



Mahfel Huq & Co.
Chartered Accountants



Exim Bank 1st Mutual Fund
8, RajUK Avenue, BDBL Bhaban
Dhaka-1000

Auditors' Report
and
Financial Statements
As at and for the year ended 30 June 2015

MAHFEL HUQ & CO.
মাহফেল হুক এন্ড কোং
Chartered Accountants
B G I C Tower (4th Floor)
34, Topkhana Road, Dhaka-1000
Ph: 9581786, 9553143, Fax: 9571005
E-mail: mh@mahfelhuq.com
Web site: mahfelhuq.com



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Chartered Accountants



An independent member firm of *AGN* International

BGIC Tower (4th Floor), 34 Topkhana Road
D h a k a - 1 0 0 0 , B a n g l a d e s h
Tel: +88-02-9553143, 9581786, Fax: +88-02-9571005
E-mail: mh@mahfelhuq.com, Web: www.mahfelhuq.com

Independent Auditors' Report To the Trustee of Exim Bank 1st Mutual Fund

We have audited the accompanying Financial Statements of **Exim Bank 1st Mutual Fund** which comprises the statement of Financial Position as at 30 June 2015, statement of Profit & Loss and other comprehensive Income, statement of changes in equity, statement of cash flows and other explanatory notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS)/ Bangladesh Accounting Standards, Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, Trust Deed and other applicable laws and regulations. This responsibility includes designing, implementing internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies; and making accounting estimates that reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements prepared in accordance with the Bangladesh Accounting Standards (BAS) / Bangladesh Financial Standards present fairly, in all material respects, the financial position of **the Fund** as at 30 June 2015 and of the results of its operations and its cash flows for the year then ended and comply with the requirements Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, Trust Deed and other applicable laws and regulations.

We further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 these books;
- c) the Fund financial statements 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 and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001;and
- e) the expenditure incurred was for the purposes of the Fund business.

Dated, Dhaka;
13 August 2015



MAHFEL HUQ & Co.
Chartered Accountants



EXIM Bank 1st Mutual Fund
Statement of Financial Position
as at 30 June 2015

	Notes	Amounts in Taka	
		30-Jun-15	30-Jun-14
<u>ASSETS</u>			
Investment -Listed Securities at cost	3.00	749,367,763	500,565,166
Investment -Non-Listed Securities at cost	4.00	79,935,232	209,996,782
Cash and Cash Equivalents	5.00	372,501,775	418,788,697
Other Current Assets	6.00	10,784,716	16,618,542
Preliminary and Issue Expenses	7.00	10,652,429	11,976,275
Total Assets		1,223,241,915	1,157,945,462
<u>CAPITAL AND LIABILITIES</u>			
Unit Holders' Equity		1,214,544,225	1,127,548,349
Unit Capital Fund	8.00	1,104,529,610	1,000,000,000
Unit Premium		15,470,390	-
Market Risk Reserve	2.05	-	-
Retained Earnings		94,544,225	127,548,349
Current Liabilities and Provisions	9.00	8,697,690	30,397,113
Total Capital and Liabilities		1,223,241,915	1,157,945,462
Net Asset Value (NAV) per unit			
At Cost	10.00	11.00	11.28
At Market (Adjusted)	11.00	11.12	11.36

The accompanying notes form an integral part of these financial statements.



Trustee


Asset Manager

Signed in terms of our separate report of even date annexed.

Dated, Dhaka
August 13, 2015





Mahfel Huq & Co
Chartered Accountants



EXIM Bank 1st Mutual Fund
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015

	Notes	Amounts in Taka	
		2015	2014
<u>INCOME</u>			
Dividend from Investment in Shares		24,953,391	22,315,126
Net Income on Sale of Marketable Securities	12.00	30,476,981	9,101,030
Interest on Bank Deposits and Corporate Bonds	13.00	52,964,816	155,478,868
		108,395,188	186,895,024
<u>EXPENDITURE</u>			
Management Fees		15,840,631	50,713,161
Amortization of Preliminary Expenses		1,323,846	1,265,815
Publication of Periodical Reports Expenses		290,271	75,579
Annual Listing Fees		1,718,588	4,095,000
Trustee Fees		1,154,957	2,496,983
Custodian Fees		565,790	123,770
CDBL Charges		207,156	97,041
Audit Fees		46,000	34,500
Bank Charges		63,973	192,523
Other Operating Expenses		188,100	252,303
		21,399,312	59,346,675
Net Profit for the year		86,995,875	127,548,349
Earnings per Unit	14.00	0.79	1.15

The accompanying notes form an integral part of these financial statements.

