide its letter 53.00.0000.331.37.002.20.375 instructed bondholders and equity holders who participated in the BHL capital raise to restructure the cash flow requirements from the Bond and equity investment instruments. Based on the better cash inflow opportunity for the equity compared to the bond, the Investment Committee of the Fund, along with some other Bondholders, chose to convert the Bond holding into BHL equity as a pre-IPO equity placement, subject to the Issuer obtaining the necessary regulatory approvals. Subsequently the regulator BSEC has issued a gazette (dated 27 July, 2023 ref: BSEC/CMRRCD/2009-193(part#06)/64/PRD/146, which has provided an implied exemption to the Bond conversion. The investment is now held at cost in the total amount of Tk. 57,004,697, which is equivalent to the principal outstanding. In the event that the regulatory approval (post facto) sets a date certain that is after the Fund's conversion date, then it may give rise to a contingent claim: depending on the regulatory decision as to which date the conversion shall occur, there may arise a claim on the Issuer of interim interest to be settled in cash or kind (equity), in the amount of taka 15,506,400/=, to be paid by Issuer in cash or kind. Due to the related uncertainties, out of prudence, the Trustee and Investment Committee of the Fund has decided to not recognize this amount in the financial statements of the Fund, and may realize it as income only after the uncertainties are resolved.

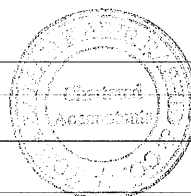
C. For Non-Listed Bond (Regent Corporate Bond-2015):

(i) Regent Spinning Mills Corporate Bond-2015: The Fund has investments in Regent Corporate Bond 2015 (the "Regent Bond"), which has been issued by Regent Spinning Mills Limited (the "Issuer") and was approved as a capital market security by Bangladesh Securities Exchange Commission approved vide BSEC letter, BSEC/CI/DS/23/2015/195, dated May 19, 2015. As on June 30, 2023 the Mutual Fund held 8 units of the Bond with Face Value of Taka 1.0 crore per unit for a total amount of Tk 80,000,000. The Regent Bond has not paid any coupon since the onset of Covid-19 pandemic in FY 2019-20, a development that has been disclosed in the financial statements of the Fund for FY 2020-21 and FY2021-22. The concern authority has conducted an initial assessment of the Regent Bond which included physical inspection of the premises, upon which it has assessed the Issuer business is a going-concern. Moreover, the assessment of assets of the Issuer, the corporate guarantor Regent Spinning Mills Limited and its group Directors as personal guarantor are held to cover the outstanding principal and interest against the Regent Bond. The Trustee and Bondholders are actively pursuing recovery efforts.

7.00 Cash and Cash Equivalents :

Bank balance with Operational Account:

EBL-1011360230190	3,363	3,299
EXIM Bank-03913100024554	17,573,101	10,765,534
Dhaka Bank-2011520000015	48,734	5,619,817
One Bank -0123000000733	1,829,009	38,287,612
One Bank -0182100000046	14,815,385	-
Padma Bank -0113000082177	12,043,216	12,465,497
Southeast Bank -0013100000010	8,027	3,703,059
Premier Bank -010413600000011	-	-
Sub-Total	46,320,835	70,844,819





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12.00 Other Liabilities:

Liabilities for Tax
Liabilities for VAT
Payable for others

13.00 Capital Fund:

Size of Fund Capital
143,256,343 Units of Taka 10 each

14.00 Net Asset Value (NAV):

Total Net Assets Value at Cost
Number of unit
Per Unit NAV at Cost

a. Total Net Assets Value at Cost
b. (Unrealized loss) or Unrealized Gain
Total Net Assets Value at Fair Value (a+b)
Number of unit
Per Unit NAV at Fair Value

15.00 Net profit on sale of investment:

Net profit on sale of investment
Total

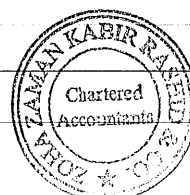
16.00 Dividend Income from investment:

ACI Limited
AB BANK Limited
Apex Footwear Limited
BANKASIA (Bank Asia Ltd.)
Bata Shoe Company (Bangladesh) Limited
BATBC
Berger Paints Bangladesh Limited
Best Holding Ltd.
BEXIMCO
Beximco Pharmaceuticals Ltd.
Bangladesh General Insurance Company Ltd.
BRACBANK (BRAC Bank Ltd.)
Dutch Bangla Bank Limited
EBL (Eastern Bank Ltd.)
EXIM Bank 1st Mutual Fund
EXIM Bank Limited
First Security Islami Bank Ltd.
Fractional Dividend
GP
Heidelbrug Cement Bangladesh Ltd.
HFAML UNIT FUND
ICB
IDLC Finance Limited
Islami Bank Bangladesh Ltd.
Lanka Bangla Finance Limited
Multi Securities & Services Limited
National Credit and Commerce Bank Limited
RENATA (Renata Ltd.)
Shahjalal Islami Bank Limited
Social Islami Bank Limited
Southeast Bank Ltd.
Square Pharmaceuticals Ltd.
Standard Bank Limited
Summit Power Ltd.
The City Bank Limited
The Premier Bank Ltd.
Union Bank Limited
United Commercial Bank Ltd.
Uttara Bank Limited