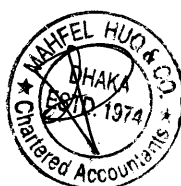

Trustee


Asset Manager

Signed in terms of our separate report of even date annexed.

Dated, Dhaka
August 13, 2015


Mahfel Huq & Co.
Chartered Accountants





EXIM Bank 1st Mutual Fund
Statement of Changes in Equity
For the year ended 30 June 2015

Particulars	Amount in Taka			
	Unit Capital Fund	Unit Premium	Retained Earnings	Total Equity
Balance at 30 June 2013	-	-	-	-
Capital Contribution	1,000,000,000			1,000,000,000
Profit during the year			127,548,349	127,548,349
Balance at 30 June 2014	1,000,000,000	-	127,548,349	1,127,548,349
Dividend for 2013-14	-	-	(120,000,000)	(120,000,000)
Profit during the year	-	-	86,995,876	86,995,876
Re-investment units	104,529,610	15,470,390	-	120,000,000
Balance at 30 June 2015	1,104,529,610	15,470,390	94,544,225	1,214,544,225





**EXIM Bank 1st Mutual Fund
Statement of Cash Flows
For the year ended 30 June 2015**

	Amounts in Taka	
	2015	2014
Cash Flows from/ (used) in Operating Activities:		
Interest on Bank Deposits and Corporate Bonds	59,444,767	142,497,531
Dividend Income	24,565,040	21,256,466
Profit on sale of investment	30,477,007	9,101,030
Advance Deposit and Prepayments	(3,131,320)	(2,573,618)
Operating Expenses	(33,777,979)	(34,072,926)
Net Cash Flows from Operating Activities	77,577,516	136,208,483
Cash Flows from/ (used) in Investing Activities:		
Investments in Listed Securities	(253,925,988)	(495,446,729)
Investment in Non Listed Securities	130,061,551	(209,996,782)
Preliminary Expenses	-	(11,976,275)
Net Cash Used in Investing Activities	(123,864,438)	(717,419,786)
Cash Flows from/ (used) in Financing Activities :		
Unit Fund	-	1,000,000,000
Net Cash from Financing Activities	-	1,000,000,000
Net Increase / (Decrease) in Cash and Cash Equivalents	(46,286,922)	418,788,697
Cash and Cash Equivalents at the Beginning of the year	418,788,697	-
Cash and Cash Equivalents at the end of the year	372,501,775	418,788,697
Net Operating Cash Flow Per Unit	0.70	1.23





EXIM Bank 1st Mutual Fund
Notes to the Financial Statements
as at and for the year ended 30 June 2015

1.00 Introduction

EXIM Bank 1st Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 29 November 2010 between Export Import Bank of Bangladesh Limited (EXIM Bank) as a 'Sponsor' and the Investment Corporation of Bangladesh (ICB) as a "Trustee" under the Trust Act 1882 and Registration Act 1908. The Fund was registered with the Bangladesh Securities and Exchange Commission (BSEC) on 12 December 2010 vide registration no . SEC/Mutual fund/2010/36 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা ২০০৯. The operations of the Fund was commenced on 16 July 2013 by listing with Dhaka and Chittagong Stock Exchanges.

The Investment Corporation of Bangladesh (ICB) is custodian of the fund and Bangladesh RACE Management PCL manages the operations of the Fund as Fund Manager.

1.01 Objectives

The objective of EXIM Bank 1st Mutual Fund is to earn superior risk adjusted return by maintaining a diversified investment portfolio and provided attractive dividend payments to the unit holders.

2.00 Significant Accounting Policies

2.01 Basis of Accounting

These financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), applicable to the Fund so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS)/Bangladesh Financial Reporting Standards(BFRS). The disclosures of information made in accordance with the requirements of Trust Deed, Securities and Exchange Rules 1987, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা ২০০৯ and other applicable Rules and regulations.

2.02 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 recognized 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.





2.02 Presentation of financial statements

The financial statements are prepared and presented covering the year from 01 July 2014 to 30 June 2015, comparative figures (FY 2013-2014) represents from the listing to year end period (16 July 2013 to 30 June 2014) along with the transaction before listing date from registration date are duly accounted as net income of BDT 47,956,920.66 (income 88,804,555.07 and expenses total of BDT 40,847,634.41). All income & expenses were recorded in the financial statement under appropriate head of accounts.

2.03 Investment

All purchases and sales of securities that require delivery within the time-frame established by regulation or market convention are recognized at the date of trading i.e. the date on which the Fund commits to purchase or sell the investment. Bonus entitlements, if any, are not accounted for as income rather included in the portfolio to reduce the average cost after being confirmed on respective AGM date.

- Investment is recorded in the Balance Sheet at cost.
- Fair value of listed securities (other than mutual fund) are disclosed at closing quoted market prices prevailed as at 30 June 2015.
- Fair value of listed mutual funds are valued at intrinsic value as per BSEC directive (No. SEC/CMRRCD/2009-193/172).

2.05 Market Risk Reserve

The difference between cost & fair market value of investment on aggregated portfolio basis (note 3 & 4) is shown as Market Risk Reserve. However on 30 June 2015, aggregate fair value of investment is upper than cost value, hence no provision is required to date.

2.06 Revenue Recognition

- Gain/losses arising on sale of investment are included in the Profit and Loss Account on the date at which transaction takes place.
- Cash dividend is recognized when the unitholders' right to receive payment is established.
- Interest income is recognized on time proportion basis.

2.07 Taxation

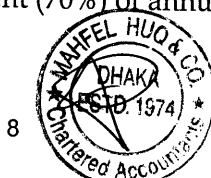
The income of the Fund is exempted from Income Tax as per SRO No. 333-Act/Income Tax/2011 dated 10 November 2011, under Section 44(4) clause (b) of Income Tax Ordinance, 1984; hence no provision for tax is required.

2.08 Amortization of Preliminary and Issue Expenses

Preliminary and issue expenses represent expenditure incurred prior to commencement of operations and establishment of the Fund. These costs are amortized within ten years' tenure after adjusting interest income from escrow accounts as per trust deed and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

2.09 Dividend Policy

Pursuant to rules 66 of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা ২০০১, the Fund is required to distribute its profit by way of dividend either in cash or re-investment units dividend or both to the holders of the units after the closing of the annual accounts an amount that shall not be less than seventy percent (70%) of annual profit earned during the year.





2.10 Dividend Equalization Reserve

In accordance with rule 67(2) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা ২০০১, Dividend Equalization Reserve should be created for consistency for payment of dividend . But last year no decision in this respect has been taken at trustee meeting . For this reason this reserve has not been created.

2.11 Management Fee

Management fee is charged as per the Trust Deed and under the provisions of the Securities and Exchange Commission (Mutual Fund) Rules 2001.

2.12 Trustee Fee

The Trustee shall be paid an annual Trusteeship fee @ 0.10 % of the Net Asset Value (NAV) of the fund on semi-annual in advance basis during the life of the fund or as may be agreed upon between the parties.

2.13 Custodian Fee

Investment Corporation of Bangladesh, as 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

2.14 Annual Fee to BSEC

Annual fee at the rate of 0.10% of the fund size was paid to Bangladesh Securities and Exchange Commission (BSEC) as per Rules 11 (1) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা ২০০১.

2.15 Earnings Per Unit

Earnings per unit has been calculated in accordance with Bangladesh Accounting Standard – 33 “Earnings per Share” and shown on the face of statement of profit or loss and other comprehensive income.

2.16 General

- a) Figures appearing in these financial statements have been rounded off to nearest Taka.
- b) Previous year's figures have been re-arranged, where necessary, to conform to current year presentation.