17.00 Financial Income:

Interest Income from Corporate Bonds
Interest Income from Bank Accounts

Amount in Taka	
30-Jun-23	30-Jun-22
441,966	85,953
1,597,406	14,009
192,177	274,917
2,231,548	374,879
1,432,563,430	1,432,563,430
1,432,563,430	1,432,563,430
1,644,581,427	1,636,583,190
143,256,343	143,256,343
11.48	11.42
1,644,581,427	1,636,583,190
(159,144,530)	(21,542,126)
1,485,436,897	1,615,041,064
143,256,343	143,256,343
10.37	11.27
73,743,106	115,517,518
73,743,106	115,517,518
599,110	65,000
-	126,080
-	47,600
4,485,903	5,073,596
204,094	115,438
3,653,750	6,213,250
-	114,800
862,400	431,200
1,158,381	846,360
2,352,035	2,527,035
-	319,618
197,581	183,826
1,998,337	2,351,064
2,691,041	721,481
2,311,793	-
-	2,311,798
136,647	166,405
68	1,272
5,315,717	5,017,050
66,591	173,137
213,776	356,294
167,582	-
556,445	529,997
-	1,136,865
110,898	110,898
2,286,634	2,286,634
-	3,138,762
821,464	1,948,218
38,593	30,640
7	9,246
-	2,108,173
2,944,920	1,766,952
303,850	354,000
376,870	775,908
-	199,008
3,125,801	1,865,503
117,777	112,169
478,532	414,348
-	5,651
37,576,595	43,955,272
3,860,132	13,370,313
1,950,664	2,878,603
5,810,797	16,248,916





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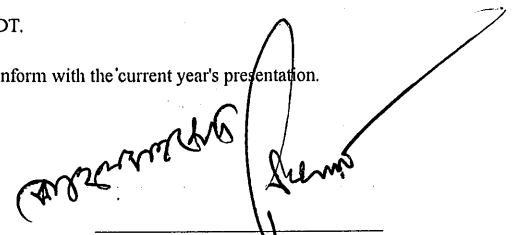
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		Amount in Taka	
		30-Jun-23	30-Jun-22
18.00	Management fee:	18,742,832	21,056,823
The Asset Management Company shall be paid annual management fee @ 2.50% per annum of the weekly average NAV up to Tk. 5 crore and @ 2.00% per annum for additional amount of the weekly average NAV above Tk 5 crore up to Tk. 25 crore and @ 1.50% per annum for additional amount of the weekly average NAV above Tk 25 crore upto to Tk 50 crore and @ 1.00% per annum for addition amount of the weekly average NAV over TK 50 crore as per Trust Deed 4.3.14.			
19.00	Trustee fee:	1,654,353	1,714,712
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.			
20.00	BSEC annual fee:	1,432,563	1,432,563
Annual fee paid to BSEC as per Rules 11 (1) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001.			
21.00	CDBL Charge:	244,131	263,758
CDBL charge paid to Central Depository Bangladesh Limited (CDBL) as per Annexure A-1 of CDBL By Laws (3.7).			
22.00	Custodian fee:	1,438,233	1,615,135
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.			
23.00	Expenses for Capital Market Stabilization Fund	138,271	237
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.			
24.00	(Total Provision for VAT and write off)/ write back against erosion of fair value		
	Provision for previous year B/F	(21,542,126)	-
	Capital Market Securities-Listed	(143,575,647)	(29,195,719)
	BSEC approved Non-listed Unit Fund (Category A)	431,116	598,570
	BSEC approved investment in private equity of non-listed company (Category B)	-	-
	BSEC approved Bond (Category C)	(16,000,000)	7,055,023
	Required Provision	(137,602,404)	(21,542,126)
	Provision for write back/write off of Regent Bond-2015	20,000,000	(20,000,000)
	Provision for VAT	(3,246,518)	(3,415,730)
		(120,848,922)	(44,957,856)
25.00	Earnings Per Unit (EPU):		
	Net profit after (provision)/writeback of unrealize loss	(29,324,727)	102,234,907
	Number of unit	143,256,343	143,256,343
		(0.20)	0.71

26.00 Events after the Reporting Period:
The Trustee of the Fund has approved dividend for the year ended June 30, 2023 at the rate of 3.00% on the capital fund of Taka 1,432,563,430.00 in the form of cash and the record date will be on September 04, 2023 at the meeting held on August 13, 2023.

- 27.00 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 names 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

Dhaka
Date: August 13, 2023