Amount in Taka	
30-Jun-15	30-Jun-14

3.00 Investments -Listed Securities at Cost

This is made up as follows:

Investment in Listed Securities (note 3.01)
Investment in IPO

749,367,763	400,565,166
-	100,000,000
749,367,763	500,565,166

3.01 Investment in Listed Securities

Sector/Category	No. of Share	Amount in Taka			
		Cost	Market Value	Required Provision	Cost-2014
Bank	17,094,693	257,861,123	226,697,442	(31,163,681)	168,012,008
Cement	358,827	46,838,831	57,440,732	10,601,901	19,008,354
Ceramic	8,000	583,440	591,960	8,520	-
Corporate Bond	40,265	40,161,519	37,607,107	(2,554,412)	40,161,922
Engineering	216,837	15,269,074	14,287,268	(981,806)	399,665
Food and Allied	101,929	37,010,944	42,426,928	5,415,985	6,451,311
Fuel and Power	629,689	66,416,926	68,266,946	1,850,020	39,492,921
Insurance	21,400	3,511,982	2,888,886	(623,096)	500,040
IT	40,000	1,287,200	1,123,600	(163,600)	-
Miscellaneous	1,400	763,959	1,004,149	240,190	279,195
Mutual Funds	497,500	5,895,833	5,895,659	(174)	2,282,520
NBFI	250,827	23,156,079	24,742,157	1,586,077	17,589,677
Pharma	358,078	116,629,040	129,552,679	12,923,639	55,969,433
Tannery	14,206	8,871,274	8,557,857	(313,417)	1,579,470
Telecommunication	467,755	99,625,346	111,362,586	11,737,240	26,178,357
Textile	253,897	16,307,688	14,906,374	(1,401,314)	14,394,963
Travel & Leisure	214,730	9,177,503	7,798,365	(1,379,139)	8,265,331
Total	20,570,033	749,367,763	755,150,696	5,782,933	400,565,166

4.00 Investment -Non-Listed Securities at cost

Particulars	Amount in Taka			
	Cost	Fair Market Value	Required Provision	Cost-2014
Bank Asia Zero Coupon Bond	29,935,232	34,929,949	4,994,718	39,996,782
Renata Limited Short Term Bond	-	-	-	70,000,000
Sk. Akijuddin Limited Short Term Bond	-	-	-	100,000,000
The Premier Bank Non-Convertible Variable	50,000,000	52,732,316	2,732,316	-
Total	79,935,232	87,662,265	7,727,034	209,996,782

Total Required Provision: Note (3+4)	13,509,966
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5.00 Cash and Cash Equivalents

Fixed Term Deposit		
Cash at bank with operational accounts	147,045,088	353,666,105
Eastern Bank Ltd. (1011360230190)	32,643	4,695,948
EXIM Bank Ltd. (03913100024554)	7,839,741	3,567,070
NRB Bank Ltd. (1021030021849)	340,046	-
One Bank Ltd. (0123000000733)	111,047,221	3,636,796
Southeast Bank Ltd. (0013100000010)	106,197,037	1,378,193
The Premier Bank Ltd. (010413600000011)	-	51,550,275
Cash at Bank with IPO account		
BRAC Bank Ltd. (1505202008828001)	-	294,309
Cash at Bank with Dividend account		
One Bank Ltd. (0013000001222)	-	-
	372,501,775	418,788,697





Amount in Taka	
2015	2014

6.00 Other Current Assets

Receivable from Sundry Securities	4,901	4,927
Advance, Deposits and Prepayments (Note-6.01)	2,831,418	2,573,618
Dividend Receivables (Note-6.02)	1,447,011	1,058,660
Interest Receivable (Note-6.03)	6,501,386	12,981,337
	10,784,716	16,618,542

6.01 Advance, Deposits and Prepayments

BSEC Annual Fee	1,104,530	1,000,000
DSE Annual Fee	50,000	47,500
CSE Annual Fee	50,000	47,500
CDBL Annual Fee	126,910	-
Trustee Fee -ICB	592,032	565,968
Security Deposit -CDBL	500,000	500,000
Income Tax	407,947	412,650
	2,831,418	2,573,618

6.02 Dividend Receivables

Active Fine Chemicals Limited	5,700	-
BSRM Steels Limited	72,000	-
Bata Shoe Company (Bangladesh) Limited	41,013	4,200
Beximco Pharma	54,000	-
Bangladesh Steel Re-Rolling Mills Limited	2,000	-
Delta Life Insurance Company Ltd.	28,000	-
Eastern Bank Ltd.	-	22,000
EXIM Bank Limited	-	-
GlaxoSmithKline(GSK) Bangladesh Limited	49,308	-
Heidelbrug Cement Bangladesh Ltd.	-	444,600
Lafarge Surma Cement Ltd.	-	88,500
Marico Bangladesh Limited	9,000	-
MJL Bangladesh Ltd.	-	338,560
Orion Pharmaceuticals Ltd.	69,000	-
Reckitt Benckiser Bangladesh Ltd	4,480	-
Renata Ltd.	306,400	109,800
Square Textile Ltd.	370,700	51,000
Summit Power Ltd.	92,000	-
Summit Purabanchol Power Company Ltd.	2,500	-
The City Bank Limited	86,250	-
Unique Hotel & Resorts Ltd.	253,460	-
United Power Generation & Distribution Company Ltd.	1,200	-
	1,447,011	1,058,660

6.03 Interest Receivables

Corporate Bonds	3,595,550	6,098,735
FDR Accounts	2,750,060	5,964,320
Operational Accounts	155,776	918,282
	6,501,386	12,981,337

7.00 Preliminary & Issue expenses

Opening Balance	11,976,275	45,483,890
Interest income from Escrow Account	-	(32,241,800)
Amortization of Preliminary Expenses	(1,323,846)	(1,265,815)
	10,652,429	11,976,275

8.00 Unit Capital Fund

100,000,000 units of Taka 10 each fully paid in cash	1,000,000,000	1,000,000,000
1,04,52,961 units of Taka 10 each re-investment units	104,529,610	-
	1,104,529,610	1,000,000,000

The units are listed with the Dhaka & Chittagong Stock Exchange quoted at Taka 5.10 & Tk. 5.50 both on balance sheet date.





	Amounts in Taka	
	2015	2014
9.00 Current Liabilities and Provisions		
Management Fee	7,570,464	19,194,582
Payable to Sundry Securities	-	5,123,365
Custodian Fee	565,790	123,770
Audit Fee	36,000	27,000
Publication of Reports Expenses	100,000	
Other Expenses	100,000	-
Tax at source	319,436	2,874,603
VAT at source	6,000	3,053,793
	8,697,690	30,397,113
10.00 Net Asset Value per unit at Cost		
Net Asset Value (NAV)	1,214,544,225	1,127,548,349
Number of Units	110,452,961	100,000,000
NAV per Unit at Cost	11.00	11.28
11.00 Net Asset Value per Unit at Market		
Net Asset Value (NAV)	1,228,054,191	1,136,395,556
Number of Units	110,452,961	100,000,000
NAV per Unit at Market (Adjusted)	11.12	11.36
12.00 Net Profit on Sale of Investments		
Bank	(7,531)	-
Cement	(10,364)	1,441,725
Ceramic	52,468	-
Engineering	3,423,688	-
Food & Allied	1,710,718	-
Fuel & Power	149,119	-
Insurance	2,435,389	851,018
Miscellaneous	1,788,368	-
NBFI	18,534	508,757
Pharma & Chemical	15,716,367	2,276,256
Service & Real Estate	165,569	-
Telecommunication	231,038	-
Textile	4,853,341	4,023,273
Travel & Leisure	(49,723)	-
	30,476,981	9,101,030
13.00 Interest on Bank Deposits and Corporate Bonds		
Operational Accounts	13,803,653	111,336,159
Fixed Deposit Receipts	24,432,884	37,606,714
Corporate Bonds	14,728,279	6,535,995
	52,964,816	155,478,868
14.00 Earnings per Unit		
Profit for the year	86,995,875	127,548,349
Number of Units	110,452,961	110,452,961
Earnings per Unit	0.79	1.15





15.00 Post Closing Events

Following events have occurred since the balance sheet date:

- (a) The Trustee committee of the fund recommended dividend at 8% in the form of re-investment at the meeting held on August 13, 2015 for the year ended June 30, 2015. The dividend will be issued at a valuation of the last published NAV per unit before the record date on September 03, 2015.
- (b) Except for the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in, the financial statements or notes thereto.

16.00 Comparative Figures

Certain comparative figures have been reclassified from statements previously presented to conform to the presentation adopted during the year ended 30 June 2015

17.00 Approval of the Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the Fund's board of Trustee on August 13, 2015.

Trustee

Asset Manager

Dated, Dhaka
August 13, 2015

